

CQ Congressional Transcripts

Apr. 12, 2018

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Apr. 12, 2018 Revised Final

Senate Armed Services Committee Holds Hearing on the Fiscal 2019 Budget Request for the Army Department

LIST OF PANEL MEMBERS AND WITNESSES

INHOFE:

Come to order. Let me explain what we'll be doing. We have two votes. One vote's taking place right now. Those members who are here, now, have already voted.

We're going to be working right through the second vote so that we won't have to keep you folks any longer than necessary.

(OFF-MIKE)

The committee meets today to receive testimony on the posture of the United States Army and its fiscal year 2019 budget request. We welcome Dr. Mark Esper, secretary of the Army, and General Mark Milley, chief of staff of the Army.

The National Defense Strategy directs our nation's military to prepare for the return of great power competition. This means that we must be prepared to deter and, if necessary, defeat potential near-peer adversaries -- both China and Russia.

With their alarming speed of modernization of both conventional and nuclear forces, these adversaries now present a credible threat to America and our allies in the regions.

It's time for us to take stock and act. Senior Army leadership has said the service is outranged and outgunned. That's a frightening thought, and we've heard it over and over again, and it is a fact (ph). As currently organized and equipped, the future of the Army's readiness and relevance is -- requires modernization now.

The Army's modernization program, unveiled last fall, shows you take this challenge seriously. The solutions for acquisition and program management will help the Army repair identified capability gaps within the force.

INHOFE:

Any successful modernization strategy must focus on results. Rapid prototyping (ph) and the realistic experimentation will be vital to getting modern, reliable, lethal weapons into the hands of our soldiers, and doing so on time.

With the calculation of the Crusader and Future Combat Systems, we have fallen woefully behind in our artillery, and that's something I'm very sensitive to when we remember how much money both the Crusader and the Future Combat System ended up costing.

And, really, we got nothing from it, and we're not going to let that happen again. A lot of that is going to be the acquisition that we are working on now.

And, now, we have a system that -- of the -- integral (ph) in solving these issues. We have no doubt that the cross-function teams currently operating there -- we're talking about force sale (ph) -- will help solve the disparity with our adversaries.

We look to you gentlemen to lead the effort for real, sustained modernization. It will be -- require your engagement, leadership; it will require you to make hard choices, set priorities and accept some risk; and it will require an open and transparent dialogue with Congress along the way.

We look forward to working with you to make our shared modernization vision a reality as the Army reinvents itself to become the 21st-century fighting force prepared for -- you know, we're waiting, now, for Senator Reed to get here, and we're going to get his opening statement and start right away.

But this is a different than any time that I recall, and I've been on this committee for 24 years and on the House committee for eight years prior to that. And, to see that we're going to finally have to do something with acquisition -- but we've never been faced with -- several of us just came back from the South China Sea.

We watch what China is doing with the islands they're building out there -- it's almost as if they're preparing for World War III, and our allies in that part of the world -- and I've talked to you folks about this before -- realize that this is a -- that they're watching China flex its muscles out there, and they are kind of taken to (ph) deciding who to take sides with.

These are our allies. So this is something that I suggest you guys have not had the opportunity to experience, prior to the time that we're experiencing today. Let me just see. Is there any...

(CROSSTALK)

INHOFE:

OK. And is it all right if we go ahead and start?

Yeah, what we're going to do -- we're going to start with your opening statements, and Senator Reed is on his way, and what we'll do is interrupt your statements so that he can give his opening statement.

Is that all right? Very good. Let's start with you, Secretary Esper.

ESPER:

Well, Senator Inhofe, distinguished members of the committee, good morning and thank you for the opportunity to appear before you today.

Let me say up front that the Army's readiness across its formations is improving and, if called upon today, I am confident we would prevail in any conflict. This is due in part to the increased funding Congress provided last year, and for this, I would like to say thank you.

The Army's mission to defend the nation has not changed, but the strategic environment has. Following 17 years of sustained combat, we now face a future characterized by the reemergence of great power competition and the continued challenges posed by rogue states and non-state actors, making the world ever more complex and dangerous.

