

Stenographic Transcript  
Before the

COMMITTEE ON  
ARMED SERVICES

## **UNITED STATES SENATE**

HEARING 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

Thursday, April 7, 2022

Washington, D.C.

ALDERSON COURT REPORTING  
1111 14TH STREET NW  
SUITE 1050  
WASHINGTON, D.C. 20005  
(202) 289-2260  
[www.aldersonreporting.com](http://www.aldersonreporting.com)

1 HEARING TO RECEIVE TESTIMONY ON THE DEPARTMENT OF DEFENSE  
2 BUDGET POSTURE IN REVIEW OF THE DEFENSE AUTHORIZATION  
3 REQUEST FOR FISCAL YEAR 2023 AND THE FUTURE YEARS DEFENSE  
4 PROGRAM

5  
6 Thursday, April 7, 2022

7  
8 U.S. Senate

9 Committee on Armed Services

10 Washington, D.C.  
11

12 The committee met, pursuant to notice, at 9:32 a.m. in  
13 Room SD-G50, Dirksen Senate Office Building, Hon. Jack Reed,  
14 chairman of the committee, presiding.

15 Committee members present: Senators Reed [presiding],  
16 Shaheen, Gillibrand, Blumenthal, Hirono, Kaine, King,  
17 Warren, Peters, Manchin, Rosen, Kelly, Inhofe, Wicker,  
18 Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Cramer,  
19 Scott, Blackburn, Hawley, and Tuberville.  
20  
21  
22  
23  
24  
25

1

2           OPENING STATEMENT OF HON. JACK REED, U.S. SENATOR FROM  
3 RHODE ISLAND

4           Chairman Reed: Good morning. The committee meets  
5 today to receive testimony on the President's budget request  
6 for the Department of Defense for Fiscal Year 2023.

7           Our witnesses this morning are Secretary of Defense  
8 Lloyd Austin, Under Secretary of Defense (Comptroller)  
9 Michael McCord, and Chairman of the Joint Chiefs of Staff  
10 General Mark Milley. Thank you for appearing before us  
11 today, and please extend the committee's thanks to the  
12 uniformed and civilian men and women of the Defense  
13 Department who selflessly serve the nation.

14           Last week, President Biden released his Defense  
15 Department budget request for Fiscal Year 2023 with a top  
16 line of \$773 billion. The request focuses on several key  
17 areas, including prioritizing China as our key strategic  
18 competitor, addressing the acute threats posed by Russia and  
19 other adversaries, and modernizing the Defense Department.  
20 Our national security challenges have never been more stark.

21           One month ago, Russia unleashed its illegal and  
22 unprovoked, and indeed, a barbaric attack on Ukraine,  
23 upending peace and stability in Europe. Putin's invasion  
24 has inflicted horrific suffering upon innocent civilians in  
25 Ukraine, threatened European security, and caused serious

1 consequences for the global economy.

2 The Ukrainian military has performed heroically in the  
3 face of this overwhelming violence and the Ukrainian people  
4 have shown the world what true courage looks like.

5 If Putin thought his actions would drive a wedge  
6 between NATO members and within the international community,  
7 he was badly mistaken. The conflict in Ukraine has  
8 reinvigorated the NATO alliance and exposed the brittle  
9 nature of Putin's regime. Since the start of the conflict,  
10 the international community has implemented a severe and  
11 far-reaching series of economic and energy sanctions against  
12 Russia, increased military and humanitarian assistance to  
13 Ukraine, and reinforced NATO's military presence along the  
14 eastern flank. The international community has united in a  
15 way not seen in decades, and our potential adversaries  
16 around the world are taking note.

17 With that in mind, this budget request appropriately  
18 recognizes China and then Russia, as the key strategic  
19 competitors for our military. Concurrent with the  
20 release of the budget, the Defense Department submitted to  
21 Congress classified versions of the National Defense  
22 Strategy, the national Nuclear Posture Review, and the  
23 Missile Defense Review. These, along with other strategic  
24 planning documents yet to be released, will serve as key  
25 guideposts for this committee as we take a clear-eyed

1 approach to what is necessary to succeed in our long-term  
2 strategic competition.

3 An essential element of our strategy going forward is  
4 the need to build the joint capabilities of our armed forces  
5 across all domains, including space, cyber, and information  
6 operations, and I am interested to hear from our witnesses  
7 how this budget supports joint capabilities to ensure our  
8 military remains the world's premier fighting force.

9 I am encouraged that this budget includes the largest-  
10 ever request for research, development, testing, and  
11 evaluation: a total of \$130 billion, or a 9.5 percent  
12 increase over last year's enacted levels. The budget  
13 includes significant funding for modernization areas such as  
14 microelectronics, artificial intelligence, hypersonics,  
15 and 5G; technologies which will be critical for our national  
16 defense.

17 Our strategy toward China and Russia should not be  
18 solely defined in dollars by "how much," but rather "where"  
19 and "why" to achieve the greatest comparative advantage.

20 I am also pleased to see that this budget request places a  
21 priority on taking care of our men and women in uniform and  
22 the civilians who serve alongside them, by including an  
23 across-the-board pay raise for military and civilian  
24 personnel of 4.6 percent. While this pay raise is required  
25 by law for military personnel, too often Defense Department

1 civilians have been overlooked. This increase in civilian  
2 pay sends an important message to the workforce.

3 Keeping our strategic competition with China front and  
4 center, this budget request includes \$6.1 billion for  
5 priorities covered by the Pacific Deterrence Initiative, or  
6 PDI. Although we are awaiting the specific details of the  
7 Department's PDI request, I am encouraged by the progress we  
8 have made thus far and this committee will continue working  
9 to help improve the design and posture of the joint force in  
10 the Indo-Pacific region, including by improving logistics,  
11 modernizing infrastructure, conducting exercises and  
12 training, and building the capabilities of our allies and  
13 partners.

14 This budget request also includes \$12.1 billion for  
15 military construction projects, and I am particularly  
16 pleased to see increases in the Energy Resilience  
17 Conservation Investment Program. The improvements to our  
18 facilities' sustainment, repair, and modernization will go a  
19 long way toward the Joint Force's readiness. This effort is  
20 further supported by the budget request's initiatives to  
21 weapons platform propulsion efficiencies to save fuel.

22 With regard to our nuclear strategy, I understand that  
23 the budget request supports important steps for the  
24 modernization of our nuclear triad. Given the reckless  
25 statements by Putin over the past several months, including

1 an out-of-cycle nuclear exercise before invading Ukraine,  
2 our allies and partners depend on our extended deterrence  
3 now more than ever.

4 We must also be acutely aware of China's rapidly  
5 growing arsenal. Modernization of our strategic forces is  
6 needed to reassure not only our allies but deter any attack  
7 on our homeland by either of our near-peer, nuclear-armed  
8 competitors. But even as we modernize, we should seek ways  
9 to promote strategic stability, including follow-on talks  
10 beyond New START to cover all types of nuclear weapons and,  
11 if possible, reduce nuclear stockpiles when verifiable for  
12 all parties.

13 Given these strategic threats, the proposed investment  
14 in tried-and-true platforms like the Columbia- and Virginia-  
15 class submarines is a prudent decision. Similarly, this  
16 budget supports the development of a new long-range stealth  
17 bomber, strengthening the fighter fleet, and building up the  
18 defense industrial base, including upgrades to the Navy's  
19 public and private shipyards. Keeping the nature of  
20 strategic competition in mind, however, it is also necessary  
21 to divest of platforms and capabilities that are either not  
22 necessary or inefficient for supporting our strategy.

23 Belt-tightening in any department, particularly  
24 Defense, is always a challenge, but it is also an  
25 opportunity to evaluate what is necessary and what drives

1 innovation. The Department has taken the first difficult  
2 step in proposing \$2.8 billion worth of divestments and  
3 retirements of platforms, and I will work with my colleagues  
4 to evaluate these proposals and make hard, but necessary,  
5 choices.

6 Amidst a global pandemic, climate change, economic  
7 uncertainty, renewed Russian aggression in Europe, and  
8 disruptive technologies in the hands of competitors, we have  
9 to recognize the interconnected nature of the threats before  
10 us. Congress must make thoughtful decisions about how we  
11 resource and transform our tools of national power. Now  
12 that President Biden has issued his budget request, the  
13 Committee can begin our work of crafting an NDAA that meets  
14 America's needs now and in the future.

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

17 [The statement of Chairman Reed follows:]

18

19

20

21

22

23

24

25



1 Chairman Reed: Let me now recognize Ranking Member  
2 Inhofe.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1           STATEMENT OF HON. JAMES INHOFE, U.S. SENATOR FROM  
2 OKLAHOMA

3           Senator Inhofe: Thank you, Mr. Chairman. I thank you,  
4 and I join in welcoming our witnesses.

5           For 4 years, this committee has been using this 2018  
6 document, the National Defense Strategy Commission and I  
7 don't recall ever having one document hanging around for so  
8 long. The 12 who got involved with this to start with did a  
9 good job in putting us where we are now.

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

16          There are some things that we will probably have  
17 disagreements about. We have done that in the past, but we  
18 continue to consider the new strategy. For example, there  
19 are, there may be some areas of the strategy that the  
20 administration is willing to take risks, and the Congress  
21 may or may not agree.

22          But it is clear, and I really can't stress this enough,  
23 the Chinese threat is beyond anything that we have dealt  
24 with before in our lives.

25          General Milley, last year, you told us that the Chinese

1 and Russians, combined, spend more than we did on national  
2 defense. This year, Beijing announced an additional 7.1  
3 percent increase in their defense budget. This is a scary  
4 thing; this is a big deal.

5 Mr. Secretary, I do appreciate that based on the new  
6 NDS, that you went to the White House to ask for more  
7 resources, and I appreciate that very much. But even then,  
8 the budget just doesn't rise to the moment. It doesn't  
9 deliver the real growth our military needs. And it says it  
10 very clearly in this document, in the very beginning of the  
11 document, the 3 percent-to-5 percent range is where we need  
12 to be. And that real growth is a recommendation that comes  
13 from the bipartisan committee.

14 The budget also doesn't reckon with record-high  
15 inflation we are seeing today in the realm of 7 to 8  
16 percent. And on the bipartisan basis, Congress tried to  
17 give our defense budget real growth in 2022, but the  
18 military will end up losing buying power due to inflation.  
19 This historic inflation is a new, I call it the "new  
20 sequestration." We all remember when we went through  
21 sequestration together.

22 And for me, this isn't just about how much money we  
23 spend on defense; this is about how we spend that money.

24 And we need a higher top line because what is0 in this  
25 budget right now is not nearly enough to make up for lost

1 time.

2 This budget shrinks both, our naval fleet and our Air  
3 Force aircraft fleet. It cuts end-strength. The end-  
4 strength has been very disturbing to all of us and I am glad  
5 to see the investments in research and development. So some  
6 good things are out there working and we are all doing it  
7 together.

8 And the reason I took so long in this opening is that  
9 this is the first budget hearing of the season. You know,  
10 people don't realize that this goes on 12 months a year, and  
11 that is what this is all about. And we are going to do a  
12 good job.

13 Thank you, Mr. Chairman.

14 [The statement of Senator Inhofe follows:]

15

16

17

18

19

20

21

22

23

24

25

1 Chairman Reed: Well, thank you very much, Senator  
2 Inhofe.

3 And thank you, Mr. Secretary, the Chairman, and  
4 Secretary McCord.

5 We have been informed that there is a vote that will  
6 commence at 10:00 a.m. There will be three votes in order.

7 So, we will be slipping out, ones and twos, but we will  
8 continue the hearing throughout the morning and then we will  
9 go into the classified section at the conclusion of this  
10 open session.

11 With that, let me address a question to Secretary  
12 McCord.

13 I am trying to anticipate the votes, so I jumped ahead.

14 Secretary Austin, let me recognize you for your opening  
15 statement.

16 [Laughter.]

17

18

19

20

21

22

23

24

25

1           STATEMENT OF HONORABLE LLOYD AUSTIN III, SECRETARY OF  
2 DEFENSE

3           Secretary Austin: Well, thank you, Chairman.

4           Good morning. Chairman Reed, Ranking Member Inhofe,  
5 distinguished members of the committee, thanks for the  
6 opportunity to testify today in support of the President's  
7 budget request for fiscal year 2023.

8           It is great to be here with General Milley, who has  
9 been an outstanding partner. And I am also glad to be  
10 joined today by our comptroller and chief financial officer,  
11 Mike McCord.

12           Mr. Chairman, we are still focused on three key  
13 priorities at the Department of Defense and they include  
14 defending our nation, taking care of our people, and  
15 succeeding through teamwork. And the budget request that we  
16 have submitted to you helps us meet each one of those  
17 priorities.

18           Our budget seeks more than \$56 billion for air power  
19 platforms and systems and more than \$40 billion to maintain  
20 our dominance at sea, including buying nine more battle  
21 force ships and almost \$13 billion to support and modernize  
22 our combat-credible forces on land. Our budget request also  
23 funds the modernization of all three legs of the nuclear  
24 triad do ensure that we maintain the safe, secure, and  
25 effective strategic deterrent.

1           Of course none of these capabilities matter without our  
2 people and their families. So, we are seeking your support  
3 for a 4.6 percent pay raise for our military and civilian  
4 personnel and other special pay and benefits. We also plan  
5 to invest in outstanding and affordable childcare and the  
6 construction of on-base child-development centers and  
7 ensuring that all our families can always put good and  
8 healthy food on the table.

9           We are also deeply focused on the terrible problem of  
10 suicide in the U.S. military. And I will keep on saying it:  
11 mental health is health, period. So, we are increasing  
12 access to mental health care, expanding telehealth  
13 capacities, and fighting the tired, old stigmas against  
14 seeking help. And with your support, I have just ordered  
15 the establishment of an independent review committee to help  
16 us grapple with suicide, to better understand it, to prevent  
17 it, and treat the unseen wounds that lead to it.

18           At the same time, we are still working hard to  
19 implement the recommendations of the Independent Review  
20 Commission on Sexual Assault, because we know that we have a  
21 long way to go to rid ourselves of this scourge. Our budget  
22 seeks nearly \$480 million for that enterprise. Sexual  
23 assault is not just a crime; it is an affront to our values  
24 and to everything that we are supposed to represent to each  
25 other and to this country. And this is a leadership issue

1 and you have my personal commitment to keep leading.

2 Now, while I am on the topic of leadership, let me  
3 briefly address our military's role in the world, because,  
4 as I have said, we succeed through teamwork. And as I have  
5 witnessed myself in the last several weeks, countries around  
6 the world continue to look to the United States to provide  
7 that sort of leadership. With help from Congress, we have  
8 been able to rush security assistance to Ukraine to help the  
9 Ukrainian people defend their lives and their country and  
10 their freedom.

11 Last October, I visited Kyiv to meet both, my Ukrainian  
12 counterpart and President Zelenskyy. And we discussed our  
13 deepening defense partnership and our unwavering support for  
14 Ukrainian sovereignty in the face of Russian aggression.

15 Even before Russia's unprovoked and illegal invasion,  
16 we provided Ukraine with a billion dollars' worth of weapons  
17 and gear through presidential drawdown authority. Now, we  
18 are delivering on another billion dollars pledged by  
19 President Biden.

20 And our budget includes \$650 million more for security  
21 assistance in Europe, including \$300 million for the Ukraine  
22 Security Assistance Initiative. And just a couple of days  
23 ago, the President authorized an additional \$100 million to  
24 send more Javelin anti-armor systems, weapons that will  
25 provide critical support to the Ukrainians as they continue



1 to resist Russian offenses in the east and in the south of  
2 the country. We are also helping to coordinate the delivery  
3 of material provided by other nations, which continues to  
4 flow in every day. And let me thank you for your strong  
5 leadership toward our shared goal of helping Ukraine defend  
6 itself.

7 Since the invasion, I have spoken and met frequently  
8 with Minister Reznikov, my counterpart, including on Monday,  
9 and I have assured him that we will continue this effort and  
10 we will get him and his troops the tools and the inventory  
11 that they need most and that they are using most effectively  
12 against Russian forces.

13 We have also reinforced our NATO allies. We sped  
14 additional combat power to the alliance's eastern flank,  
15 raising our posture in Europe to more than 100,000 troops.  
16 These reinforcements include dozens of aircraft, an aircraft  
17 carrier strike group, two brigade combat teams.

18 As President Biden made clear, we will defend every  
19 inch of NATO territory, if required, and we are making good  
20 on that promise.

21 Mr. Chairman, as you have heard me say many times, we  
22 need resources to matched to strategy and strategy matched  
23 to policy and policy matched to the will of the American  
24 people. And this budget gives us the resources that we need  
25 to deliver on that promise, as well. It reflects our

1 recently submitted National Defense Strategy, which  
2 highlights the pacing challenge of China. And that is why  
3 we are investing some \$6 billion of this budget in the  
4 Pacific Deterrence Initiative. It is why we are realigning  
5 our posture in the Indo-Pacific toward a more distributed  
6 footprint.

7 We are going to enhance our force posture,  
8 infrastructure, presence, and readiness in the Indo-Pacific.  
9 This includes the missile defense of Guam. And that is why  
10 we are making broad investments in such key areas as  
11 undersea dominance, fighter aircraft modernization, and  
12 advanced weaponry, including Hypersonic Strike.

13 And many of these investments will pay dividends in  
14 countering the acute threat of Russia, as well, which our  
15 strategy underscores. At the same time, we must be prepared  
16 for threats that don't observe borders, from pandemics to  
17 climate change, and we must tackle the persistent threats  
18 posed by North Korea, Iran, and global terrorist groups.

19 Now, the National Defense Strategy advances our goals  
20 in three main ways: forging integrated deterrence,  
21 campaigning, and building enduring advantages. An  
22 integrated deterrence means combining our strengths across  
23 all warfighting domains to maximum effect to ward off  
24 potential conflict. Campaigning means day-to-day efforts to  
25 gain and sustain military advantage and to counter acute

1 forms of coercion by our competitors and to complicate their  
2 preparation for aggression. And to build enduring  
3 advantages, we need to accelerate force development,  
4 acquiring the technology that our warfighters need.

5 And so, our budget seeks more than \$130 billion, as you  
6 point out, Mr. Chairman, for research, development, testing,  
7 and evaluation. And that is the largest R&D request this  
8 Department has ever made. It is nearly a 10 percent  
9 increase over last year, which was the Department's previous  
10 high-watermark.