To address these challenges, the Army is changing. We have a comprehensive plan to ensure our long-term dominance. In fact, since my previous testimony before the committee on December 7th of last year, we have released our vision for the Army.

Our vision is fully consistent with the National Defense Strategy and one that General Milley and I believe will ensure our success for years to come.

ESPER:

We will achieve this vision through focused and enduring priorities encompassing several major long-term lines of effort. But a vision alone will not make the Army successful. We must have predictable, adequate, sustained and timely funding.

Fiscal uncertainty has done a great deal to erode our readiness and hamper our ability to modernize. While the Army must be ready to deploy, fight and win anytime, anywhere, against any adversary, the National Defense Strategy has identified China and Russia as the principal competitors against which we must build sufficient capacity and capabilities.

(CROSSTALK)

INHOFE:

... said that's all right with you.

Yes, thank you, Mr. Secretary. Just for a moment, would you like to give your opening statement now?

REED:

Well, Mr. Chairman, would it be better for the secretary and the chief to finish, and then I'll do mine?

INHOFE:

That's a good idea.

ESPER:

OK.

INHOFE:

Continue.

ESPER:

Yes, sir.

With regard to Russia and China, both countries are taking a more aggressive role on the world stage and either possess or are building advanced capabilities that are specifically designed to reverse the tactical overmatch we have enjoyed for decades.

In support of the National Defense Strategy, the Army is increasing our lethality along three focus priorities: readiness, modernization and reform.

Readiness is the top priority because only a ready total army -- that's regular Army, Guard and Reserve -- can deter conflict, defeat enemies and enable the joint force to win decisively.

We are refocusing training for our soldiers to be more lethal and more resilient on the high-intensity battlefield of the future. We are also increasing home-station training, getting more repetitions for our formations at the company level and below.

We are giving training time back to commanders by reducing certain self-imposed, mandatory training requirements not tied to increased lethality and by eliminating excess reporting.

We have maximized the number of combat training center rotations to 20 per year. Four of which are dedicated to the Reserve component. These rotations are focused on the high-end fight, replicating near-peer competitor capabilities, including increased enemy lethality, degraded communications, persistent observation and a contested environment.

And, while the quality, training and esprit (ph) of our soldiers are what make the U.S. Army the most ready and lethal ground combat force in history, our superiority is enabled by the best weapons and equipment we can provide.

As such, our second priority is modernization, or future readiness. To ensure our soldiers never enter a fair fight, the Army is now increasing the investments in modernizing the force. Our modernization strategy is focused on one goal: making our soldiers units far more lethal and effective than any adversary.

The establishment of the Army Futures Command this summer is the best example of our commitment to the future lethality of the force. Army Futures Command will address the key shortcomings of the current acquisition system, providing unity of command, effort and purpose to the modernization process.

The Army has also identified its top six modernization priorities for the coming years. Each of these priorities is detailed in my written statement, and each is the purview of a newly established Cross-Functional Team.

The purpose of these CFTs is determine the requirements of needed capabilities, to ensure all stakeholders at the table from day one and to focus Army resources on accelerated experimentation, prototyping and fielding.

In order to ensure battlefield success, our doctrine must reflect the threat environment we face and remain apace with our efforts to modernize our equipment.

Our third priority is reform: freeing up time, money and manpower to enhance readiness, accelerate modernization and ensure the efficient use of resources provided to us by the American people.

Our reform efforts, particularly within the acquisitions system, are long overdue. While Futures Command is probably the boldest reform we are pursuing, other reform initiatives owe much to the acquisition authorities delegated to the services in prior NDAAs.

Within these authorities, we are reinvigorating the Army Requirements Oversight Council, moving major defense acquisition programs back to the service and using other transactional authorities to accelerate fielding in limited situations.

Another essential reform effort is development of a modernized personnel system based on the principles and practices of talent management found in the private sector; a system much more open, flexible and dynamic, so that we can better attract, develop and retain the best and brightest our nation has to offer.

A ready and modernized Army is critical to defend the nation, but we must not overlook what makes us remarkable. For this, I've outlined three enduring priorities: first, taking care of our soldiers, civilians and their families; second, a service-wide recommitment to the Army's values, especially by leaders, to treat everyone with dignity and respect; and, finally, strengthening our alliances and partners by building stronger ties through a number of initiatives. I look forward to discussing these with you as time permits.

With that, let me thank you again for this committee's continued support of the Army, and specifically the defense authorizations and funding increases requested in the F.Y. '18 and '19 budgets.

I look forward to your questions and appreciate the opportunity to discuss these important matters with you today. Thank you.

INHOFE:

Thank you, Secretary Esper.

General Milley.

MILLEY:

Thanks, Senator Inhofe. I appreciate the opportunity. And thanks, Ranking Member Reed and all the distinguished members of the committee, for the opportunity to testify today.

And, although he's not here today, I also want to acknowledge and recognize Chairman McCain for his immeasurable support to our Army and his lifetime of incredibly brave and dedicated service to our nation. And each of us in the Army prays (ph), as you do, for his speedy recovery and return to the Senate.

I want to start by thanking Congress for the '18 bill. That was significant. It has a tremendous impact on the future readiness and the current readiness of our Army and impact on morale of the force.

And, as you know, this funding is vital, and we will all work diligently to spend these dollars in a responsible manner over the last two quarters of this fiscal year.

And thank you, also, for the general increases in the defense caps for '18 and '19. These increases support the new National Defense Strategy and advance the Army's readiness and lethality, while allowing our Army to modernize for the future.

In short, what these monies have done is stopped a steep decline -- it stopped the bleeding of the Army, and we are on the mend. And I can report out to you today that, 2 1/2 years after I became the Chief of Staff of the Army, we are in significantly better shape, through the generosity of the American people and this Congress.

It's essential, though, that we maintain these increases, as returning to BCA caps will halt our ability to modernize and it will reverse any recent gain in readiness.

The demand for a ready, able and lethal Army continues. Today, we have about 180,000 or so soldiers supporting combatant commands around the globe, including ongoing operations in the Middle East, and supporting our posture in order to deter operations -- or deter adversary operations in Europe and Asia-Pacific.

The Army roughly fills about 50 percent of annual planned demand by any of the combatant commanders, and, of emergent demand or unplanned demand, the Army fills between 60 and 70 percent of all of those requirements.

Our newly created SFABs, for example, are already in high demand from all the combatant commanders. One of them, just yesterday, asked for an SFAB to be assigned to him.

The first deployed this past couple of months, and the second has been activated, and we are quickly proceeding with the third, fourth, fifth and sixth. Your support has allowed the Army to field those units and has allowed the Army to become significantly more combat-ready today than we were just 24 months ago.

MILLEY:

We have increased the number of combat training center rotations. As Secretary Esper talked about, we've improved our equipment operational readiness rates. We've improved these -- flow of spare parts.

We've replenished our Army pre-positioned stocks in both Asia and Europe. We've improved munitions around the world, and we've significantly improved our manning shortfalls and filled holes inside of our operational and deployable units.

In short, we have a better Army today than we had just a short while ago. The bottom line is that the United States Army continues to meet all the missions required of us, and, thanks to your support, we are more ready.

But we cannot be content with simply being ready for today's global demands. Instead, we must focus on readiness, both now and in the future.

The National Defense Strategy calls for us to build a more lethal force. As noted by Secretary Esper, we face long-term competition with China and Russia, and regional and serious threats from Iran and North Korea, as well as ongoing operations against terrorism. The strategic global environment is increasingly unstable and increasingly dangerous, and there is no time to pause.

We know these competitors -- these great power competitors, both China and Russia, have made significant advances in the development of advanced weapons, technology and the capabilities of their military forces, and I would be happy to go into great detail in a classified briefing on that.

We must maintain our overmatch to achieve victory against any adversary at any time, and the increased lethality on a future battlefield is going to require that to both stay ready and to build a force of the future.

That's going to require predictable, adequate, sustained and timely funding. The Army's F.Y. '19 budget requests (ph) our priorities: to grow and maintain a highly capable force, both today and to modernize and build our future force; and to take proper care of our soldiers and family members and Army civilians, while being good stewards of the taxpayer dollar.

We recognize the American taxpayer entrusts us with a significant amount of money to meet these demands. We will be diligent stewards of our resources, and we will enforce accountability to make effective use of every single dollar.