11 This includes \$2 billion for artificial intelligence,  
12 \$250 million for 5G, nearly \$28 billion for space  
13 capabilities, and another \$11 billion to protect our  
14 networks and develop a cyber mission force. This budget  
15 maintains our edge, but it does not take that edge for  
16 granted and, quite frankly, Mr. Chairman, in the twenty-  
17 first century, you either innovate or you get left behind.

18 And through the President's budget and with the help of  
19 this committee, we will continue to innovate. And with your  
20 help, we will continue to defend this nation, take care of  
21 our people, and support our allies and partners. And with  
22 your help, I know we will continue to lead.

23 Thank you, and I look forward to your questions.

24 [The statement of Secretary Austin follows:]

25

1 Chairman Reed: Thank you very much, Mr. Secretary.  
2 General Milley, please?

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1           STATEMENT OF GENERAL MARK MILLEY, CHAIRMAN OF THE  
2 JOINT CHIEFS OF STAFF

3           General Milley: Chairman Reed, and Ranking Member  
4 Inhofe, and members of the committee, I am privileged to  
5 represent the soldiers, sailors, airmen, marines, and  
6 guardians of the United States Joint Force.

7           Our troops are the best led, best equipped, best  
8 trained, most lethal, and most capable military force in the  
9 world. Alongside our allies and partners at any given time,  
10 approximately 400,000 American troops are currently standing  
11 watch in 155 locations around the world, conducting  
12 operations every day to keep Americans safe.

13           Currently, we are supporting our European allies and  
14 guarding Europe's eastern flank in the face of an  
15 unnecessary war of aggression by Russia against the people  
16 of Ukraine and the assault on democratic institutions and  
17 rules-based international order that have prevented the  
18 great power war for the last 78 years, since the end of  
19 World War II.

20           We are now facing two global powers: China and Russia,  
21 each with significant military capabilities, both of whom  
22 intend to fundamentally change the current rules-based  
23 global order. We are entering a world that is becoming more  
24 unstable and the potential for significant international  
25 conflict between great powers is increasing, not decreasing.

1           The United States military comprises one of the four  
2 key components of America's national power: diplomatic,  
3 economic, informational, and military, to protect the  
4 homeland and sustain a stable and open international system.

5           In coordination with the other elements of power, we  
6 constantly develop a wide range of military options for the  
7 President, as Commander-in-Chief, and for this Congress to  
8 consider.

9           As the U.S. military, we are prepared to deter and, if  
10 necessary, fight and win against anyone who seeks to attack  
11 the United States, our allies, or our significant, vital  
12 national security interests.

13           The Joint Force appreciates the work that our elected  
14 representatives do to ensure that we have the resources  
15 needed to train, equip, and manage the force in order to be  
16 ready. We thank this Congress for increasing last fiscal  
17 year's level of funding and we look forward to your support  
18 for this year's budget.

19           The Joint Force will deliver modernization and redlines  
20 for Armed Forces and security to the people of the United  
21 States at the fiscal year 2023 budget request of \$773  
22 billion. This budget will enable the decisions, the  
23 modernization, and the transformation of the Joint Force in  
24 order to set and meet the conditions of the operating  
25 environment that we are likely to face in 2030 and beyond;

1 the so-called changing character of war that we have  
2 discussed many times in the past. We will work diligently  
3 to ensure the resources of the American people entrust to us  
4 are spent prudently and in the best interests of the nation.

5 In alignment with the forthcoming National Defense  
6 Strategy, the classified document is out. In the national  
7 military strategy, this budget delivers a ready, agile, and  
8 capable Joint Force that will defend the nation, while  
9 taking care of our people and working with our partners and  
10 allies.

11 We are currently witness to the greatest threat to the  
12 peace and security of Europe and, perhaps, the world, in my  
13 42 years of service in uniform. The Russian invasion of  
14 Ukraine is threatening to undermine not only European peace  
15 and stability, but global peace and stability that my  
16 parents and generations of Americans fought so hard to  
17 defend.

18 The islands of the Pacific and the beaches of Normandy  
19 bore witness to the incredible tragedy that befalls humanity  
20 when nations seek power through military aggression across  
21 sovereign borders. Despite this horrific assault on the  
22 institutions of freedom, it is heartening to see the world  
23 rally and say, never again, to the specter of war in Europe.

24 Your military stands ready to do whatever it is  
25 directed in order to maintain peace and stability on the

1 European continent, a peace that ensures global stability  
2 and international order where all nations can prosper in  
3 peace. We are also prepared and need to sustain our  
4 capabilities anywhere else on the globe, as well as our  
5 priority effort in the Asia-Pacific region, measured against  
6 our pacing challenge of the People's Republic of China. And  
7 in defense of our nation, we must maintain competitive  
8 overmatch in all the domains of war: space, cyber, land,  
9 sea, and air.

10 The United States is at a very critical and historic  
11 geostrategic inflection point. We need to pursue a clear-  
12 eyed strategy of maintaining peace to the unambiguous  
13 capability of strengthen relative to China or Russia. This  
14 requires that we simultaneously maintain readiness and  
15 modernize for the future. If we do not do that, then we are  
16 risking the security of future generations and I believe  
17 that this budget is a major step in the right direction.

18 I look forward to your questions.

19 [The statement of General Milley follows:]  
20  
21  
22  
23  
24  
25



1 Chairman Reed: Well, thank you very much, General, and  
2 Mr. Secretary.

3 I would like to address my first question to Secretary  
4 McCord, and that is, one of the concerns everyone has right  
5 now is the impact of inflation on the budget.

6 Can you explain how the Department calculates inflation  
7 and how it was taken into account in this budget request,  
8 both in terms of personnel and in major contracts.

9 Mr. McCord: Yes, Chairman.

10 We paid just as much attention to this as we did to the  
11 program content that we are going to spend most of the  
12 hearing discussing. So, when we saw prices changing last  
13 year, we jumped on it at the same time we were doing our  
14 program review. We took all the information available to us  
15 at the time, up to the time we had to finish, which is  
16 basically the end of last calendar year, built that into our  
17 budget.

18 What did that mean?

19 The GDP deflator, which is what we use at DOD, not the  
20 CPI, the CPI does not reflect what we buy, so we weren't  
21 chasing 7 percent, but we were chasing an increase up to 4  
22 percent vice two. We built that into the pricing of what we  
23 buy from contractors and then we also, the pay rates, which  
24 you described, the 4.6 pay raise, we took the increase in  
25 wages into account.

1           The result of both of those things, we added \$20  
2 billion a year to our program from 2023 through 2027.  
3 Working with the White House, the Secretary made both points  
4 to the President both, on the content of the program and on  
5 the cost of the program. On top of the twenty to \$30  
6 billion of programming content that we added, we added \$20  
7 billion a year to catch up on this pricing increase that we  
8 saw last year.

9           Then comes the tricky part, Mr. Chairman, is the world  
10 keeps changing. After we finished the budget, the invasion  
11 of Ukraine spiked, rattled the markets, spiked energy  
12 prices. You know, we do not have that in our budget. So,  
13 the world keeps evolving. The global economy, let alone the  
14 U.S. economy, are very complex and hard to predict what is  
15 going to happen next.

16           So, what we saw happen last year is not what we see  
17 happening today and may not be what we see happening  
18 tomorrow. But with all the information we had when we  
19 finished, we caught up so that we would not start behind on  
20 our pricing.

21           The last point I would want to make, I want to  
22 acknowledge that we have a letter from Ranking Member Inhofe  
23 and Ranking Member Rogers with a detailed set of questions.

24           That would be another opportunity for us to explain  
25 this in more detail going forward.

1 Chairman Reed: Thank you very much, Mr. Secretary.

2 Secretary Austin, could you highlight for us some of  
3 the key capabilities that are included in this budget that  
4 will implement the National Defense Strategy that you just  
5 proposed and the President has proposed.

6 Secretary Austin: Well, thank you, Chairman.

7 You know, one of the tenets of this strategy is, as you  
8 heard me say earlier, is this concept of integrated  
9 deterrence and the principle here is that we maximize the  
10 capability, capacity resident in every warfighting domain:  
11 air, land, space, sea, cyber, and that we are able to  
12 network those capabilities in new and different ways.

13 So, you can see from this budget that we are investing  
14 in space in a significant way, \$27 billion. Cyberspace is  
15 another \$11 billion. Missile defeat and defense, \$24  
16 billion. Long-range fire is another \$7 billion.

17 And so, a significant investment in the types of  
18 capabilities that we know we will need to be relevant, not  
19 only relevant, but dominant in future conflict.

20 Chairman Reed: Thank you, Mr. Secretary.

21 I indicated in my statement the difficult choices you  
22 had to make with respect to retiring platforms, et cetera,  
23 which I presume, and I will ask you, is essential to being  
24 able to, first, have the efficiency to continue to operate,  
25 have the innovation to anticipate problems going forward.

1 Might you and General Milley talk about the needs for this  
2 disinvestment.

3 Secretary Austin: Absolutely, Mr. Chairman.

4 As you know, it becomes very difficult and costly to  
5 try to maintain platforms that will not be relevant and  
6 effective in a fight with a peer competitor, and so because  
7 these platforms, in many cases, are very difficult to  
8 continue to maintain, we need to choose to off-ramp those  
9 capabilities and invest in capabilities that we know that  
10 will provide us what we need in a future fight.

11 Chairman Reed: Thank you.

12 General Milley, please?

13 General Milley: Thank you, Senator.

14 The divestment to invest strategy that retires a  
15 variety of platforms, mostly Navy and Air Force that are  
16 quite expensive, and the cost-benefit analysis to sustain  
17 them over time doesn't add up, number one. And number two  
18 is the technologies in those systems, many of those systems  
19 that we are divesting are old, so we are trying to modernize  
20 the force for the future operating environment, 2030 and  
21 beyond, and that is where the investments are in this  
22 budget.

23 Chairman Reed: And I appreciate that.

24 And I think looking at not just the fighting in  
25 Ukraine, but also the fighting recently in Azerbaijan or

1 Armenia, the impact of drones, for example, vis-a-vis,  
2 tanks, they symbolize, I think, in a way, the future, where  
3 large systems which we assumed in the past were difficult to  
4 defeat have been handled quite adroitly by the Ukrainians.

5 So, with that, let me recognize Senator Inhofe?

6 Senator Inhofe: Thank you, Mr. Chairman.

7 Mr. McCord, the chairman asked a question and led off  
8 with, which I was going to do, but currently now, the  
9 question would be in 2022, do you want to expand a little  
10 bit on that year.

11 Mr. McCord: Yes, Senator.

12 On inflation in 2022, the GDP deflator, which is what  
13 the Department has always used, was the budget that you got  
14 last year at this time was built on 2 percent. We now saw  
15 the year ended at 4 and that is what we caught up on, so  
16 that that pricing going forward, building it into our  
17 program going forward would not be behind.

18 The tricky part from now is assessing what is going to  
19 happen in 2023 going forward, given how hard it is to  
20 predict these things and whether oil-price spikes are going  
21 to persist or not persist, things like that.

22 Senator Inhofe: Uh-huh. Which I think they will be  
23 persisting.

24 Secretary Austin, there are some who say that we  
25 shouldn't be talking about the top line; we should be

1 talking about how the budget aligns with the strategy. And  
2 I think we need to talk about both, but we only have a  
3 classified defense strategy and we have no National Security  
4 Strategy.

5 So, how are we supposed to connect the dots between the  
6 strategy and the budget? Is there any timeline for the  
7 White House to release the National Security Strategy to  
8 that we could have a debate in public about the strategy?  
9 Secretary Austin: Well, if you, Senator.

10 I can't offer you a timeline on when that is going to  
11 be released. I would only say that as we construct the  
12 National Defense Strategy, we used the guidance that was  
13 available in the very detailed national security -- security  
14 strategy guidance that was published very early on in this  
15 administration. And that was very helpful to us to allow us  
16 to map out the strategy that you now see.

17 And if you look at that strategy and you look at the  
18 budget, you will see direct linkages between the budget and  
19 the strategy, because we used the strategy to fabricate the  
20 budget.

21 Senator Inhofe: That is good. Thank you very much.

22 General Milley, I am going to ask you one question, and  
23 I already know the answer, because I know you, and I think  
24 it needs to be stated in this hearing. I want to follow-up  
25 on this Congresswoman Turner's question from the task

1 hearing earlier this week.

2 You said your position on the sub-launch nuclear  
3 missile hadn't changed. I just wanted to confirm, Admiral  
4 Richard and General Walter your best military advice is to  
5 continue development of this missile for deterrence  
6 purposes.

7 General Milley: That is correct, Senator.

8 My position didn't change and I think that it is  
9 important to have as many options as possible for this  
10 President or any other President.

11 But I do want to state, also, that we have lots of  
12 options and we have a significant nuclear capability, so I  
13 don't want any foreign adversary to misread what I am  
14 saying. I just happened to believe that this President and  
15 every President needs lots of options, which we have, but I  
16 think more options are better.

17 Senator Inhofe: Okay. Great.

18 Chairman Reed: Thank you, Senator Inhofe.

19 Senator Shaheen, please?

20 Senator Shaheen: Thank you.

21 And thank you, Secretary Austin, Chairman Milley, and  
22 Under Secretary McCord for being here this morning and for  
23 your service.

24 Secretary Austin, the Senate NATO Observer Group, which  
25 I co-chair with Senator Tillis, recently sent a letter to

1 President Biden. And one of the things we raised in the  
2 letter was in view of what is happening in Ukraine, whether  
3 we should have a more strategic and comprehensive approach  
4 toward the Black Sea region, which, as we are watching  
5 Russia is freely using to attack Ukraine and has the  
6 potential to shut off that region.

7 As we think about our future strategy, how are we  
8 factoring in efforts to address what is happening in the  
9 Black Sea region, particularly?

10 Secretary Austin: Well, thank you, Senator.

11 This unlawful and unprovoked aggression by Putin has  
12 had the effect of changing the security architecture in the  
13 region for some time to come. And so, what NATO is now  
14 doing is taking a look at what has changed and what NATO  
15 will need to do to make sure that we continue to do what is  
16 necessary in protecting our NATO countries, defending our  
17 NATO countries.

18 That work has just commenced. It is ongoing. I expect  
19 that we will have a robust discussion as we go to the summit  
20 in June, but, again, it is ongoing work.

21 We recognize, however, that change has occurred and  
22 that change needs to be accounted for.

23 Senator Shaheen: Well, again, the Black Sea region is  
24 a particular vulnerability right now, given what is  
25 happening. And are we working with our allies in the region



1 on what that strategy should look like?

2 Secretary Austin: Absolutely, Senator.

3 And well prior to this, we were working with the  
4 countries in the region on, in terms of their capability and  
5 capacity and what needed to do to evolve that. That will  
6 all be a part of the ongoing discussion, but, clearly, they  
7 will have a voice in that discussion.

8 Senator Shaheen: And as we look, as you pointed out,  
9 the architecture of Europe is going to be different because  
10 of this war, and it appears that we are, right now, looking  
11 at a much more robust presence in Europe.

12 How do we think that is going to affect our long-term  
13 military posture in Europe?

14 General Milley: I wouldn't care to speculate at this  
15 point, Senator. I would say that as we look at that  
16 posture, we are going to look at capability in all five  
17 warfighting domains and we are going to look at capability  
18 across NATO.

19 We do expect that it will change our footprint. In  
20 terms of how much it changes the U.S. contribution, that is  
21 left to be seen, and whether or not it includes permanent  
22 stake, permanent basing forward or, you know, additional  
23 rotational forces in and out of the eastern flank, or a  
24 combination of both. These are things that have to be  
25 worked out.

1           Again, we will work with NATO on this and to your  
2 point, it, no doubt, will be different going forward.

3           Senator Shaheen: Chairman Milley, would you like to  
4 speculate?

5           General Milley: I won't speculate, Senator.

6           We are developing options for the Secretary and  
7 President to consider on the future force posture in Europe  
8 to achieve the two fundamental purposes, which is to assure  
9 our allies and deter any adversaries, specifically, Russia.  
10 But right now, those are under development.

11          Senator Shaheen: Well, I was pleased to see that the  
12 President's budget included \$4.2 billion for the European  
13 Deterrence Initiative, but in view of what is happening in  
14 Ukraine, do we not think we are going to have to increase  
15 that request?

16          You don't know if that is for Under Secretary McCord or  
17 for you, Mr. Secretary.

18          Secretary Austin: Well, certainly, that is something  
19 that we will look at, but let me take this opportunity to  
20 thank you for what you did in the past to provide us with  
21 that. That enabled to us very rapidly flow forces into  
22 theater. You saw us flow a brigade combat team from Georgia  
23 into Europe, fall in on pre-positioned equipment, and we are  
24 ready to go in a very short period of time.

25          That, in addition to a number of other things that you

1 helped us with, created some great capability. But to your  
2 point, I think we will need more of that going forward.  
3 Exactly how much, unknown.

4 Senator Shaheen: Thank you.

5 I am almost out of time, but I do want to raise an  
6 issue around PFAS because the 2022 NDAA and the omnibus  
7 budget bill contained funding for PFAS testing and  
8 remediation at DOD installations. And for those of us who  
9 have constituents who are affected by what has happened with  
10 PFAS exposure at military installations, it is nice to be  
11 able to say help is on the way.

12 So, are you committed to ensuring that all of the  
13 initiatives that are funded as part of both of those bills  
14 get out on time and as quickly as possible?

15 Secretary Austin: I am absolutely committed, Senator.

16 Senator Shaheen: Thank you.

17 Thank you, Mr. Chairman.

18 Chairman Reed: Thank you, Senator Shaheen.

19 Senator Wicker, please?

20 Senator Wicker: Thank you, Mr. Chairman.

21 In your opening statement, Mr. Chairman, you talked  
22 about the acute threat we are facing. You termed the  
23 challenges as being stark.

24 In the statement by General Milley, he said the danger  
25 is increasing, not decreasing. Certainly, Senator Shaheen

1 is correct about a more robust presence in Europe and of  
2 course that is going to require more funds from the  
3 Congress, the branch of our government that has the power of  
4 the purse.

5 I don't see how we can view the current climate as  
6 being one in which budget tightening is appropriate. So, I  
7 would just challenge my colleagues on this committee and in  
8 the House and Senate to assert our authority as the  
9 appropriators and as the branch of government charged with  
10 providing enough funds to provide for the common defense  
11 under the Constitution.

12 Now, Secretary Austin, let me talk about amphibious  
13 ships. To your credit, you assured Senator Kaine and me  
14 that you would fund the Commandant's need for amphibious  
15 ships to conduct Marine Corps missions. You did this in the  
16 Department's fiscal year 2023 budget; it calls for full  
17 funding of LPD 32 and funds LHA 9. So, thank you for  
18 working with Senator Kaine and me on that.

19 However, I have significant concerns for the future of  
20 amphibious ships. The Department of Defense has not  
21 delivered the Navy's 30-year shipbuilding plan for Congress.  
22 When are we going to get that?

23 Further, the Department of Defense has not delivered  
24 its amphibious ship study to Congress; again, when will we  
25 get that?

1           Yet, even without these two documents, the Department  
2 is proposing to end the LPD amphibious ship construction  
3 line after LPD 32. Now, by contrast, the Commandant of the  
4 Marine Corps has been clear: he needs a minimum of 31  
5 amphibs.

6           The math is simple. If you end the LPD line after LPD  
7 32, you cannot reach the 31 traditional amphibious ships.  
8 The Marine Corps even included funding for an entire LPD 33  
9 as its number one, unfunded priority in fiscal year 2023.

10          So, Secretary Austin, why did you not include funding  
11 for LPD 33 in the fiscal year 2023 budget? How do you  
12 propose filling the operational gap that this is going to  
13 cause? And do you think we should take note of the fact  
14 that the Marine Corps chose LPD 33 as its top choice for  
15 additional funding?

16          Secretary Austin: Well, thanks, Senator.

17          And let me also thank you for what you have done to  
18 continue to support us and continue to support our Navy and  
19 our Marine Corps.

20          As you pointed out, there is \$2.8 billion in the 2023  
21 budget focused on amphibs. Amphibs are important to us  
22 today. That will be important to us going forward. There  
23 is \$5 billion allocated to amphibs across the FITA.

24          As you know, based upon the Commandant's vision of the  
25 future Corps, we will track along with what the Commandant's

1 needs are, we will continue to work with him. We are also  
2 investing in an amphibious warfare ship, which is a lighter  
3 version of an amphib, and we will make those investments.

4 But we will continue to work with the Commandant going  
5 forward and those two reports that you mentioned earlier,  
6 the shipbuilding plan and also the amphib study, those are  
7 forthcoming in the next several weeks.

8 Senator Wicker: In the next several weeks. Well, very  
9 good.

10 Let me ask you this, Secretary Austin, with regard to  
11 Ukraine. You said on Tuesday it is the objective of the  
12 Government to deter Putin, but as General Milley describes,  
13 it is very difficult to do so unless you put forces on the  
14 ground.

15 In the Omni, Congress provided you with \$3 billion in  
16 authority to further arm the Ukrainians, yet we have only  
17 used \$900 million of this, less than a third of the amount  
18 authorized. This could also be used to backfill the eastern  
19 flank NATO partners.

20 Why hasn't the administration provided the full \$3  
21 billion? Does the administration not want to send it yet?  
22 Is it not available yet? Are there throughput problems at  
23 the Pentagon and how do we fix these problems to get our  
24 friends in Ukraine, the commitment, the weaponry they need  
25 to defeat the Russians?

1 Secretary Austin: Well, we communicate with the  
2 Ukrainian leadership routinely. As I indicated, Senator, I  
3 just talked to Minister Reznikov on Monday. I will talk to  
4 him again this afternoon. The chairman is in close contact  
5 with his counterpart, as well. We base what we are doing on  
6 their needs and those needs are identified in those frequent  
7 engagements.

8 We are flowing resources into Ukraine faster than most  
9 people would have ever believed conceivable. Now, from a  
10 time, in some cases, from a time that authorization is  
11 provided, you know, 4 or 5 days later, we see real  
12 capability begin to show up.

13 Senator Wicker: You are not suggesting they are  
14 receiving everything that they are asking for?

15 Secretary Austin: If I said that, I certainly didn't  
16 mean to say that.

17 What I meant to say, Senator, was we are providing them  
18 with those capabilities that are relevant and effective in  
19 this fight. And you have seen us do, provide a tremendous  
20 amount of anti-armor, anti-aircraft capability and also  
21 communications capabilities, as well as UAVs. And we are  
22 also looking to help them in a number of other ways.

23 But we are providing those capabilities that have  
24 proven to be absolutely effective in this fight.

25 Senator Shaheen: [Presiding.] Thank you, Senator

1 Wicker.

2 Senator Gillibrand?

3 Senator Gillibrand: Thank you, Madam Chairwoman.

4 General Milley and Secretary Austin, I just want to  
5 commend the fine work you are doing in Ukraine, with regard  
6 to being supportive of the Ukrainian people's will to fight  
7 and will to win.

8 I went with a delegation with Senator Ernst just a few  
9 weeks ago and we were able to meet with the 82nd Airborne,  
10 as well as our troops in Poland, as well as troops that are  
11 doing exercises in Germany. And I can say it was extremely  
12 inspiring and something I think that you should be very  
13 proud of.

14 Do you believe our current strategy is sufficient for  
15 Ukraine to win the war against Russia and if not, what  
16 shifts in strategy would you suggest, and second, we talked  
17 about how this conflict could ultimately be resolved and I  
18 want to know if you are engaging with any Russian  
19 counterparts or whether any NATO allies are doing so?

20 Secretary Austin: In terms of whether or not we are  
21 engaging with Russian counterparts, both the Chairman and  
22 myself have frequently reached out to our counterparts in  
23 Russia to try to ensure that we maintain a dialogue; that  
24 is, in the last, since mid-February, that has not been very,  
25 we have not been very successful because the Russians have



1 not responded.

2 In terms of whether or not, you know, this is the right  
3 approach, you know, our goal, our objective has been to make  
4 sure that we help Ukraine defend itself, protect its  
5 sovereign territory. And they have done a credible job of  
6 doing that, because they have the will, the determination to  
7 defend their sovereign territory; that has been really,  
8 really impressive.

9 But you also need the equipment, as well, to do that.  
10 And so, we provided them those anti-armor and anti-aircraft  
11 weapons and also the UAVs that they have been really  
12 somewhat decisive, for lack of a better term, in a number of  
13 these fights.

14 Putin thought that he could very rapidly take over the  
15 country of Ukraine, very rapidly capture the capital city,  
16 but he was wrong. And he was wrong, in part, because he  
17 made a number of bad assumptions, but also, in part, because  
18 of the stiffness of resistance that he encountered.

19 I think, you know, Putin has given up on his efforts to  
20 capture the capital city. He is now focused on the South  
21 and East of the country and our goal is to make sure that we  
22 give the Ukrainians everything that they need, that we can  
23 possibly get to them, as fast as we can get it to them, and  
24 we are pushing it very, very quickly, so that they can be  
25 successful in that fight, as well. And that will be our

1 focus going forward.

2 Senator Gillibrand: General Milley?

3 General Milley: Yeah, Senator, I would say that, you  
4 know, what does winning look like?

5 I think winning is Ukraine remains a free and  
6 independent nation that it has been since 1991, with their  
7 territorial integrity intact. That is going to be very  
8 difficult; it is going to be a long slog. This is not an  
9 easy fight that they are involved in.

10 The first part of it has probably and successfully been  
11 waged here in the last 6 weeks. They have managed to defeat  
12 the Russian onslaught on to Kyiv, but there is a significant  
13 battle yet ahead down in the Southeast, down around the  
14 Donbas-Donetsk region, where the Russians intend to amass  
15 forces and continue their assault.

16 So, I think it is an open question right now, how this  
17 ends. Ideally, Putin decides to ceasefire, stop his  
18 aggression, and there is some sort of diplomatic  
19 intervention, but right now, that doesn't look like it is on  
20 the horizon, the immediate horizon.

21 Senator Gillibrand: And do you believe we need any  
22 shifts in strategy or are you, do you believe that the  
23 current course is the best course? And are there any  
24 concerns about escalation that you need to mitigate?

25 Secretary Austin: Yes, I do think the current strategy

1 is the right strategy, which is, number one, do not engage  
2 in armed conflict with Russia; United States forces don't  
3 engage in armed conflict with Russia. And second is to  
4 continue to support the Ukrainian people and their  
5 government with sufficient weapons and arms, et cetera, so  
6 that they can help defend themselves. Third is to maintain  
7 the cohesion of NATO, because NATO is a very powerful  
8 organization in its both, the military and political  
9 alliance in many ways, and it definitely acts as a  
10 deterrence.

11 So, those are the three main objectives the President  
12 has laid out for us as the uniform military and we will  
13 continue to execute those and I think that is the right  
14 track.

15 Senator Gillibrand: Thank you.

16 I have expired my time, but I want a question for the  
17 record. Secretary Austin, the People's Republic of China  
18 have rapidly advanced their cyber and information warfare  
19 capabilities and Russia's ongoing cyberattacks against  
20 Ukraine are an indication of how this dimension of warfare  
21 is bound to become more complex.

22 What are some broad strategies and approaches that we  
23 should be considering to recruit more civilians and  
24 uniformed personnel to improve our cyber readiness?

25 And you either do a short answer now or submit your

1 answer for the record; it is your choice.

2 Secretary Austin: I will take the question for the  
3 record, Senator. Thank you.

4 Senator Gillibrand: Thank you very much.

5 [The information follows:]

6 [COMMITTEE INSERT]

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Chairman Reed: [Presiding.] Thank you, Senator  
2 Gillibrand.

3 Senator Fischer, please?

4 Senator Fischer: Thank you, Mr. Chairman.

5 I want to begin by noting my frustration with the  
6 timing of this hearing. We are here today to review the  
7 Department's budget, but we have no detailed budget  
8 justification data. My understanding is that the J book  
9 will be released mid-April.

10 We can't talk about any strategy, either. The  
11 administration's National Defense Strategy, the Nuclear  
12 Posture Review, and the Missile Defense Review, were  
13 submitted to Congress last week, but all of those documents  
14 are classified. Last year and in 2017 and 2018, this  
15 committee delayed the Secretary's testimony so that there  
16 was ample time to review the budget and have a meaningful  
17 oversight hearing and I am disappointed that that is not the  
18 case.

19 With respect to the NDS and the NPR, I would note that  
20 the previous administration released these documents  
21 publicly in early 2018 and the committee had almost 3 months  
22 to review them before Secretary Mattis and General Dunford  
23 appeared to testify.

24 Secretary Austin, in your opening comments, you said  
25 that in this budget, resources are matched to strategy,

1 matched to policy, matched to the will of the people.

2 I think having this hearing without any detailed  
3 information about the budget and when we are unable to  
4 openly discuss any of the administration's strategy  
5 documents directly undermines the Committee's ability to  
6 conduct its oversight work and it is contrary to the spirit  
7 of transparent government that these public hearings are  
8 intended to support.

9 I will be deferring most of my questions to the  
10 classified portion, but I do have a few that we were able to  
11 glean from the top lines that we were given.

12 Secretary Austin, in Section 1684 of the 2017 NDAA, it  
13 was directed that the Department would designate an  
14 acquisition authority to be responsible for defense of the  
15 homeland from cruise missile threats, but the Department has  
16 still not made such a designation.

17 What is the status of this and does the Department  
18 intend to make a designation and when or can we expect that  
19 to happen in the near future?

20 Secretary Austin: Well, thanks, Senator.

21 We do intend to make a designation and we will, again,  
22 we will move out smartly on that.

23 In terms of being transparent and when the budget,  
24 detailed budget is released, I would like to ask, invite Mr.  
25 McCord to make a couple of comments there. But it is our

1 goal, it is our desire, it is our mandate to be as  
2 transparent with you as possible and we will do that.

3 Senator Fischer: I would like to continue with my  
4 questions, since I will run out of time here, but I would  
5 point out that one of my missions, and I have talked to you  
6 about it, I have talked to all of the service chiefs to the  
7 Joint Chiefs, to be able to declassify much of the material  
8 that we see as members of Congress. And I think there are  
9 ways to do that, and we have to be able to do that so that  
10 the people of this country understand the threats that we  
11 face. So that when they have the information and can review  
12 that for themselves, they will support our national defense.

13 They will support our national security. And I feel  
14 that we have gone backwards here in making these classified  
15 documents and not being transparent.

16 But if I could continue, given the increasing cruise  
17 missile threat to the United States, again, I think it is  
18 important that we make this designation. It was in the 2017  
19 NDAA and that was a long time ago, so I hope that you will  
20 step up and do this.

21 Also, Secretary Austin, under this budget, the Air  
22 Force is divesting 369 aircraft this year and buying 87,  
23 which is a net loss of 282. The 5-year plan projects buying  
24 467 aircraft and divesting 1,468, a loss of 1,001. And the  
25 Navy's battle force shrinks as well, under this budget,

1 dropping from 298 ships today, to 280 in fiscal year 2027.

2 You know, I am open to the concept of divesting of  
3 legacy platforms, but I think that is dangerous and a  
4 dangerous way to put stress on the force that we have.

5 So, how are we planning to deal with that dilemma and  
6 are we expecting operational demands to fall, you know, how  
7 realistic is that?

8 Secretary Austin: Well, thanks, Senator.

9 First, let me just highlight that there -- affirm that  
10 there will be an unclassified version of the strategy that  
11 comes out a bit later.

12 Again, in terms of a divestment and investment, we are  
13 investing in those capabilities that will enable us to be  
14 decisive in the future fight. And those capabilities that  
15 are not survivable in that fight, I think that we have  
16 divest of them, and also, because they are very expensive to  
17 maintain.

18 We can use those resources to invest in future  
19 capabilities, the kind that we need to the next fight. And  
20 so, that is our strategy. And, again, as you match the  
21 budget to the strategy, I think you will find a direct match  
22 there.

23 Senator Fischer: Thank you. I hope you remember it  
24 has to be matched to the will of the American people, as  
25 well.



1 Thank you.

2 Chairman Reed: Thank you, Senator Fischer.

3 Senator Blumenthal, please?

4 Senator Blumenthal: Thank you, Mr. Chairman.

5 Thank you both for your service. I will say on my own  
6 behalf, that we are very, very fortunate at this very  
7 dangerous time in our nation's history to have one of the  
8 most impress I defense and national security teams in recent  
9 history. So, thank you for your service to our nation at  
10 this very perilous time.

11 You know, I have visited Ukraine, as well as more  
12 recently, Poland, the Ukrainian border with a number of my  
13 colleagues. Since 2014, I have very vocal, indeed,  
14 vehement, in support of more lethal arms delivered more  
15 quickly to Ukrainians while they have lost 14,000 of their  
16 men and women in this fight for close to a decade against  
17 the Russians.

18 And now I must say that I continue to feel that we need  
19 to do more and do it more quickly in providing lethal arms  
20 to Ukraine, including fighter jets, air defense systems,  
21 ammunition, Javelin missiles, Stingers, and other systems  
22 that the Ukrainians can use.

23 Now, I agree that it is going to be a long slog, Mr.  
24 Chairman. It is a protracted war going to the east, but we  
25 need to be there for the Ukrainians in the midst of this

1 long slog.

2 And you have said that the outcome is an open question,  
3 but what troubles me is that saying it is an open question  
4 is a prediction. The objective is to enable the Ukrainians  
5 to win and it seems to me that often our strategy seems  
6 somewhat schizophrenic.

7 We want the Ukrainians to defeat the Russians, but we  
8 are afraid that pushing Putin into a defeat may provoke  
9 escalation. It seems to me that we need to address those  
10 fears and realistically provide Ukrainians what they need to  
11 win.

12 And so let me ask you whether you feel, for example,  
13 that we can do more to train the Ukrainians in anticipation  
14 of that long slog to use more advanced weapon systems that  
15 we could provide. Number two, can we provide systems such  
16 as the A-10s that we are, in fact, diminishing in use in our  
17 own armed services? Can we provide more enabled assets to  
18 be more effective in the kinds of aerial defenses that will  
19 stop Putin's reign of terror?

20 Can you give me an assurance that we will do whatever  
21 it takes to enable the Ukrainians to win, while avoiding the  
22 escalation into a nuclear confrontation?

23 Secretary Austin: Well, thank you, sir.

24 Well, first of all, I have to tell you that providing  
25 the Ukrainians what they need is at the top of my list of

1 things to focus on every day, and this is a thing that the  
2 Chairman and I talk about with our subordinate commanders  
3 every day. And we are personally involved in engaging  
4 countries in the region and around the world, quite frankly,  
5 in trying to make sure that we not only provide what we can,  
6 but that we are getting some assistance from other  
7 countries.

8 There are some 30 nations that are providing  
9 assistance, in addition to us, and that is the part that you  
10 don't see on a daily basis, because we don't talk about it  
11 very often. Many of these systems are systems that the  
12 Ukrainians are used to using. They have been very  
13 effective, thus far, and we will continue that work.

14 Can we provide them training?

15 Our focus right now is to provide training, where  
16 necessary, on those systems that we are providing them, you  
17 know, that we can get that training done in short order.

18 They are in a knife fight and so, you know, taxes large  
19 numbers of people out for long periods of time is not  
20 helpful to them.

21 On the A-10, I will invite the Chairman to comment on  
22 this, but, again, this is a high-threat, air defense  
23 environment and the A-10, we have to do the analysis to  
24 ensure that if you did that, it could survive and I question  
25 whether or not it would survive in the current environment.

1           Senator Blumenthal: Let me ask you this, Mr.  
2 Secretary, shouldn't we be using, now, the Defense  
3 Production Act to produce more of the Javelins, the  
4 Stingers, all of the stocks that we are using and  
5 diminishing and running low on and our allies, as well,  
6 shouldn't we be applying the Defense Production Act?

7           Secretary Austin: We are pushing hard and engaging  
8 industry to make sure that we move the production of these  
9 items as quickly as we can, and that is not an easy task  
10 with at least one of the items there. But we will move  
11 this, continue to move this in terms of additional  
12 production as fast and efficiently as we can.

13          Senator Blumenthal: And are you alarmed that the  
14 Russians are not returning your call, that they are not  
15 communicating with you? Shouldn't we be alarmed?

16          Secretary Austin: Disappointed, for sure. But, you  
17 know, again, based upon what they have done, nothing  
18 surprises me, but it doesn't mean that we will stop reaching  
19 out to engage them. I think we have to have the ability to  
20 talk to the leadership.