Your support for the F.Y. '19 budget will ensure our soldiers remain ready to fight tonight, as we prepare for the unforeseen conflicts of tomorrow.

Thank you for the opportunity to testify, and I look forward to each of your questions.

INHOFE:

Thank you, General Milley.

Senator Reed.

REED:

Thank you very much, Mr. Chairman. Let me join you in welcoming Secretary Esper and General Milley. Thank you, gentlemen, for your service, and please thank the men and women in the Army for their great service. And I look forward to your response to our questions as we move forward.

The president's budget request for F.Y. 2019 includes \$182 billion in funding for the Army. Of that amount, \$148 billion is for base budget requirements, and \$34 billion for overseas contingency operations.

And, as the committee considers -- excuse me -- the Army's funding request, we must be mindful, as you've pointed out, of the risks facing our country and our national security challenges.

The new National Defense Strategy is focused on the reemergence of long-term strategic competition, which makes the threat posed by China and Russia the primary focus of the department.

This strategic shift will require the Army to train for full-spectrum operations and to field equipment necessary for high-end fight. The new strategy also assumes risk in our counterterrorism mission, as it is no longer the primary national security concern.

And, as you go forward, your comments on -- views on how the Army's going to balance that shift to the high-end near-peer fight, while seeking more efficient approaches (ph) to counterterrorism, would be deeply appreciated.

Several months ago, the Army created a number of Cross-Functional Teams, as you pointed out, Mr. Secretary, that were designed to break down acquisitions stovepipes so new technologies and modernization platforms could be delivered to the force in a more effective manner.

I would ask, going forward, this morning, that you would share with us what you've learned, so far, from these efforts and how these teams will inform your modernization efforts throughout the Army.

In addition, given the new emphasis on great power competition, I hope you will also discuss the necessary investments in modernization that you're emphasizing in this budget -- and not this -- just this budget, but budgets that might follow.

Modernized military platforms and upgraded equipment are necessary to prevail in great power competitions, but success against a near-peer adversary also

requires the Army build and maintain readiness levels, as you've pointed out. And this hearing an opportunity to update, in more detail, the Army's current efforts to rebuild and sustain readiness.

Finally, the budget request seeks an increase of 4,000 active-duty soldiers, as well as increased full-time support for the reserve components. It's imperative that, as the Army grows, it remains focused on the quality of our soldiers, rather than the quantity.

The training and readiness of our soldiers is paramount. In enhancing (ph) the fighting ability of the force, we must have a situation where we don't allow size to overcome quality.

The president's budget also requests an across-the-board pay raise of 2.6 percent for all military personnel, which I think has universal support here. But the president does not request an increase in civilian pay. In fact, there's a freeze, and that will make it very difficult to recruit the high-quality civilians that you need and reward those that you need to stay with the Army.

I hope, again, to get your comments on these and many other issues. Again, thank you very much for your testimony and your service. Thank you, Mr. Chairman.

INHOFE:

Thank you, Senator Reed.

Let's -- let's start off with -- we've -- we've talked about the condition that we were in a year ago, in terms of our brigade combat teams, our readiness.

We -- we are, you know, understandably (ph) happy with what happened with our fiscal year '18 and fiscal year '19 budgets. The problem is that is good only up to fiscal year '20. Now, I think it's a good time to get on record.

Let's assume that we, for some reason, had to go back to the BCA spending caps, starting in 2020, and that we were not fortunate enough to keep up the increase that we achieved in 2018 and 2019.

I would like to have each of you express what our condition -- the condition of our Army would be if that were to occur and we had to go back to those caps.

Secretary Esper.

ESPER:

Well, thank you for that question, Senator Inhofe. It's clear that what it would mean if we are unable to sustain funding is that we would revert back to where we were a few years ago; that we would reverse the gains we are currently making with regard to either training readiness, equipment readiness, munitions purchases that are critical for war fights, and the personnel gains that are necessary to ensure that we have sufficient end strength to meet the demands of the combatant commanders and are prepared to execute the National Defense Strategy.