21          Chairman Reed: Thank you, Senator Blumenthal.

22          Senator Cotton, please?

23          Senator Cotton: Secretary Austin, why will you not say  
24 the words "win" and "victory" when it comes to Ukraine?

25          Senator Blumenthal just gave an impassioned speech

1 about this. It is clear that it is what both parties want.

2 I reviewed your written testimony. You talk about  
3 deterrence 29 times. You never once used the word "win" or  
4 "victory" in reference to Ukraine, nor does the Secretary of  
5 State, the National Security Advisor, the vice president, or  
6 the President.

7 Have the words "win" and "victory" been purged from the  
8 administration's vocabulary when it comes to Ukraine?

9 Secretary Austin: The word "win" has certainly not  
10 been purged from our vocabulary.

11 Senator Cotton: Do you want Ukraine to win or do you  
12 want this war merely to end?

13 Secretary Austin: I think the Chairman pointed out  
14 very accurately what our desired end state would be:  
15 Ukraine maintains its sovereignty and its ability to protect  
16 its country, defend itself; it maintains its government.

17 Russia is weakened militarily and Russia, from a  
18 geopolitical standpoint, has, you know, is a pariah and, you  
19 know, countries will not volunteer to align itself with  
20 Russia. Some of that will happen, but we can see those  
21 kinds of things beginning to happen.

22 Senator Cotton: I thought, I mean, I thought the  
23 Chairman's response to Senator Gillibrand was pretty good on  
24 this point about what Ukraine winning looked like: a free  
25 and independent Ukraine with sovereignty and control over

1 its own territory.

2 Does that include the territory that Russia or Russian  
3 proxies controlling the Donbas, as of February 24, the day  
4 before the invasion?

5 Secretary Austin: I think it is appropriate to let  
6 President Zelenskyy and the Government of Ukraine define  
7 what that is going forward, sir.

8 Senator Cotton: Are you or anyone else in the  
9 administration discouraging President Zelenskyy or your  
10 counterparts from launching attacks that would involve  
11 taking back any part of the Donbas or the Crimea?

12 Secretary Austin: No.

13 Senator Cotton: Are you providing them intelligence to  
14 conduct such attacks?

15 Secretary Austin: We are providing them intelligence  
16 to conduct operations in the Donbas; that is correct.

17 Senator Cotton: In the Donbas, on the territory that  
18 Russia or its proxies controlled before the invasion?

19 Secretary Austin: Yeah. And we are going to make --

20 Senator Cotton: Offensive operations to reclaim their  
21 own territory, are you providing that intelligence to them?

22 Secretary Austin: We want to make sure that is clear  
23 to our force, and so updated guidance that goes out today,  
24 we will make sure that that is clear.

25 Senator Cotton: Updated guidance. So, that means that

1 the current guidance has said, don't provide that  
2 information?

3 Secretary Austin: Well, certainly, the current  
4 guidance was not clear in that regard, so we will make sure  
5 it is clear.

6 Senator Cotton: And I think this is part of what you  
7 heard from both parties in this committee, is that as much  
8 as we have done, we are still engaged in too many half-  
9 measures. There is still too much hesitancy intended to  
10 miss in our posture towards this war.

11 And I just want to talk about our own posture. Admiral  
12 Richard testified to the committee that he had advised that  
13 we should go forward with a normal routine, regularly  
14 scheduled test of our ICBMs. That test was postponed and  
15 now it has been canceled.

16 Why did you cancel that test, Mr. Secretary?

17 Secretary Austin: Well, we postponed it so that, you  
18 know, again, we are at a very tenuous point. We wanted to  
19 make sure that we were doing prudent things and managing  
20 escalation. And we reached a point where I made the  
21 decision that we had postponed it to the degree that it was  
22 best to go ahead and cancel it.

23 I would tell you that I am confident in our ability to  
24 maintain our programs and to stay on track and to provide a  
25 credible deterrence and to protect our allies and partners.

1           Senator Cotton: Well, this, see, I am confident, as  
2 well. I am confident because we do conduct these routine  
3 tests. We don't cancel them because Volodymyr Putin has  
4 decided to invade one of his neighbors.

5           And the fact that we postponed it and then we canceled  
6 it because it is escalatory, to me, just says to Volodymyr  
7 Putin, that we are nervous about what he is going to do, as  
8 opposed to trying to make him nervous about what Ukraine and  
9 America and NATO is going to do next. This is a form of --

10          Secretary Austin: If we were concerned about him being  
11 nervous --

12          Senator Cotton: This is a form of self-deterrence. I  
13 mean, the Chairman has said this war could go on for years.

14          If a missile test in March of 2022 is escalatory, is it  
15 going to be escalatory in 2023 and 2024 and 2025?

16          Secretary Austin: It really depends on what is going  
17 on at that point in time.

18          Senator Cotton: All right.

19          Secretary Austin: If you will look at, I know it is  
20 not lost on you, Senator, that we have rapidly deployed  
21 forces to the eastern flank. We have pushed in a tremendous  
22 amount of security assistance to Ukraine. And none of those  
23 actions indicate that we are afraid of Mr. Putin.

24          Senator Cotton: All right.

25          One final question for the Mr. Chairman. General



1 Milley, I constantly hear concerns about professional  
2 military education across the services, that it is not  
3 focused enough on rigorous, operationally focused education.

4 There is too much things that are kind of beyond the  
5 core warfighters' domain like, you know, international  
6 studies, or development, economics. You put out a very  
7 strong memo on this in May of 2020. Unfortunately, I still  
8 hear that some of the schools are not implementing that  
9 fully.

10 Could you talk to me a little bit about your concerns  
11 in that memo and what plans you have to make sure that that  
12 is driven down to the lowest level at our professional  
13 military education schools?

14 General Milley: Yeah, thanks, Senator.

15 Look, the U.S. military has two tasks: prepare for war  
16 and fight and win wars. That is it. And the PME is  
17 designed to do that.

18 We set out that guidance in 2020 to emphasize that,  
19 warfighting, operational skills, strategic thought, et  
20 cetera, and we do periodic reviews. I just got a report  
21 probably about a couple of weeks ago, actually.

22 I said, how many contact hours do we do in the war  
23 colleges and staff colleges? It came out to, round figures,  
24 just under 5,000.

25 I did the math, my guys did the math, the analysis, and

1 80 percent of that time was spent on warfighting,  
2 operational art, and strategy. The others are spent on  
3 things like congressional engagement, public affairs,  
4 administrative tests you have to do to run the military.

5 So, it is focused, 80 percent of the time is focused on  
6 the warfighting skills necessary for command and leadership  
7 at the staff level at different organizations.

8 Chairman Reed: Thank you, Senator Cotton.

9 Senator Cotton: I would really like to take it to 100  
10 percent.

11 General Milley: Sure.

12 Senator Cotton: I bet the one thing you would like to  
13 strike is the congressional engagement?

14 General Milley: No, it is an important --

15 Chairman Reed: Thank you, Senator Cotton.

16 Senator Hirono, please?

17 Senator Hirono: Thank you, Mr. Chairman.

18 Secretary Austin, I want to commend you for reaching  
19 the decision that you did to de-fuel and permanently close  
20 the Red Hill storage facility on Oahu. Ensuring the health  
21 and safety of our citizens has been my number one priority,  
22 and this decision not only protects the island's drinking  
23 water, but will ultimately benefit operations in INDOPACOM  
24 as we look to expand our ability to operate in a distributed  
25 manner across the AOR.

1 I also would like to particularly thank Deputy  
2 Secretary of Defense Katherine Hicks for her diligent work  
3 on this issue and her communicating with me personally.  
4 And the closure of Red Hill is going to be a multi-year,  
5 multi-phase endeavor. There is a de-fueling process,  
6 itself; the closure of the facility; the cleanup of the  
7 site. The entire effort will require significant planning  
8 and resources for years to come.

9 I ask you to work closely with the Hawaii Department of  
10 health and the EPA as we go forward. And the funding in the  
11 President's budget shows DOD's commitment to the long-term  
12 closure and cleanup of Red Hill and demonstrates, very  
13 importantly to the people of Hawaii that the environmental  
14 remediation will not fall to the wayside.

15 Secretary Austin, would you like to add any comment to  
16 this?

17 Secretary Austin: Just a couple, Senator.

18 First of all, I want to thank you, personally, for your  
19 leadership and that of your colleagues in doing the work  
20 that you did to help us work our way through this and we  
21 remain grateful to that. I would also highlight that the  
22 safety and security and the health of, you know, our troops,  
23 our families, the people in the community, it is absolutely  
24 important to the Department of Defense.

25 And you are correct, we have allocated funds that will

1 help us begin to address the critical components here going  
2 forward. The de-fueling process, remediation, will be, no  
3 doubt, carry a significant expense. And I certainly hope  
4 that Congress will continue to support us, as you have done  
5 to this point. So, thank you.

6 Senator Hirono: Thank you for your continued  
7 leadership.

8 Secretary, it is my understanding that this year, the  
9 National Defense Strategy and the Missile Defense Review  
10 were developed simultaneously for the first time to ensure  
11 alignment of decision-making across these documents.

12 In the NDS, one of your four stated priorities is  
13 defending the homeland, which will make sense to ensure that  
14 missile defense is in line with that priority. And though  
15 the budget justification books are not out yet, one concern  
16 I have is for the defense of Hawaii for missile threats.

17 To date, the Department has spent significant resources  
18 on HDH -- HDR-H Hawaii, which I have supported, because we  
19 were told many times that this was required by the  
20 operational commanders. And while we wait for greater  
21 detail on the Department's decision relating to the future  
22 of HDR-H Hawaii, I would like to understand the Department's  
23 position on defense of Hawaii and how, if HDR-H Hawaii is  
24 not funded, how the Department plans to upgrade radar  
25 discrimination capability for the defense of Hawaii.

1           And the question is, Secretary Austin, what is your  
2 plan for the future defense of Hawaii from missile threats?

3           Secretary Austin: In terms of the defense of Hawaii  
4 right now, we are absolutely committed to defending this  
5 country. Hawaii is a key part of that defense and certainly  
6 is defended as we speak.

7           Now, going forward, Senator, you will note that we are  
8 investing \$24.7 billion in --

9           Senator Hirono: Yes.

10          Secretary Austin: -- in missile defense and defeat.  
11 And so, you know, we are developing the next-generation  
12 interceptor and, you know, our goal is to stay two steps  
13 ahead of our adversaries' emerging technologies and Hawaii  
14 will absolutely be a key part of that.

15          Senator Hirono: So, just to be clear, then, if we are  
16 not going to be continuing to fund HDR-H Hawaii, that you  
17 are developing, as you mentioned, the next-gen interceptors  
18 to make sure that Hawaii is defended against missile  
19 threats?

20          Secretary Austin: Absolutely, Senator.

21          Senator Hirono: Thank you.

22          I just want to add my voice of concern regarding  
23 Senator Wicker's line of questioning, relating to amphibious  
24 ships and the fact that there will be only 3 of the 13  
25 planned purchases of the San Antonio-class ships. So, I

1 just want to add my concern that General Berger had asked  
2 for 31 ships and we are falling short of that, so I hope  
3 that you have said that you are continuing to work with  
4 General Berger, so I hope that we can come to a positive  
5 resolution of the need that he has for these ships.

6 Thank you, Mr. Chairman.

7 Chairman Reed: Thank you, Senator Hirono.

8 Senator Rounds, please?

9 Senator Rounds: Well, thank you, Mr. Chairman.

10 Gentlemen, let me begin by saying thank you to all of  
11 you for your service to our country.

12 Secretary Austin, I appreciated the comments, the  
13 clarifications, and so forth that you shared with Senator  
14 Cotton. I think it is really important that the American  
15 people understand that we want the Ukrainians to win and  
16 that we will support them with the appropriate background  
17 intelligence information and weapons so that they can regain  
18 the territory that has been lost to Russia, and that  
19 includes the area in the Donbas. I think that is a very  
20 important, clarifying point, so I thank you for that, sir.

21 I also, Mr. Secretary, and if this is an issue which  
22 you would prefer to have Mr. McCord address, that is fine  
23 with me, sir, but the industrial base that we have today in  
24 the United States is one that we, particularly, the Defense  
25 Industrial Base is one that sometimes comes under question

1 with regard to our long-term capabilities and, yet, it is  
2 something that has been of concern to this committee. And I  
3 think that the Joint Chiefs have expressed their concern in  
4 the past about our ability to respond and to build the  
5 weapons and to maintain the weapon systems that we have.

6 I want to point out one that we have in the past, and  
7 while it did not start on your watch, sir, I think it is  
8 critical that we fix it as soon as possible. And what I  
9 would like to talk about is an example that I have talked  
10 about before. The ability of the Navy, and I am going to  
11 use the Navy, because we have used the Navy in the past, the  
12 ability of the Navy to manage scheduled maintenance for its  
13 vessels is beyond concerning.

14 The USS Boise is a case in point, but far from being  
15 the only example. Now, the USS Boise is a Los Angeles-class  
16 nuclear attack sub. It was commissioned in November of  
17 1992. The Boise has not been on patrol since 2015. It lost  
18 its dive certification in 2017.

19 Now, we have had some of our folks, my MLA was onboard  
20 the Boise in September of 2019, as its crew executed pre-  
21 maintenance procedures. Here we are, 7-years-plus later  
22 since it was last on patrol and it is still awaiting its  
23 engineered overhaul and there is no funding to allow this to  
24 happen until at the earliest, fiscal year 2024, but probably  
25 fiscal year 2025.

1           Now, this is what is concerning. Multiple captains of  
2 the Boise have spent their entire command at sea tour while  
3 it has been stuck in limbo. American taxpayers continue to  
4 pay for a nuclear attack submarine that hasn't executed its  
5 mission in 7 years.

6           Now, myself and my colleagues have asked tough  
7 questions of Navy leaders for at least the last 5 years and  
8 yet nobody in the Navy has been able to solve the problem.

9           Now, I am hearing that the Boise may be decommissioned  
10 without ever receiving an overhaul.

11           I think this is simply not acceptable to have the  
12 taxpayer-funded, nuclear attack submarine with those  
13 capabilities out of service for more than 7 years and we  
14 can't seem to get to the bottom of what the problem is.

15           Mr. Secretary, I am not sure if you are prepared to  
16 discuss this or if you would like to have Mr. McCord attempt  
17 it, but I would sure like to hear your thoughts.

18           Secretary Austin: Well, thanks, sir.

19           I would certainly invite Secretary McCord to make  
20 comments as well, but a couple of points that I would make  
21 up front is that, as you have heard me say, we continue to  
22 invest in our sub capability, especially the Columbia-class  
23 and that will continue going forward. We think it is  
24 critical.

25           But the issue that you raise, I think, is an issue of



1 capacity in our shipyards and so this budget invests \$1.7  
2 billion in public shipyard capacity and the industrial base.  
3 I think it is critical and we will continue to do our part  
4 to make sure that we are helping industry have what it, are  
5 helping create the capacity to take care of our capabilities  
6 here.

7 Senator Rounds: Mr. Secretary, thank you.

8 And perhaps rather than spending the rest of my time on  
9 this particular one, could I ask, would you get back with us  
10 and let's find a solution to this problem.

11 Secretary Austin: Sure. Absolutely.

12 Senator Rounds: Thank you.

13 General Milley, I have just one question for you and  
14 that is, I know that you have been an Army officer and that  
15 you have commanded ground troops and you understand the need  
16 to have all possible systems available for their use.

17 There was and there continues to be a question as to  
18 whether or not land mines should be a part of our systems of  
19 operations and, yet, sometimes I think people get a  
20 misunderstanding of the difference between anti-vehicle land  
21 mines and those which are anti-personnel land mines and they  
22 don't understand the differences on them.

23 This is a needed capability for our Armed Forces, is to  
24 have the ability for these land mines to be able to be used  
25 in certain situations. You understand that.

1           The Army has been developing land mine alternatives for  
2 over 12 years, yet the objective capability is not scheduled  
3 to be fielded until at least fiscal year 2030 or 2031. To  
4 me, the results are unacceptable to the mission and to the  
5 force.

6           General Milley, could you, using your best professional  
7 military advice, share with this committee, the need or  
8 without the need for the upgrade of land mines and its  
9 critical importance to our Armed Forces.

10          General Milley: Thank you, Senator.

11          I do think land mines are important, especially if you  
12 are in the defense, but also in any other capability in  
13 order to shape enemy operations. We need to look no further  
14 than what is happening, actually, in Ukraine. Land mines  
15 are being effectively used by the Ukrainian Forces to shape  
16 the avenues of approach by Russian armored forces, which  
17 puts them into engagement areas and makes them vulnerable to  
18 the anti-tank, the 60,000 anti-tank weapon systems that we  
19 are providing the Ukrainians. So, that is one of the  
20 reasons why you see column after column of Russian vehicles  
21 that are destroyed.

22          So, anti-tank or anti-personnel mines are a very  
23 effective use in combat. There is a policy governing those  
24 for the United States for use and we are, the reason we are  
25 developing a newer one is so that they time out and they

1 don't present harm after the conclusion of hostilities and  
2 they would self-detonate or self-, you know, destroy. They  
3 become inert at the end of hostilities. So, but land mines  
4 are a very effective use in combat.

5 Senator Rounds: Thank you.

6 Thank you, Chairman.

7 Chairman Reed: Thank you, Senator Rounds. Thank you  
8 very much.

9 Senator Kaine, please?

10 Senator Kaine: Thank you, Mr. Chair.

11 And thank you to our witnesses for your service and for  
12 your effective work in recent months.

13 So, as Russia moves the focus on their military  
14 operations to Donbas and the South, how would you, Secretary  
15 and Chairman, characterize North and West Ukraine, now, is  
16 it battlefield or non-battlefield?

17 Secretary Austin: Well, I would still categorize it as  
18 part of the operating environment, the battlefield, the  
19 battle space. There is no telling what Mr. Putin will  
20 decide going forward. Certainly, we expect that he will  
21 continue to conduct strikes throughout that landscape and  
22 so, in my view, it is still part of the battlefield.

23 Senator Kaine: General?

24 General Milley: Yeah, the same thing.

25 I mean, the main effort, if you will, of the Russians

1 is shifting to the South and the city of Donbas, as reported  
2 through the news. And that really goes from Kherson all the  
3 way up through Kharkiv with the main effort in the vicinity  
4 of Iziium.

5 But the rest of Ukraine is still a battlefield, because  
6 there is air and missile strikes that still go on and, you  
7 know, Russian Special Operations Forces are still operating  
8 in some of those areas. So, it is clearly still a combat  
9 zone and the rest of Ukraine, as well.

10 Senator Kaine: As the war ratchets up in the South and  
11 East, do you agree with me that it is likely that Ukrainians  
12 in that region, in some numbers, will try to flee the  
13 region, either to other parts of Ukraine or to other  
14 countries?

15 General Milley: I think for civilians, the answer, you  
16 know, the human instinct to survive is very powerful, so as  
17 they recognize the danger they are in, I think there will be  
18 a high likelihood that additional refugees or internally  
19 displaced persons will leave. We already have got five  
20 million or so refugees and another five million, I think, of  
21 internally displaced. We are well over 10 million right now  
22 and I would imagine more will leave that area.

23 Senator Kaine: And as a general matter, I think  
24 Ukrainians would like to stay in their own country.

25 If we could shape it, wouldn't it be better for those

1 fleeing the East to go elsewhere in Ukraine if they were  
2 safe, rather than to go into other nations, where they are a  
3 significant burden on other countries?

4 General Milley: Sure.

5 Senator Kaine: If President Zelenskyy were to appeal  
6 to the United States, NATO, the U.N., and say, the  
7 ratcheting up of the war in the East is going to create such  
8 a pressure for people to flee, these people want to stay in  
9 Ukraine, can you guys, our allies and NGOs flood  
10 humanitarian relief into Western Ukraine, shelter, medical  
11 capacity, food, so that displaced persons in large numbers,  
12 will be able to come to a place in Ukraine, rather than flee  
13 across the borders and if President Zelenskyy were to ask  
14 for the United States' assistance in doing that, should we  
15 seriously entertain that request?

16 General Milley: I would say that is a policy question,  
17 but in terms of humanitarian aid, there is a lot of  
18 humanitarian aid moving into Ukraine in addition to the  
19 military. But the latter question, or the question, itself,  
20 I think is more appropriate as a policy question.

21 Senator Kaine: Mr. Secretary?

22 Secretary Austin: I agree with the Chairman, Senator.  
23 It is a question that our leadership will have to take on  
24 and be very deliberate about. And one of the things that we  
25 would need to consider is what we need to do if we are going

1 to put people in there to protect that area, and that is a  
2 decision that takes you to, you know, to fighting the  
3 Russians.

4 And so, that is a pretty significant decision, but I  
5 would emphasize what the Chairman has said, USAID and others  
6 are flowing a lot of humanitarian assistance across the  
7 border now and the Europeans are pretty good at providing  
8 this kind of assistance.

9 Senator Kaine: Right. Let me switch topics.

10 Some of my colleagues have raised the concern about  
11 inflation and what that means with respect to the defense  
12 budget. There is other economic trends, other than  
13 inflation: historic job growth right now, historic growth  
14 in the GDP, historic growth in wages and salaries.

15 This morning, new unemployment claims were announced  
16 and it is the lowest number since 1968. In January of 2021,  
17 we are seeing 965,000 new unemployment claims a week. It is  
18 166,000 now.

19 Many of us met with Admiral Gilday and Secretary Del  
20 Toro this morning. We asked about, hey, that is fantastic,  
21 the strong job growth is great, but it also creates  
22 workforce challenges, both within the uniform service, but  
23 also in our industrial base.

24 How are you tackling the workforce needs of our defense  
25 system today when the unemployment rate is dropping so

1 quickly?

2 Secretary Austin: Well, that certainly does, one of  
3 the things that creates headwinds for us going forward in  
4 terms of recruiting not only uniform personnel, but also  
5 getting the right kinds of talent that we need to fill our  
6 ranks here. We will continue to, you know, devote resources  
7 to making sure that we are doing the right things and  
8 marketing and advertising and outreach.

9 But these are challenges that we faced before and we  
10 are just going to have to double-down and make sure that we  
11 are active in the right areas and we are committing the  
12 right resources to make sure that we get the quality people  
13 that we need to be successful.

14 Chairman Reed: Thank you, Senator Kaine.

15 Senator Ernst, please?

16 Senator Ernst: Thank you, Mr. Chair.

17 And gentlemen, thank you so much for your continued  
18 service to our great country. We are appreciative.

19 And Secretary Austin, there has been a lot of  
20 discussion about Ukraine and Russia this morning. And in  
21 your opening statement, you did say that U.S. security  
22 policy must reflect the will of the American people. And  
23 the American people right now, we are calling on the  
24 administration to do more and to be tougher on Russia and  
25 bring more capability to bear for Ukraine.

1           The Washington Post just this morning, in one of their  
2 polls, found that 56 percent of Americans think we haven't  
3 been tough enough on Russia. And so, whatever the hesitancy  
4 to say when for Ukraine, victory for Ukraine, I will say it,  
5 and I know a number of my colleagues will say it. I feel  
6 very firmly about victory for Ukraine and maintaining its  
7 sovereign integrity as a nation. Their democratic form of  
8 governance, is it all very important to so many Americans,  
9 because so much Americans see themselves reflected in the  
10 Ukrainians. They are a first world country. They have come  
11 a long way over the last 30 years. So, success to me, is  
12 still a free and sovereign Ukraine.

13           So, I do hope that we will continue to press very hard  
14 to make sure. As you say, things are speeding up, delivery  
15 of lethal aid, but we absolutely must ensure that we are  
16 doing everything we can for the country of Ukraine and the  
17 citizens that are there.

18           And so, I am going to turn, because we have focused lot  
19 offer Ukraine and Russia. General Milley, I just, I would  
20 like to jump to Central Command, if we can. I am concerned  
21 about the budgetary cuts and some of the flatlines that we  
22 are seeing across our CENTCOM operations budget.

23           And many of the extremist organizations that are backed  
24 by the Iranian regime are striking across the region and  
25 there are four terrorist organizations that are now



1 operating in Afghanistan and yet we don't have a U.S.  
2 footprint there to make sure that they aren't pushing  
3 threats against our homeland.

4 So, have your Gulf State military counterparts,  
5 particularly, Egypt, Saudi Arabia, and the Abraham Accords-  
6 member countries, react to our reduced military budget, have  
7 you had any input from them?

8 General Milley: Not about the budget per se, but there  
9 is concern because we have, the Department of Defense, we  
10 are doing a global posture review, as you know, and we are  
11 making adjustments to the footprint and then the Ukraine  
12 situation is a new development since we began that review  
13 quite some time ago. And CENTCOM is part of that review, as  
14 well.

15 So, there is concern in the CENTCOM area of operations  
16 about what the result will be in terms of the footprint in  
17 CENTCOM and we are continuing to work with our allies and  
18 partners to make sure that it is appropriate to the level of  
19 threat. We clearly recognize the terrorist threat both, the  
20 residual threat in Afghanistan, but also throughout the  
21 region --

22 Senator Ernst: Uh-huh.

23 General Milley: -- and we think that we do have "over  
24 the horizon" capabilities, which we can discuss in  
25 classified session, but we do think we are effective in

1 being able to find, fix, and when necessary, strike any  
2 potential threat to the homeland.

3 Senator Ernst: And it has been reported that the  
4 Emirates won't accept the President's phone calls. Are you  
5 able to visit with your counterparts in the U.A.E.?

6 General Milley: I have not add any issue contacting  
7 counterparts in the Middle East.

8 Senator Ernst: And thank you for continuing the  
9 conversation with them. It is important that we maintain  
10 relationships through the Middle East, so I do appreciate  
11 that.

12 With the administration continuing the negotiation of  
13 the Iranian nuclear deal and then pair that with the reduced  
14 footprint that we have in the Middle East, is that driving  
15 some of the Gulf States' neutrality when it comes to the  
16 Russian-Ukrainian conflict, your opinion?

17 General Milley: I actually don't know. I would have  
18 to ask them point-blank. I haven't asked those questions  
19 point-blank to them. I think they probably, I don't know, I  
20 would be speculating, so I would have to get back to you on  
21 that.

22 Senator Ernst: Oh, okay. No, I appreciate that.

23 And then just very briefly, as well, we haven't talked  
24 about this today, but it is something that is on my mind,  
25 and that is recruiting for our military. And we have found

1 that Americans between the age of 17 to 24, only 29 percent  
2 of them would even be eligible to enlist.

3 Just very briefly, thoughts on that?

4 General Milley: That is, you are about right, 29  
5 percent are eligible to meet the standards: medical,  
6 educational, discipline, legal, all that. And even less  
7 than that have a propensity, it is less than 5 percent that  
8 have a propensity to serve. And we know that part of that  
9 is because of COVID. We know that propensity to serve goes  
10 up once you make contact.

11 So, contact, personal contact with individuals out  
12 there in the recruiting regions, that is the key to  
13 propensity to serve. So, it is a tough recruiting  
14 environment right now, and as you know, I think the Army is  
15 a little bit behind. The Navy, Marines, and Air Force are  
16 all meeting their marks. We are only 4 months into the year  
17 and that will get adjusted as high schools graduate in the  
18 summer. And I think at the end of the year, the Army is  
19 projected to come in a point or two below the 100 percent.

20 The other services are going to be at 100 percent.

21 Senator Ernst: Thank you.

22 Thank you, Gentlemen.

23 Thank you, Mr. Chair.

24 Chairman Reed: Thank you, Senator Ernst.

25 Senator Warren, please?

1 Senator Warren: Thank you, Mr. Chairman.

2 So, in the new budget, the Pentagon is asking for a lot  
3 of money: \$773 billion. But some lawmakers say this is too  
4 low and last week they proposed adding as much as ninety to  
5 \$100 billion more. The claim is that the extra money is  
6 needed because of inflation.

7 Now, there is no question that inflation is raising  
8 costs across the country, but we have also seen big  
9 companies taking advantage of inflation to jack up prices  
10 and to pad their profit margins. That is a particular  
11 problem in industries with lots of consolidation.

12 The defense industry, which had 51 major companies  
13 competing for defense contracts 30 years ago, today, has  
14 five. That is concentration.

15 Price gouging by defense contractors has been a big  
16 problem for a long time. Inspector General reports have  
17 found that defense contractors charge DOD \$71 for a pen that  
18 should have cost less than a nickel and \$80 for a drainpipe  
19 segment that should have cost \$1.41. And CEOs are already  
20 investing to their investors that profits will be even  
21 higher this year. That kind of profiteering wastes taxpayer  
22 dollars and it hurts military readiness.

23 Secretary Austin, let me ask you, under our budget,  
24 obviously, you have to account, we have to account for cases  
25 where suppliers are increasing prices to cover higher costs

1 elsewhere in the supply chain. We understand that. But  
2 these companies are doing very well for themselves.

3 Should taxpayers be expected to subsidize higher  
4 profits for contractors that are using inflation as a cover  
5 to raise their prices above and beyond what is justified by  
6 an increase in expenses?

7 Secretary Austin: The short answer, Senator, is no.  
8 And you have any commitment and the commitment of my entire  
9 team that we are going to do everything within our power to  
10 make sure that we are managing contracts and monitoring  
11 behavior so that we enable the people of the United States  
12 of America to get best value for its investments.

13 Senator Warren: Good. I very much appreciate that,  
14 Secretary Austin.

15 You know, one of the things that defense contractors  
16 love to do when they are flush with extra cash, courtesy of  
17 the taxpayers, is to goose their stock prices. The  
18 Pentagon's top contractors spent \$15.5 billion on net  
19 buybacks last year, sending their stock prices zooming.  
20 That is the most of any year on record ever.

21 But it is not just members of Congress who are using  
22 inflation as an excuse to ask for more money from the  
23 Pentagon. I was actually troubled to hear some Pentagon  
24 officials doing the same earlier this week.

25 So, Secretary Austin, let me ask you directly: Are you

1 comfortable with the figure in the President's proposed  
2 budget?

3 Secretary Austin: I am comfortable, and here is why,  
4 Senator. I you may have heard me say earlier that we went  
5 through great pains to develop a National Defense Strategy  
6 and we knew that our budget would have to match that  
7 strategy. And so, we went through great pains to make sure  
8 that was the case.

9 This is a robust budget and I think it allows us to get  
10 the capabilities that we need to support our operational  
11 concepts.

12 Senator Warren: Okay. And you are good on this  
13 number, without adding another ninety or \$100 billion to it?

14 Secretary Austin: We certainly want to have the buying  
15 power to get the things that we need, but, yeah, this is,  
16 this budget gives us what we need to get the operational  
17 capabilities.

18 Senator Warren: I think that \$773 billion for the  
19 Pentagon is already way too high, but the notion that we  
20 need to increase the total by another \$100 billion or \$400  
21 billion every year just invites defense contractors to pick  
22 taxpayers' pockets.

23 The American people are willing to pay to defend this  
24 country, but they are not going to sit still for being  
25 gouged by hugely profitable defense companies. And I

1 appreciate your help on this, Secretary Austin.

2 I am almost out of time. But, Mr. McCord, I want to  
3 remind you that you owe this committee a backlog of several  
4 years of reports on the European Deterrence Initiative.

5 Do I have your word we are going to get that done soon?

6 Mr. McCord: Yes, Senator. We will get those reports.

7 Senator Warren: All right. Thank you very much.

8 Chairman Reed: Thank you, Senator Warren.

9 Senator Sullivan, please?

10 Senator Sullivan: Thank you, Mr. Chairman.

11 And, gentlemen, thank you for your hard work. I know  
12 you have been burning the midnight oil. This committee  
13 certainly appreciates it.

14 I want to agree with Senator Fischer on the NDS and  
15 getting that out. I actually read the classified version.

16 I think there is not much in it that is classified,  
17 actually. I think you could get that out publicly pretty  
18 soon, you know, maybe remove a certain element to it, but I  
19 think that would be important.

20 I was struck by pretty much everybody here, the  
21 Chairman, all of you gentlemen talking about how dire the  
22 global security challenges are, great power conflict  
23 increasing, more likely.

24 General Milley, you said the greatest to global peace  
25 and security in your lifetime right now.

1           So, clearly, national security threats have increased  
2 since the last time you were here a year ago, isn't that  
3 correct, Mr. Secretary? General Milley?

4           Secretary Austin: Well, certainly, you know, we have  
5 been focused on our pacing challenge of China.

6           Senator Sullivan: Yeah.

7           Secretary Austin: And Russia is an acute threat and,  
8 right --

9           Senator Sullivan: But I mean, I don't want to be rude,  
10 but since you testified last year, your testimony today,  
11 both of yours with last year's, the security threat has been  
12 significantly heightened and that is what you have both just  
13 said, correct?

14          Secretary Austin: Tensions are certainly heightened,  
15 that's right.

16          Senator Sullivan: General Milley?

17          Well, you already said it, so --

18          General Milley: That is correct.

19          Senator Sullivan: So, here is the thing on that. I am  
20 actually stunned that the President put forward another  
21 budget that actually calls for real defense cuts. A 4  
22 percent increase with 8 percent inflation is a 4 percent  
23 real inflation adjusted budget.

24          I think it is irresponsible. I think it is dangerous.  
25 When you look at shrinking the Navy, shrinking the Air



1 Force, there is no doubt in my mind that that gives our  
2 enemies comfort and I think that this budget doesn't align  
3 with your statements about the severity of the national  
4 security challenges we face right now.

5 And what is likely to happen, and it is sad, is that  
6 once again, we are going to have to push the President to  
7 increase the budget in a bipartisan way, the way we did it  
8 last year. It is sad.

9 The Commander-in-Chief can't reject some of his far  
10 left members and say, we need a robust budget. We put  
11 forward a budget that cuts defense spending, so I am going  
12 to have problems with that.

13 General Milley, I want to compliment you on your  
14 speech. I think it was in 2016, you gave a really  
15 prophetic, in my view, speech on Putin and the threat he  
16 brings forward. And you were all criticized for that  
17 speech, I remember, but I think if you re-read the speech,  
18 you were right on with what was happening.

19 But you are seeing, here, I think there is a source of  
20 bipartisan frustration to what is happening. I know you  
21 have been working hard on Ukraine, but I think when the  
22 intel committees were briefing us prior to the invasion,  
23 they got it right and so did all of you, what was going to  
24 happen.

25 Then there was this notion that, and we were all

1 briefed on it, that they were going to lose, the Ukrainians,  
2 within 7 to 10 days. That was the uniform briefing: they  
3 are going to get crushed.

4 Okay. They got that wrong. A lot of people got that  
5 wrong.

6 I think the shift that we need to do now is to Senator  
7 Blumenthal, Senator Cotton, Senator Ernst, to strategically  
8 think about victory. And, again, General Milley, I know you  
9 are working this hard, but when you have to talk about key  
10 objectives, number one, don't engage Russia with a conflict,  
11 keep NATO cohesion, support the Ukrainian people as the key  
12 objectives, doesn't it make sense to have as our number one  
13 objective, imposing a strategic defeat on Putin that we have  
14 the opportunity to do right now in align with what you said.

15 And I think that is a source of frustration for a lot  
16 of senators. We are not hearing that language.

17 General Milley: I mean, I think, well, I have heard  
18 that language many times, actually.

19 Senator Sullivan: Well, I mean, you just listed the  
20 three objectives.

21 General Milley: I did.

22 Senator Sullivan: Those were the, to be honest, they  
23 were all defensive-sounding.

24 General Milley: Yeah.

25 Senator Sullivan: Here is what we won't do. Here is

1 what we won't do.

2 General Milley: Right.

3 Senator Sullivan: Here is what we will do.

4 But what about, we are at a big moment. This is bigger  
5 than Ukraine. What about --

6 General Milley: If I may?

7 Senator Sullivan: Yes, sir, go ahead.

8 General Milley: At the national level, the President  
9 has said to us, at large, the national security team, to  
10 impose severe costs and do not let Putin win to ensure that  
11 Ukraine --

12 Senator Sullivan: I would respectfully recommend you  
13 put that as your number one objective. You didn't even  
14 mention that in your three objectives.

15 General Milley: Right. But those severe costs are  
16 being done by other elements, not the U.S. uniform military.  
17 That is why, the U.S. uniform military has a different task  
18 here, which is to ensure, deter our NATO allies to prevent  
19 war expanding and escalating, to ensure that Ukraine gets  
20 the means that are necessary in order to defend itself so it  
21 can remain free and sovereign, and then also to continue to  
22 maintain the cohesion of NATO. Those are the uniform  
23 military tasks. We are not talking about a broad, but just  
24 the uniform military tasks.

25 Senator Sullivan: Let me -- I have one question, Mr.

1 Chairman, and it will be quick, just one final one.

2 There are press reports that the JCPOA consideration,  
3 one of the big redline debates right now is for us to agree,  
4 us, the United States, the to delist the RGC as an  
5 organization that sponsors terrorism. The Iranians want it.

6 You gentlemen, unfortunately, have led troops, some of  
7 our finest, over 2,000 wounded and killed by the Quds Force  
8 IRGC with the weapons they supplied to Iraqi militias. I am  
9 sure hundreds under your command were killed or wounded.  
10 The IRGC has recently been responsible for missile attacks  
11 in coordination with the Houthis against U.A.E. civilians,  
12 our longstanding ally in the region, U.A.E.

13 Is there any universe in which the two of you could say  
14 you support the delisting of this terrorist organization  
15 with blood of American soldiers on its hands, recently, and  
16 delist them as state sponsor of terrorism because Iran wants  
17 it?

18 We should tell Iran to go pound sand. There is no way  
19 in hell that they shouldn't be delisted. What do you two in  
20 your personal opinion, given how much experience you have  
21 with Iran in the Middle East, believe on that question?

22 Secretary Austin: Senator, respectfully, I won't  
23 comment on negotiations that are ongoing and speculate on  
24 what my advice to the President is going to be. So, I will  
25 --

1           Senator Sullivan: In your personal opinion, we have  
2 asked you before that you can give us that, even though it  
3 might conflict with the administration's view. That is what  
4 you committed to do with this committee, so I would ask you,  
5 again, both of you, your personal opinion.

6           Secretary Austin: And my answer remains unchanged,  
7 Senator. Thank you.

8           Senator Sullivan: General Milley, you have been asked  
9 in your personal opinion.

10          General Milley: Yeah, Senator, just for clarity,  
11 political appointees are different than me. I have to sign  
12 a document that requires me to give you --

13          Senator Sullivan: You are right.

14          And I am sorry, Mr. Secretary, I didn't mean you. I  
15 meant General Milley.

16          General Milley: So, in my personal opinion, I believe  
17 the IRGC Quds Force to be a terrorist organization and I do  
18 not support them being delisted from the foreign terrorist  
19 organization.

20          Senator Sullivan: Thank you for your honesty.

21          Chairman Reed: Thank you, Senator Sullivan. Thank you  
22 very much.

23          Senator King, please?

24          Senator King: Thank you.

25          A series of fairly detailed questions. Mr. McCord, you

1 haven't had much fun this morning, so I want to try to get  
2 you into this discussion.

3 The Ukrainian aid that we have supplied thus far and we  
4 are planning to supply and will undoubtedly supply more in  
5 the future, where does that fit into the defense budget? We  
6 don't have OCO anymore. Is this coming out of the current  
7 defense budget? Are they extra budgetary appropriations?

8 Mr. McCord: Senator, the aid that the Secretary has  
9 been talked about this morning, the Javelins, the Stingers,  
10 the body armor, all those things have come out of the  
11 funding that was provided in the supplemental attach to the  
12 omnibus funding bill that was enacted --

13 Senator King: So, it is not. And there will be a  
14 replenishment as well. We are going to have to replenish  
15 stocks that we are supplying and also replenishment to some  
16 of our NATO allies.

17 Will that come out of the future defense budget? I am  
18 not -- this is isn't an argumentative question, I am  
19 legitimately curious.

20 Mr. McCord: No, you are correct, Senator.

21 The funding to replenish, part of that supplemental \$3  
22 and a half billion of that supplemental was funds to  
23 replenish the drawdown materials provided to Ukraine. The  
24 first tranche of that was notified to the committee, I  
25 believe, last Friday. A billion and a half of those funds

1 will start flowing, but it is not part of the normal defense  
2 budget build to exercise drawdown authority at this level.

3 So, if we are going to continue, that might be  
4 something we need to look at going forward.

5 Senator King: Two other questions. I think you  
6 testified you wrestled with inflation as you were preparing  
7 the budget. I think you said that the general CPI rate of  
8 inflation doesn't necessarily apply to the things that you  
9 buy; is that correct? So, it is not accurate to say if we  
10 have 7 percent inflation, the military, and the military  
11 budget doesn't have 7 percent increase, then it is a cut.

12 Please explain the inflation as it applies to the  
13 military budget.

14 Mr. McCord: That is correct. About 60 to 65 percent  
15 of our budget is buying goods and services from our  
16 industrial base and about 25, 30 percent goes to military  
17 pay, and then we have a couple other if factors like fuel.

18 We have different inflation rates that are applied to  
19 each of them, but by and large, a GDP deflator is the most  
20 accurate description of what we buy. That went up 4 percent  
21 last year, not 7 percent. That is the point that I was  
22 making.

23 Senator King: A quick other question for you.

24 How are we doing on the audit? That has been something  
25 that has been going on as long as I have been on this

1 committee. Are we making progress to getting toward a clean  
2 audit?

3 Mr. McCord: Senator, we are making progress, but the  
4 progress is not where it needs to be. The Secretary has  
5 been clear with me on that. The progress we made last year  
6 was not where it needed to be and there was a couple of  
7 reasons for that, from the gaps in a transition year to  
8 COVID.

9 We have been making some progress that is a bit below  
10 the radar screen. It has not yet translated to the pass-  
11 fail grades that are the heart of an audit. We do need to  
12 redouble our efforts and Secretary --

13 Senator King: Well, I would appreciate it.

14 The prior administration made some progress on that and  
15 I hope that that momentum won't be lost. This is a  
16 responsibility that we have to the American people.

17 Secretary Austin, there are several wars going on right  
18 now. One is in Ukraine, but one of them is also within the  
19 United States where about, I think 100,000 people died of  
20 overdose deaths last year. That is an attack on our  
21 country.

22 My concern is, when we had SOUTHCOM in here, they don't  
23 have, they have 1 percent of the ISR resources worldwide and  
24 they don't have adequate resources to interdict those  
25 shipments by sea that we know about through our limited ISR.



1 I would hope that you would pay some attention to that,  
2 to add to your attention to that, and also to think about  
3 setting this up in some way that there is somebody in  
4 charge.

5 My worry is you have got DEA, you have got the Coast  
6 Guard, you have partners, you have the CIA, and you have the  
7 Defense Department and nobody is in charge, and the result  
8 is two people a day in my state are dying. And I understand  
9 we have to work on the demand side, but it is very  
10 frustrating when I have testimony year after year that we  
11 are only interdicting 25 percent of the shipments that we  
12 know about. That is inexcusable.

13 Mr. Secretary, I hope you will recommit to this war.

14 Secretary Austin: Two things, Senator. We will  
15 certainly make sure that SOUTHCOM Commander has what she  
16 needs to be effective in these efforts and, you know, I have  
17 discussed this with her before, but clearly, you know, the  
18 limiting factor is ISR. And we will work with her to make  
19 sure that, where possible, we get her more capability.

20 Senator King: Well, let's put it in the budget and buy  
21 more. I mean, ISR in a function of how many devices you  
22 have and it seems to me that is an engineering problem and  
23 we should be able to solve that.

24 I am out of time, but Mr. Secretary, I want to commend  
25 you on the significant both in the R&D budget. I think that

1 is an enormously important area and, frankly, it is an area  
2 where we have fallen behind. Hypersonics and directed  
3 energy are two areas that are strategic game changers that,  
4 frankly, I think our country is behind, and so the  
5 additional resources into R&D is absolutely critical.  
6 Wars often turn on the utilization of new technology. The  
7 English at the Battle of Agincourt with one-third of the  
8 French Army, won that battle because the radical utilization  
9 of the long bow. That changed warfare in 1450 and it is  
10 technology that is going to win the next war.

11 And so, again, I want to commend you for the commitment  
12 to R&D, and standfast on that. I don't think there is a  
13 more expenditure in the budget.

14 Senator King: [Presiding.] Senator Cramer?

15 Senator Cramer: Thank you, Senator.

16 Thank you both for being here and for your service.

17 Mr. Secretary, last month, your deputy said that the  
18 Department, as directed by President Biden, aims to reach  
19 net-zero greenhouse gas emissions by 2050. Then, she said,  
20 she mentioned the danger posed by China, illegal Russian  
21 aggression in Europe, persistent threats from Iran, North  
22 Korea, and other state actors. You both, and others that  
23 work with and under you, consistently and appropriately  
24 referenced the importance of modernization, lethality,  
25 readiness, obviously.

1 My question is, do you think China, Russia, Iran, and  
2 North Korea are going to be slowed in their military  
3 development by climate-change concerns?

4 Secretary Austin: I don't believe so and I don't  
5 believe we will either, Senator.

6 Senator Cramer: Do you know if they have plans to  
7 reach net-zero, any of them?

8 Secretary Austin: Senator, I, again, I have asked you  
9 for \$773 billion to support the capabilities that we think  
10 we need and I certainly appreciate what you have done for us  
11 in the past, but I think there is also things that we can  
12 and should be doing to address the climate issue, as well.

13 It affects our installations. It causes problems that  
14 cause mass migration and other things in the areas that we  
15 operate in and our forces are committed to fighting  
16 wildfires and helping in the aftermath of severe storms on  
17 an increasing basis.

18 So, I don't think this is a thing that we can discount  
19 and I think the Defense Department has to do its part.

20 Senator Cramer: I appreciate that.

21 And, frankly, I hope that we can give you a lot more  
22 than you have asked for to actually do those things, Mr.  
23 Secretary. But as you are talking with me, I am imagining  
24 the calculation that would measure the negative impact of  
25 say, our failure to deter the Russian invasion of Ukraine;

1 in other words, I appreciate that you have this concern, but  
2 I also hope we can keep the main thing the main thing,  
3 because just like more energy development in the United  
4 States and providing that energy to our allies actually  
5 brings down greenhouse gas emissions, I think deterring the  
6 same polluters that have benefited from a lower standard  
7 than ours would also do the same.

8 And so, we want to make sure that you have the  
9 resources to do exactly what you need to do to get -- to  
10 accomplish all of those good goals.

11 General Milley, maybe I can just ask you. I noticed  
12 you don't mention it much; in fact, you didn't at all. The  
13 Secretary mentioned climate change five times in his written  
14 opening comments. It is referenced in the National Defense  
15 Strategy, sort of highlighted. We will see if it is in the  
16 national military strategy when you provide that.

17 But do you think climate change is a military objective  
18 that the Department should be focused on tackling?

19 General Milley: It is a Departmental objective.

20 For the military, though, for the uniform military, it  
21 is a condition under which we will operate and it is  
22 something that we will have to take into consideration in  
23 the conduct of our operations, for sure, because you know,  
24 if you look at Lake Chad as just one example, if you look at  
25 a picture in 1950 and look at Lake Chad and look at it

1 today, well, the reason that there is a lot of instability  
2 in that particular region is because there is no water and  
3 there are a lot of resource struggles going on.

4 So, climate change has an impact on military operations  
5 for sure, and it is going to be a predictor for where likely  
6 instability will occur in the future. So, it is a condition  
7 under which we operate, as opposed to something that we can  
8 fix.

9 Senator Cramer: Mr. Secretary, I want to talk a little  
10 bit about the fear of escalation. That is, we hear that a  
11 lot. It seems that many times the fear of escalating the  
12 situation in Russia depends on us and a lot less on  
13 Volodymyr Putin. And I just think we have made too many, my  
14 personal view is we have made too many decisions based on  
15 how we think Volodymyr Putin would respond to this  
16 situation, things like limiting the kind of help we would  
17 provide Ukraine, how quickly we would provide that help,  
18 postponing and then canceling a Minuteman test that was  
19 scheduled, a Minuteman-III test and not facilitating the  
20 transfer of MiGs, just a few of the examples.

21 Do you have any evidence that Volodymyr Putin is ever  
22 worried that his massacre of women and children civilians  
23 would escalatory?

24 Secretary Austin: You know, I don't know what is in  
25 the mind of Volodymyr Putin and a lot of other people don't

1 either, Senator.

2 You use the word "fear" and Putin in the same sentence  
3 and I just want to point out that my job, one of my key  
4 responsibilities is to manage escalation and make sure that  
5 we don't find ourselves in a nuclear contest in that is  
6 avoidable.

7 And, again, there is nothing about Mr. Putin that we  
8 fear. And you see the kinds of things that we have done in  
9 rapidly deploying combat power to Europe and the eastern  
10 flank. And what we have done, and continue to do, is  
11 provide assistance to Ukraine.

12 And, you know, not a military issue, but the sanctions  
13 that we have imposed on Mr. Putin are going to have a  
14 significant impact on his economy for years to come.

15 Senator Cramer: Thank you, Mr. Chairman.

16 Chairman Reed: [Presiding.] Thank you, Senator  
17 Cramer.

18 Senator Rosen, please?

19 Senator Rosen: Oh, there it is. Thank you, Chairman  
20 Reed, Ranking Member Inhofe, and thank you all for your  
21 service and for being here. Again, we appreciate how  
22 accessible you are to this committee and others.

23 General Milley, last month, I traveled to Poland and  
24 Germany as part of a bipartisan codel led by Senator Ernst,  
25 several other members of this committee on the codel. We

1 had the privilege of meeting the U.S. forces, receiving  
2 briefings from commanders on the situation in Ukraine,  
3 seeing firsthand, the security assistance and training NATO  
4 is providing the Ukrainians.

5 And this trip: horrific. Horrific is too light of a  
6 word, I guess, to use, but the horrific images of the  
7 Russian war crimes we have seen since, it really underscores  
8 for me that we can and we must do more to support Ukraine,  
9 defeat Volodymyr Putin, and defeat what he is doing.

10 So, President Zelenskyy continues to ask for greater  
11 American support to close the skies, allow Ukraine to defend  
12 itself. I do understand the arguments as to why the MiG-29,  
13 specifically, might not make sense for Ukrainians' defensive  
14 battle, but is there another aircraft they could fly that  
15 could be impactful, something else that could provide close  
16 support?

17 And I understand we are not in the classified setting.  
18 Are there other forms of lethal assistance you could talk  
19 about here that might help Ukrainians defend themselves  
20 against this brutality?

21 General Milley: The most effective is that, which we  
22 have been providing, which is air defense systems. So, the  
23 Russian Air Force has not even today established air  
24 superiority, let alone, air supremacy, which is one of the  
25 reasons why they have having great difficulty on the ground.

1 So, the air superiority mission has not been achieved.

2 Why is that? It is because of the survival of the air  
3 defense systems, both, the -- that we have been providing  
4 Stingers and the like from other NATO countries, plus the  
5 longer-range SAMs that have been provided and that they  
6 already had. So, that system has denied the airspace,  
7 effective use of the airspace to the Russian military.

8 Now, that is not to say Russian air is not getting  
9 through. They are on occasion, but for the most part, they  
10 are not being very effective, the Russian Air Force, and  
11 that is the reason, is because of the air defense.

12 So, the best method right now, and the Ukrainians, I  
13 have talked to my Ukrainian counterpart every couple of  
14 days, they are very, very thankful, extraordinarily thankful  
15 on the 60,000 anti-tank weapons, which is the second system  
16 that is really effective and the 25,000 anti-aircraft  
17 weapons systems that have been sent by the United States and  
18 our allies and partners.

19 So, those are the two weapon systems that have proven  
20 most effective and the one for the air, in particular, the  
21 best way to deny the Soviets -- or the Soviets -- the  
22 airspace is through the air defense systems and that is what  
23 they are using.

24 Senator Rosen: Well, given the heavy losses that the  
25 Russian military has suffered in the Ukraine, we know they



1 are repositioning. Like you said, we are doing a good job.  
2 We are getting them the lethal support that they need.

3 How do you assess their ability as they are  
4 repositioning and trying to resupply their forces --

5 General Milley: The Russian ability?

6 Senator Rosen: The Russian ability in their attack on  
7 Eastern Ukraine as they begin to reposition themselves more  
8 down towards the Donbas.

9 General Milley: The Russians have been struggling with  
10 their logistical resupplying: fuel, ammunition, food, also  
11 med evac, et cetera, they have been having a very, very  
12 difficult time. Part of that is because the lines of  
13 communications that they have, the ground lines of  
14 communications are at risk to dismounted and mounted  
15 Ukrainian Forces that are conducting ambushes along those  
16 lines of communications. So, they have really had a  
17 difficult time with logistics.

18 Senator Rosen: Well, and so, on the other side of  
19 that, we know if they are repositioning, the Ukrainian  
20 military and ground forces there have to reposition as well.  
21 So, looking ahead, do you think the Ukrainians have the  
22 right equipment and logistics in place to defend against  
23 this repositioning that Russia is, seems to be doing?

24 General Milley: They are asking for, and they could  
25 probably use additional armor and artillery, and we are

1 looking around through allies and partners to get those  
2 types of weapon systems that require no training.

3 Of course, we have armor artillery, but it is not the  
4 kind that they have used before and it would require months  
5 of training to get them into a U.S. system. So, we are  
6 looking around, along with other countries and NATO, to help  
7 them out in terms of building them up for armor and  
8 artillery.

9 The fighting down in the Southeast, the terrain is  
10 different than it is in the north; it is much more open and  
11 lends itself to armor, mechanized offensive operations on  
12 both sides. So, those are the systems that they are looking  
13 for and that is what people are trying to help them out  
14 with.

15 Senator Rosen: Thank you.

16 I want to submit my next questions for the record, but  
17 they are really important. They will be for Secretary  
18 Austin and Under Secretary McCord. It is about housing for  
19 our junior enlisted troops. They are not able to receive  
20 their base allowance for housing, they are transitioning,  
21 the cost of housing is expensive, they are not getting  
22 reimbursed in the way they should be. We also have issues  
23 for those on Creech that have to travel a far way to go to  
24 Las Vegas and go to work, and so I am going to submit those  
25 for the record.

1 I see my time is up and I will look forward to speaking  
2 with you about that.

3 [The information follows:]

4 [COMMITTEE INSERT]

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Chairman Reed: Thank you, Senator Rosen.

2 Senator Tuberville, please?

3 Senator Tuberville: Thank you very much.

4 Thank you for being here today, Secretary.

5 General Milley, good to see you last week. I thought  
6 that was a great change of command down in CENTCOM.

7 Secretary Austin, as we all know in the near future, we  
8 are going to get the IG report on Space Command hopefully  
9 moving to Huntsville. And the Redstone Arsenal, we have got  
10 a lot of great comments from you and Acting Secretary of the  
11 Air Force, Secretary of the Air Force Frank Kendall and, of  
12 course, General James Dickinson. All positive comments.

13 The IG report will come out in the future.

14 Any thoughts about the future?

15 Secretary Austin: Well, thanks, Senator.

16 As you know, I will never comment on an IG, on a  
17 subject that is under IG scrutiny. So, when that report  
18 comes out, we will make sure that we get, analyze it as  
19 quickly as possible and take on the recommendations.

20 Senator Tuberville: Thank you.

21 General Milley, last year's NDAA 2022, we got a jump-  
22 start on the Aegis system in Guam. Hopefully, we can  
23 continue that in the next few years. It is going to take a  
24 while to get that done on a land base, which I think all of  
25 us agree we need. And then we have an Iron Dome there. You

1 know, that is, to me, after visiting Guam a few months ago,  
2 that would be kind of like swatting flies.

3 What do you think in the near future, we could do with  
4 that Iron Dome?

5 General Milley: Well, the Iron Dome is a very  
6 effective system, but let me just take a step back for the  
7 ballistic missile defense in the Pacific region, and Senator  
8 Hirono had asked about that earlier.

9 It is a layered system that starts, literally, over in  
10 Japan and comes through the entire Pacific and includes  
11 radars and various missile systems that are arrayed  
12 throughout to include Guam, Hawaii, Alaska, et cetera.  
13 Specifically, to the Iron Dome, is it a great system and it  
14 is a very accurate system and it has a very good track  
15 record, and there is all kinds of utility for it in a wide  
16 variety of environments. So, I am a big fan of the Iron  
17 Dome.

18 Senator Tuberville: Thank you.

19 Secretary Austin, extremely concerned about the  
20 situation at the southwest border. According to the latest  
21 data, the Border Patrol has encountered more than 150,000  
22 illegal immigrants a month for at least the past 12 months  
23 and it is estimated that at least 500 illegal immigrants  
24 that evaded the border just recently.

25 I am especially concerned about the trafficking of

1 drugs, fentanyl, and the new drug most people haven't heard  
2 of called another called "ISO," which is 20 times more  
3 lethal than fentanyl coming across the border. The New York  
4 Post reported yesterday that you approved DHS' request for  
5 additional DOD at the border; is that accurate?

6 Secretary Austin: DHS did submit a request for our  
7 support and as we have done in the past, we -- I approved  
8 the request. We, again, DHS is a lead federal agency in  
9 this endeavor. We provide enabling support to DHS when and  
10 where we can and where legally possible.

11 Senator Tuberville: Yeah. It is obvious that we need  
12 help, especially if we do away with Title 42, which it looks  
13 like it is coming.

14 Have you done any assessment of, or has the secretary  
15 given you any assessment of about how many we would need  
16 down there if we did do something in your purview?

17 Secretary Austin: Secretary Mayorkas, obviously,  
18 Senator, will work up his requirements and his assessments  
19 and provide those to the President and, you know, he  
20 certainly has not provided that assessment to me.

21 Senator Tuberville: Has he talked to you about it, you  
22 know, maybe in the future?

23 Secretary Austin: Not about future requirements. He  
24 has only talked to me about current requirements.

25 Senator Tuberville: Yeah, okay.

1 I want to pick up where Senator Ernst was at the end of  
2 her questioning, and anybody can answer this, but you know,  
3 we are going to spend all this money on all this great  
4 equipment and we are all good with that, but it takes people  
5 to do that, and you all know that.

6 And I would love to see a better recruiting effort of  
7 spending some money, because we are fighting big tech. We  
8 are fighting a lot of areas now. Being an all-volunteer  
9 army, I think we have got to put a larger foot forward in  
10 getting the best and the brightest young men and women in  
11 whatever part of our military, and I think it is going to be  
12 one of the most important things we do. We can't fight a  
13 war or have a deterrent unless people really understand we  
14 have got a fighting force that really is sold out on this  
15 country and wants to lay their life on the line.

16 And just your thoughts, both of your all's thoughts on  
17 that real quick.

18 Secretary Austin: I absolutely agree with you, sir.  
19 We need to continue to invest in the quality of our force.  
20 That is exactly what you have heard come from our Army  
21 leadership, the Secretary and the Chief. And it is what you  
22 will hear coming from all of our Secretaries. It is what --  
23 what we need, what has made us dominant and the best force  
24 in the world, and what we will need, going forward, to  
25 continue to be the best force in the world.

1           General Milley: And I just want to assure you and  
2 everyone that is listening, that we have tremendous  
3 standards and we have tremendous people in uniform today.

4           As we go forward, we have to take into account the  
5 future operating environment, the change in the character of  
6 war.

7           So, our recruiting does need to be adjusted. We need  
8 to up our game. We are going to have to look at, in some  
9 cases, look at different recruiting bases in order to get  
10 people for cyber and space and some of the other high-tech  
11 things, because we are moving into, literally, a different  
12 era in warfare and we are going to have to adjust our  
13 recruiting to match that future.

14          Senator Tuberville: Thank you. Thank you for your  
15 service.

16          Thank you, Mr. Chair.

17          Chairman Reed: Thank you, Senator Tuberville.

18          Senator Kelly, please?

19          Senator Kelly: Thank you, Mr. Chairman.

20          And thank you to all of you for being here today.

21          Secretary Austin, I want to discuss PFAS contamination  
22 near military facilities. This is a big challenge in  
23 Arizona. Both, the Phoenix and Tucson areas have growing  
24 PFAS plumes in the groundwater aquifers and as we face  
25 worsening drought conditions along the Colorado River, the



1 groundwater, so groundwater will become a more important  
2 source of drinking water for our communities, including our  
3 military installations.

4 The Department of Defense has remedial investigations  
5 into PFAS contamination in aquifers near both, Luke Air  
6 Force Base and Davis Monthan Air Force Base. While, I  
7 understand that these investigations can take time and rely  
8 on scarce resources, affected communities that can't move  
9 forward on permanent solutions with DOD until these  
10 investigations have concluded.

11 With conditions on the Colorado River degrading  
12 rapidly, I mean, we are in a 1200-year drought, or the worst  
13 drought in 1200 years and this one we are in has been going  
14 on for 20 years; it is significant. And I am worried that  
15 we may need to rely on these groundwater aquifer sources as  
16 sources of drinking water, instead of getting all of our  
17 drinking water off of the river.

18 So, Mr. Secretary, as the Department makes  
19 determinations about which remedial investigations to  
20 prioritize, how is it accounting for the needs of  
21 communities in regions that have a prolonged drought and  
22 because of that, has a higher likelihood of a future need of  
23 using the groundwater?

24 Secretary Austin: Thank you, Senator.

25 I would just like to emphasize to you that the health

1 and welfare of our troops, our families, and the people in  
2 the community are very, very important to me and I, and,  
3 certainly, we will continue to focus on getting these  
4 assessments done and work with the appropriate regulatory  
5 agencies to make sure that we are doing the right things and  
6 we will move out as quickly as possible.

7 In terms of, you know, where we go, how we go forward,  
8 I think what you have raised is an important issue. If you  
9 are dependent upon that ground source of water, then that  
10 needs to go into the equation there in terms of what we  
11 address first and that -- we are going to comply with the  
12 regulations, you know, work with the regulatory commissions,  
13 but certainly take into account the things that you just  
14 raised.

15 Senator Kelly: Well, thank you.

16 The fiscal year 2022 NDAA requires that DOD produce a  
17 schedule. So, it would be really appreciated if you could  
18 consider the drought situation as that schedule is being  
19 developed.

20 Secretary Austin, I also have a question on TRICARE  
21 eligibility in our remaining time here. With a 4.6 percent  
22 increase in pay and increases in basic needs and DHS housing  
23 allowance that I pushed for, this budget goes a long way to  
24 addressing the needs of our servicemembers.

25 And this builds on the work that the Department and

1 Congress did last year in addressing suicide and sexual  
2 assault in the military. I commend your attention on these  
3 issues, however, I want to address one other disparity in  
4 the military when it comes to pay and benefits and that  
5 relate to healthcare.

6 I am concerned about the fact that military families  
7 don't have the same healthcare coverage that Americans  
8 enjoy. And what I am getting at is one specific thing. And  
9 I introduced some bipartisan legislation on this to bring  
10 TRICARE plans in line with private insurance plans.

11 My bill, the Healthcare Fairness for Military Families  
12 Act would allow the children of servicemembers to stay on  
13 their parents' insurance until they are 26. That exists in  
14 civilian life. It does not exist currently under TRICARE.

15 So, Mr. Secretary, can I get your commitment that you  
16 will work with my office and this committee on efforts to  
17 bring TRICARE in line with private insurance plans?

18 Secretary Austin: Yes, Senator, you can.

19 Senator Kelly: Thank you.

20 And I yield back the remainder of my time.

21 Chairman Reed: Thank you, Senator Kelly.

22 Senator Hawley, please?

23 Senator Hawley: Thank you, Mr. Chairman.

24 Thank you, gentlemen, for being here.

25 General Milley, let me start with you, if I could.

1           Following Russia's first invasion of Ukraine back in  
2 2014, Congress stood up the Ukraine Security Assistance  
3 Initiative, which I hope has been of some help the  
4 Ukrainians in the lead-up to this most recent invasion. I  
5 want to ask you about that, what we can draw from that, with  
6 regard to Taiwan and over in PACOM.

7           If Congress were to enact a similar funding mechanism  
8 for Taiwan, do you think that would help strengthen Taiwan's  
9 ability to defend itself against a potential invasion by  
10 China?

11          General Milley: I do, yes.

12          Senator Hawley: And from a military perspective, is it  
13 fair to say that strengthening Taiwan's defenses would help  
14 bolster deterrence against China, number one, but also  
15 reduce the operational risk to American forces, who might be  
16 called upon to help Taiwan in the event of an invasion?

17          General Milley: Absolutely, yes.

18          Senator Hawley: This is, I agree with you and thank  
19 you for those comments, this is why I think it is important  
20 to take that action right now and not to wait and get behind  
21 the 8 ball. I introduced the Arm Taiwan Act, which would  
22 establish the Taiwan Security Assistance Initiative, modeled  
23 on what we did in Ukraine those years ago and I think, I  
24 hope the committee will take it up. I think it is an  
25 important initiative.

1 Mr. Secretary, if I could switch to you, Secretary  
2 Austin. The Assistant Secretary for Defense Mara Karlin  
3 wrote, prior to her confirmation, I am going to quote her  
4 here so I get it right, that deterrence by denial should be  
5 prioritized when it comes to China and Taiwan, in  
6 particular, and she went on, deterrence by cost imposition  
7 can complement, but shouldn't supplant deterrence by denial  
8 when it comes to deterring China.

9 And Assistant Secretary of Defense Eli Ratner had said  
10 something similar. He told the committee, with China as the  
11 pacing challenge, the Taiwan is the pacing scenario and that  
12 is driven by a strategy of denial.

13 Okay. With that setup, here is my question to you.  
14 When it comes to the 2022 NDS and the NDS priorities, can  
15 you -- and I am aware we are in an unclassified setting  
16 here -- but could you, can you tell us that we will see in  
17 the unclassified summary of the NDS, a commitment to  
18 deterrence by denial, especially when it comes to China and  
19 Taiwan?

20 Secretary Austin: Our defense strategy accounts for  
21 the things that you just highlighted, Senator, which is why  
22 both of my Assistant Secretaries have highlighted that.

23 But, yeah, that is in the strategy and we will make  
24 sure that the, you know, our unclassified version of the  
25 strategy appropriately reflects what is in the strategy.

1           Senator Hawley: Good. So, just to make sure I  
2 understand, when you say it is in the strategy, you mean  
3 deterring --

4           Secretary Austin: It is accounted for in the strategy.

5           Senator Hawley: -- deterring by denial, deterrence by  
6 denial, when it comes to China and Taiwan is in the  
7 strategy. Have I got that right?

8           Secretary Austin: That is right.

9           And then I can entertain your other questions in the  
10 classified setting.

11          Senator Hawley: Great. Fair enough.

12          But just to close the loop on this, you said we would  
13 see that reflected in the unclassified summary when that is  
14 made available?

15          Secretary Austin: What I said was you will see the  
16 unclassified summary reflect what is in the classified  
17 summary.

18          Senator Hawley: Okay.

19          Secretary Austin: We need to be mindful of what is  
20 transportable, what we can move to the unclassified section.

21          Senator Hawley: Okay. Good.

22          Just staying on the same here, Assistant Secretary  
23 Ratner has also testified that Taiwan is the pacing  
24 scenario. I think you have testified to that effect, Mr.  
25 Secretary, I think. I know that General Milley has.

1 Secretary Austin: I said that China was the pacing  
2 challenge.

3 Senator Hawley: Okay. Great.

4 I think General Milley had said that the Taiwan  
5 scenario, the fait accompli scenario was the pacing  
6 scenario. If I am wrong about that, General, I don't want  
7 to put words in your mouth, you correct me.

8 I know that Dr. Ratner has, so let's stick on that.

9 General Milley: I said that before.

10 Senator Hawley: Go ahead, General.

11 General Milley: And I have said that before, and that  
12 is the scenario, that is one of the scenarios that we use  
13 for force development and so on and so forth --

14 Senator Hawley: Thank you.

15 General Milley: -- but it is clearly the most  
16 important one.

17 Senator Hawley: Thank you.

18 So, here is my question, then, to you, Mr. Secretary.  
19 Will we see that, the Taiwan scenario, the danger of a fait  
20 accompli, will we see that in the unclassified summary of  
21 the 2022 NDS?

22 Secretary Austin: Again, I will just say that the  
23 unclassified summary will reflect what is in the National  
24 Defense Strategy. In terms of specific wording, I won't  
25 commit to a specific wording at this point.

1           Senator Hawley: Could you, could I get you to commit  
2 to this, would you echo what General Milley just said and  
3 that I assume your Assistant Secretaries reflect your views,  
4 but --

5           Secretary Austin: That is exactly right; they do.

6           Senator Hawley: Okay. So, could you tell me in your  
7 own words, though, Mr. Secretary, I mean, is it -- let me  
8 ask you this way. I don't want to put the words in your  
9 mouth, so let me ask you, is it your view that the Taiwan  
10 fait accompli scenario is the pacing scenario, just as China  
11 is the pacing threat; is that fair to say?

12          Secretary Austin: It is a pacing scenario and I would  
13 say that our policy, our China policy has not changed.

14          Senator Hawley: My time has expired. I will have a  
15 few more follow-up questions and hopefully also in the  
16 classified setting.

17          Thank you, Mr. Chairman.

18          Chairman Reed: Thank you, Senator Hawley.

19          Senator Peters, please?

20          Senator Peters: Thank you, Mr. Chairman.

21          And, gentlemen, thank you for being here today.

22          I understand that as part of the U.S. deterrence, the  
23 measures up to and after the invasion of Ukraine, there are  
24 now three U.S. armor brigades forward-deployed in Europe.

25          That is the most since the early 2000s, when the U.S.



1 made a strategic decision to permanently move its heavy  
2 armored forces out of Europe and bring them back to the  
3 United States.

4 Recently, Army senior leaders have said that the strain  
5 on the Army's 11 active-duty armored brigades, ABCTs, is at  
6 a high point and noting that the rotational units basically  
7 need a 3:1 rotation, a ratio to avoid excessive operational  
8 tempo and that 11 active ABCTs falls short of a sustainable  
9 ratio.

10 I also note that while Congress has consistently  
11 provided funding for at least one brigade of tanks each  
12 funding cycle, only three U.S. Army brigades have been  
13 fielded, the most modern Abrams tanks, including one brigade  
14 set in Army preposition stock in Germany, that is now being  
15 forward-deployed to Poland.

16 So, my question for you, Secretary Austin, do you think  
17 that we need more armored forces now than we did last year,  
18 as this budget was being developed both, in terms of those  
19 armored brigades forward-deployed to Europe and those which  
20 we could rotate worldwide?

21 Secretary Austin: Thank you, Senator.

22 I truly believe that we have what we need currently.  
23 As we figure out the future footprint in NATO, especially on  
24 the eastern flank, if we have additional requirements, then,  
25 certainly, we will come back and ask for additional

1 resources.

2 I would remind you that we have over 100,000 troops in  
3 either stationed in Europe or deployed to Europe or  
4 operating in Europe's waters and so we have a robust  
5 capability there now. We were able to do what we did  
6 recently, as you heard me say, Senator, because of what you  
7 did earlier, to provide us with the resources and EDI. You  
8 saw that armored brigade combat team deploy rapidly from  
9 Fort Stewart, fall in on pre-positioned equipment, and then  
10 rapidly move to Germany. And, again, that was all possible  
11 because of EDI. We have been able to train heel-to-toe  
12 along the Eastern flank because of the resources that you  
13 provided us, as well.

14 So, as we do our analysis going forward, if we need  
15 additional resources, I will work with the Secretary of the  
16 Army and the Chief of Staff of the Army, the Chairman, and  
17 come back and ask for more resources if we need them.

18 Senator Peters: Great, thank you.

19 General Milley, do you think the up tempo on the 11  
20 ABCTs that we have will be sustainable over the long-term,  
21 given Russia's apparent expansionist goals in Europe?

22 General Milley: Senator, I think that with 11, you  
23 know, the 3:1 ratio, you got three over there. 3:1 will get  
24 you nine, so you need armored brigades, plus we have one  
25 rotating back and forth to the fence line. So, I think it

1 is about right, but I will go back to General McConville,  
2 the chief staff of the Army, to make sure that my analysis  
3 is correct and I will get you a better answer.

4 If there is some sort of stress on the up tempo of the  
5 armored force, that hasn't been brought up to me yet,  
6 specific to this contingency.

7 Now, long-haul, that depends on how long the long-haul  
8 is and that is not known right now. We are taking a look at  
9 that and we are going to adjust as we go here.

10 Senator Peters: Right.

11 General Milley: Thank you.

12 Senator Peters: And General Milley, the recently  
13 released National Defense Strategy describes China as,  
14 quote, our most consequential strategic competitor and the  
15 pacing challenge for the Department, end of quote. And,  
16 certainly, the Department will have to bring the full might  
17 of our Joint Force to bear in order to compete with this  
18 challenge.

19 Now INDOPACOM is a maritime domain, so certainly, the  
20 role of the Navy and the Marine Corps is very clear, as well  
21 as the Air Force and Space Force will also play a vital  
22 role.

23 But I would like your thoughts as Chairman of the Joint  
24 Chiefs of Staff and a decorated Army officer, I would like  
25 to hear your view as to the role of the Army in the Indo-

1 Pacific.

2 General Milley: The Army has a very important role in  
3 the Indo-Pacific. And, you know, just to go back to World  
4 War II, there was, I think, 15 or 20 divisions of the Army  
5 and Marines in the Indo-Pacific. Our largest land wars of  
6 the United States that we fought in the Indo-Pacific with  
7 Vietnam, Korea, and the World War II Pacific campaigns. So  
8 the ground forces have a very Gant role, but I would say  
9 that in any sort of future conflict, if there was one,  
10 hopefully, there will never be one with China, my estimate  
11 is that the maritime forces and the naval forces will be the  
12 predominate player but the military forces that are on the  
13 ground, Army special forces, Marine forces, and Army ground  
14 forces will be really significant, especially in areas like  
15 air defense, long-range fires, precision fires, and Special  
16 Operations.

17 In addition to that, the amphibious forces of the  
18 Marines will be key. So, there is a very important, very  
19 significant role for ground forces in the Pacific, but the  
20 predominance will likely be maritime or Air Forces.

21 Senator Peters: [Presiding.] Great. Thank you,  
22 General Milley.

23 Senator Scott, you are recognized for your questions.

24 Senator Scott: Thank you, Senator Peters.

25 I thank each of you for being here. I thank you for

1 your hard work. I know this is a very, this is a tough time  
2 to serve. I mean, this is probably, in my lifetime, this is  
3 probably one of the most difficult times to serve with all  
4 of our enemies.

5 I share the concerns of the ranking member and many of  
6 my colleagues in the Senate that President Biden's budget  
7 request does not reflect our current defense needs. After  
8 many years of underspending, we recently began to grow the  
9 defense budget in line with the threats we face,  
10 particularly, Communist China.

11 So, just last year, we had to increase the President's  
12 budget by more than \$25 billion and for months now, we have  
13 been urging the administration to increase our defense  
14 spending so we can meet our modernization needs, deter and,  
15 if needed, defeat our enemies and overcome the impact of the  
16 terrible inflation this administration has caused with  
17 reckless spending.

18 So, we are living in some of the most difficult times  
19 since the Cold War with Communist China, Russia, Iran, North  
20 Korea, reflecting their muscles, increasing their hostility  
21 to us and our allies, but you wouldn't know it, based on  
22 this budget request. So, to me, it is disappointing that  
23 the President didn't request a budget that would do a better  
24 job of putting us in a position that we can deter our  
25 enemies and make sure we take care of our servicemembers and

1 their needs.

2 I was disappointed the administration wants to  
3 decommission 24 ships and weaken our Navy's power and  
4 capabilities. I know the administration has said this is  
5 enough.

6 General Milley, I think you have previously stated that  
7 if you combine Communist China and Russia, that they spend  
8 more than the U.S. does now. Beijing just announced a 7.1  
9 percent increase for 2022 and I think you just testified to  
10 the House that this budget assumes an inflation rate of 2.2  
11 percent, but we all know it is 8 percent-plus right now.

12 All the manufacturers I talk to, you know, are saying  
13 it is actually more than that. So, while inflations could  
14 go up and go down, this, I don't think the budget is clearly  
15 enough and it doesn't seem to me that you think it is  
16 enough.

17 So, tell me, how does this happen? I mean, you seem  
18 pretty persuasive. So, how does this happen that we end up  
19 with a budget that doesn't stay up with inflation and  
20 doesn't do a lot more to deter our enemies, especially  
21 Communist China?

22 General Milley: Well, let me say a couple of things.

23 First, on the inflation piece, I would ask that Mr.  
24 McCord talk about the details and how they did the  
25 calculations, et cetera. But I fully support this budget.

1           Seven hundred and seventy-three billion dollars is a  
2 lot of money and it is our duty, those of us in uniform, to  
3 make every cent of those dollars count and to deliver for  
4 the nation, a force that is capable of defending it.

5           And I think, as I said in my opening statement, we can  
6 do that on 773. Having said that, there is always elements  
7 of risk and there is always elements to mitigate, but we  
8 have to focus on the future. This budget does that. We  
9 have to focus on modernization. This budget does that.

10           We put more money in research and development  
11 intentionally in this budget than has ever been done in any  
12 defense budget and we have to focus on the pacing threat of  
13 China with the acute threat, as we call it, with Russia.

14           It is very significant. There are areas of risk. We  
15 recognize those areas of risk. But I do think that this  
16 budget will allow us to move forward and take the next steps  
17 towards protecting the United States.

18           Senator Scott: Could I ask each of you, what, how  
19 comfortable are you that this budget is going to do enough  
20 to deter Communist China and why do you think, what in the  
21 budget, and what are the things that we are doing that you  
22 think are going to be the key things that are going to deter  
23 Communist China from trying to expand, first, I guess, would  
24 be into Taiwan?

25           Do you want to start, Secretary Austin?

1 Secretary Austin: Thanks, Senator.

2 I think when we look at the challenge of China, we  
3 consider China to be a now and forever problem, in terms of  
4 a challenge. And so, we want to invest in those things that  
5 help keep us ready, capable, and dominant today, but also  
6 recognizing that the challenge of China will evolve over  
7 time, investing now in those capabilities that will be  
8 relevant down the road, as well. So, you have seen us  
9 invest in technology in this budget. You have seen us  
10 invest in space capabilities, cyberspace, undersea  
11 capabilities. All those things are focused on not only the  
12 China set, but also provides us great capability, with  
13 respect to the acute threat that we are experiencing right  
14 now and that is Russia.

15 General Milley: And, Senator, I would just add, with  
16 respect to deterring China and Taiwan, I think Senator  
17 Hawley hit it right on the head. The best defense of Taiwan  
18 is done by the Taiwanese. We can certainly help them. This  
19 is being done in Ukraine, for example, and I think there are  
20 a lot of lessons that are coming out of the Ukraine that  
21 China is taking very, very seriously.

22 Crossing the Taiwan straits and conducting an  
23 amphibious and/or air assault on the island of Taiwan and  
24 the city of Taipei with the millions upon millions of people  
25 there, the mountainous terrain of Taiwan. Taiwan is a



1 defensible island, we just need to help the Taiwanese defend  
2 it a little bit better and we can do that.

3 But that is the best deterrent, is to make sure that  
4 deterrent by denial, to make sure that the Chinese know that  
5 if they were to attack Taiwan, it is a very, very difficult  
6 objective to take.

7 Senator Scott: Thank you to each of you.

8 I know this is a very difficult time. I mean, in my  
9 lifetime, I don't think we have ever had a threat like we  
10 have now with what Putin is doing and what Xi says he is  
11 going do, so thank you for what you are doing.

12 Senator Duckworth: [Presiding.] Thank you, Senator  
13 Scott.

14 And the chairman is still voting, so I get to recognize  
15 myself. Serving is truly a selfless act and I want to thank  
16 each of our witnesses for your service and commitment to our  
17 national security. That service comes with honor and  
18 strength, as well as pride and humility. These attributes  
19 make our military the most capable, most combat-credible  
20 force in the world. You already know this.

21 But to ensure that this continues long into the future,  
22 we must take care of the military's most important assets:  
23 our people. Each of you have spoken to this.

24 As leaders, we must remove barriers our military  
25 members face in supporting their families as well. This is

1 an important readiness issue. Knowing that their family is  
2 safe and healthy relieves a burden on servicemembers so that  
3 they can better focus on the mission and, if necessary,  
4 fight for the safety of others.

5 That is why I hope the Department will work with me to  
6 finally solve a critical issue facing our men and women in  
7 uniform, along with their families, and that is food  
8 insecurity. Advocacy groups that serve military families  
9 report an increased demand for support during the pandemic.

10 And Secretary Austin, I appreciate your leadership in  
11 issuing guidance to the DOD late last year to begin  
12 addressing military hunger challenges; however, despite your  
13 leadership, there appears to be a hesitation to fully engage  
14 on this pressing, readiness issue Department-wide.

15 And we are still hearing heartbreaking stories of less-  
16 senior members of the military struggling to pay their  
17 bills, to put good, quality food on the table for their  
18 families. They are still met, you know, these stories are  
19 still met in some quarters with skepticism and denial that  
20 the problem even exists.

21 I think that is why it is vital that the DOD fulfills  
22 its statutory mandate under the fiscal year 2020 NDAA and  
23 provide Congress with a comprehensive report examining food  
24 and securities challenges experienced by servicemembers and  
25 military families.

1 Secretary Austin, will you commit to me that you will  
2 deliver the DOD study on food and security in the military  
3 by the end of this month, and if you can't do it by the end  
4 of this month, when can you deliver it?

5 Secretary Austin: We will deliver it as quickly as we  
6 possibly can.

7 And, Senator, let me thank you for your leadership in  
8 that area. You know, I have really set out to tackle the  
9 issue of economic insecurity across the board. That is why  
10 you see the pay raise, the elevation of BAH, and some other  
11 things.

12 And, certainly, I appreciate the support that you are  
13 giving us and I know you will continue to give us, but we  
14 will move out and get you the report as quickly as possible.

15 Senator Duckworth: Thank you.

16 I have no question of the commitment of each of the  
17 witnesses here today to making sure that we address this  
18 issue. That has not been the problem.

19 The issue that I have is that there is still resistance  
20 across the Department. And Secretary Austin, in fact, when  
21 you first addressed this issue last November, you tasked the  
22 Under Secretary of Defense for Personnel and Readiness to  
23 deliver a strategy and implementation roadmap to strengthen  
24 food security within the force.

25 Would you commit to sharing that strategy and

1 implementation roadmap with Congress once it is developed to  
2 help us better understand how DOD is addressed military  
3 hunger?

4 Secretary Austin: I will, Senator. Thank you.

5 Senator Duckworth: Thank you.

6 And last year, I led the bipartisan effort to authorize  
7 a new basic needs allowance under fiscal year 2022 NDAA and  
8 I am encouraged that the services are planning to provide  
9 this new assistance in their annual budgets; however,  
10 questions still remain on how the Department will roll out  
11 this new allowance.

12 For example, Secretary Austin, the final text includes  
13 a compromise that allows you to not count, so you have the  
14 discretion to not count BAH as income, when determining who  
15 is eligible to receive the basic needs allowance. And,  
16 additionally, families are going to need to opt-in to this,  
17 so they must understand how to opt-in to the food allowance,  
18 which over the years, we have learned is often much easier  
19 said than done when it comes to program participation for  
20 anything you have to opt-in for.

21 Secretary Austin, what is the status of developing an  
22 implementing the basic needs allowance and can you share  
23 actions that the Department intends to take to ensure that  
24 all servicemembers are made aware of this new support and  
25 encouraged to apply, if eligible?

1 Secretary Austin: Yeah. As you may know, we are still  
2 working our way through this, but I will tell you, Senator,  
3 that I am predisposed to making sure that we provide as many  
4 benefits to our troops and our family members as possible.

5 And so, as we work our way through this, we are going  
6 to make sure that it is streamlined so that it is easy for  
7 people to understand what they need to do to qualify and we  
8 are going to, again, I am predisposed to making sure that  
9 they get as much as they possibly can.

10 Senator Duckworth: Thank you.

11 Will you commit to using your discretion to not count  
12 BAH as income to the maximum extent possible?

13 Secretary Austin: I will do everything I can that is  
14 legally possible and feasible to give our troops greater  
15 capability of greater resources.

16 Senator Duckworth: Thank you, General.

17 And with that, yield back.

18 Chairman Reed: [Presiding.] Thank you, Senator  
19 Duckworth.

20 Senator Blackburn, please?

21 Senator Blackburn: Thank you, Mr. Chairman.

22 Secretary Austin, why don't we make our intelligence  
23 reports public?

24 Secretary Austin: We share as much as we can from our  
25 intel reports, but as you know, we have to be careful about

1 protecting --

2 Senator Blackburn: Yeah, would you agree --

3 Secretary Austin: -- sources and methods --

4 Senator Blackburn: Right.

5 Secretary Austin: -- so that we don't lose capability.

6 Senator Blackburn: And would you agree that giving our  
7 adversaries access to our intel reports is a poor decision?

8 Secretary Austin: Exactly. I think that is something  
9 that we need to absolutely work to avoid.

10 Senator Blackburn: Okay. And so, then, why did senior  
11 Biden official hold nearly half a dozen meetings with top  
12 Chinese officials to give them information on Russian troop  
13 movements?

14 Secretary Austin: I don't know of, I don't have  
15 insights on any occurrences like that.

16 Senator Blackburn: Okay. So, it seems the Chinese  
17 called up their comrades in Russia and sent Moscow the intel  
18 that binder staffers provided them. And it appears that  
19 U.S. officials knew Beijing gave the intel to Moscow.

20 So, I would imagine you do not support giving Russia  
21 our intelligence?

22 Secretary Austin: I am unfamiliar with the issue that  
23 you raise.

24 Senator Blackburn: Okay.

25 Secretary Austin: But you are right, I do not support

1 giving our adversaries --

2 Senator Blackburn: All right. General Milley, under  
3 what circumstances, if any, have you advised intelligence-  
4 sharing with Beijing?

5 General Milley: Zero. Never.

6 Senator Blackburn: Thank you.

7 And given what we know now about how that subsequently  
8 shared information, this intelligence went to Moscow, what  
9 would you advise for similar scenarios going forward?

10 General Milley: I don't think you should give  
11 intelligence to your adversary, period.

12 Senator Blackburn: Okay. Thank you.

13 What senior leader is ultimately responsible for this  
14 decision of intel-sharing; is it you? Is it Secretary  
15 Austin? Is it Jake Sullivan? Is it the President? Who is  
16 it?

17 General Milley: My opinion is, well, I will give you a  
18 couple of answers to that. One is the Director of National  
19 Intelligence is responsible for all the intelligence  
20 agencies in the --

21 Senator Blackburn: National Intelligence.

22 General Milley: DNI.

23 Senator Blackburn: Okay.

24 General Milley: So, that is the person who is  
25 technically responsible, but, obviously, the President is

1 responsible for everything the Government does, the  
2 Executive Branch does.

3 And then each of us are responsible for within our  
4 areas of responsibility.

5 Senator Blackburn: Okay. So, under what authorities  
6 would we share our intelligence with Beijing?

7 General Milley: I would ask that you ask these  
8 questions of the DNI; however, my knowledge of the system is  
9 that the President and/or the Director of National  
10 Intelligence or perhaps the director of the CIA or someone  
11 like that does have authorities, but I don't know what those  
12 are, specifically --

13 Senator Blackburn: Okay.

14 General Milley: -- and it is not something I can  
15 answer with accuracy.

16 Senator Blackburn: So, it is not a practice that you  
17 approve of, but we do know that it has happened, correct?

18 General Milley: I don't know that it has happened. I  
19 am not aware of what you are talking about, actually.

20 Senator Blackburn: Okay. We have talked a good bit  
21 about Afghanistan today, so did Biden's precipitous  
22 withdrawal from Afghanistan, which really fed perceptions of  
23 America in retreat, did that play a role in shaping Putin's  
24 decision to invade Ukraine?

25 General Milley: From the intelligence I have read, it



1 is not clear. I think it certainly is possible, but I also  
2 know that Putin had aims on Ukraine long before the end of  
3 the war in Afghanistan, in fact --

4 Senator Blackburn: I think we all know that.

5 General Milley: Yeah.

6 Senator Blackburn: So, he saw his opening, right?

7 General Milley: Well, the forces were building up.

8 They began to build up their forces in September and  
9 October, so I think in order to do that, they would have had  
10 to have the plans and approval long before September,  
11 October.

12 Senator Blackburn: Okay. They have a habit of moving  
13 forward at the end of the Olympics.

14 General Milley: Yes.

15 Senator Blackburn: They did it 2008. They did it in  
16 2014. We were watching and the White House chose not to  
17 move forward.

18 I want to ask you, you have both failed, and this comes  
19 to each of you, to share with us the budget line items for  
20 diversity and inclusion initiatives and much less, any way  
21 that you would tie those initiatives to warfighting, but  
22 public reporting has given us some insight into what is  
23 being spent and how some of that money has been spent.

24 And Secretary Austin, earlier this year, there was a  
25 report that said the Department of Defense is studying the

1 issue of allowing gender, non-binary people to serve in the  
2 military; is that true?

3 Secretary Austin: I am supportive of allowing any  
4 person that is eligible and can meet the qualifications to  
5 serve their country.

6 Senator Blackburn: And who is involved in this study?  
7 Our uniformed military personnel involved?

8 Secretary Austin: I can't speak to, at this point, who  
9 was involved in any of the studies that we have ongoing,  
10 just off the top of my head. But I will certainly take the  
11 question for the record.

12 Senator Blackburn: And what will the living  
13 arrangements be made for non-binary servicemembers? Are you  
14 all going to come back to us and ask for an appropriation  
15 for housing?

16 Secretary Austin: Senator, any study that we do, it  
17 will make, certainly be transparent and make it available to  
18 you.

19 Senator Blackburn: And what about gender-fluid  
20 individuals, how will you handle a servicemember who  
21 identifies as male on some days and female on other days, or  
22 polygender individuals?

23 Secretary Austin: I don't care to speculate on, you  
24 know, what we are going to ask you for or what we are going  
25 to -- how we are going to qualify people.

1           Again, some of this is in litigation in various states  
2 and, you know, I think it is best to take your question for  
3 the record.

4           Senator Blackburn: Okay. I have some questions, Mr.  
5 Chairman, that I will submit for the record.

6           Chairman Reed: Thank you, Senator.

7           Senator Blackburn: But Secretary Austin, I do have  
8 some questions on hypersonics.

9           [The information follows:]

10          [COMMITTEE INSERT]

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Chairman Reed: We will be going, immediately, Senator  
2 Blackburn into a classified session and those questions, I  
3 think, would be answered there.

4 Gentlemen, let me thank you for your testimony. We  
5 will adjourn the open hearing and reconstitute the committee  
6 in SV-217 at 12:30.

7 And at this point, I will adjourn the open session and  
8 join you at 2:30 at SV-217, SVC-217. Thank you.

9 [Whereupon, at 12:18 p.m., the hearing was adjourned.]

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25