So it would be a lost opportunity, as we -- we're really building momentum right now. I think, to address Senator Reed's question, the critical thing is, as we continue to improve our readiness, which is -- which we've seen good growth in -- is making sure that we can sustain it, then, through '20, '21, '22, because, after 9, 10 years of warfighting and budget challenges, it will take many years to get back to the readiness posture we need to be in.

INHOFE:

Yeah. Right.

General Milley?

MILLEY:

Yes. And we've done extensive analysis over the last couple of years, just in the event that that would happen. And, if we went to sequestration caps, bottom line is, for the ground force, the Army, that we would end up essentially doing individual training and collective training up through squad level and, in some cases, platoon level.

Squad and platoon training an Army does not make. You've got to be able to do company, battalion, brigade and so on. And training only at those levels and -- funded only at those levels would not work.

MILLEY:

Flying hours -- right now, we're coming in at close to 14, 14 1/2 hours, with current budgets. We'll drop back to 10, 11, 12. That's not good for our aviation rotary wing.

Home-station training will come to a halt. The CTCs will come to a halt. It will not be good if we went back -- backwards.

And, if the intangibles -- the effect on morale, cohesion, enlistment -- re-enlistment right now -- in terms of re-enlistment, we've already exceeded our '18 re-enlistment; we're working on '19 re-enlistment, which is indicator that morale has gone up -- all of those things would take steps backwards. So I would strongly encourage not to do that.

INHOFE:

Yeah, I think it's important to get that out in the open now and talk about it now. Now, another area that I'm particularly interested in, of course, is our artillery --

the fact that other -- both China and Russia have passed us up (ph) in terms of range, in terms of rapid fire.

And, right now, we're in a position -- we're -- are working on the system to correct that. The PIM (ph) program -- and, of course, I -- in my opening statement, I talked a little bit about what's happened in the past with the Crusader and the Future Combat System.

But, now, we have this program that I think is going to be -- put us in a position where we should be getting back up in -- ahead of our adversaries. That's what we want to get done.

Secretary Esper, can you articulate what your number one priority is for modernization to meet the new National Defense Strategy? Let's start with that.

ESPER:

Yes, Senator.

The Army has outlined six modernization priorities, beginning -- number one -- with long-range precision fires, and the sixth being soldier lethality.

With regard to long-range precision fires, we are pursuing technologies at the tactical, operational and strategic levels. So, at the tactical level, as you mentioned, the PIM (ph) program is very important. At the operational level, it's the extended-range cannon artillery. And, at the strategic level, it would be hypersonics, the ability to really reach deep and -- in support of the Navy and Air Force -- to do that.

I will tell you that, as I have traveled the Army, in the 4 1/2 months, and spoke to combat -- to a few combatant commanders, they have also conveyed to me the

importance, the criticality of long-range precision fires to their respective war fights.

INHOFE:

That's good.

And, General Milley, I -- just one real quick question as to -- your goal has always been to be up to 66 percent. We -- actually, in -- my information was we dropped down, and our (ph) BCTs' capability went down as low as 33 percent.

Now we're -- I understand we've improved dramatically on that. We're going to continue to do it. But how close are we now to your goal, 66 percent?

MILLEY:

Our readiness goal for the regular Army -- the active duty Army is 66 percent of all units, all types of units: brigade combat teams, logistics units, aviation units, et cetera. So 66 percent for the regular army and 33 percent for the reserve component -- both Guard and Reserve.

Now, we are not at those benchmarks right now, but we are working towards them. And we predict, given consistent funding and if the world stays the way it is right this minute, then we should achieve those benchmarks sometime in '21, '22.

We have made significant progress. What you're citing as 30 percent or so is from a year or so ago. We're -- for brigade combat teams, which is only one slice of the total force, we're in the range of the 50 percent mark. So we have made significant progress in the last 24 months.

INHOFE:

Yeah. That's good.

Senator Reed.

REED:

Well, thank you very much, Mr. Chairman. And my question -- first question will follow on at least the themes the chairman set, and that is that he pointed out one area of technological overmatch by our adversaries, but there's several, unfortunately, including command-and-control, disruption for the (ph) cyber.

So, in general, how are you going to -- dealing with this issue of technological overmatch not just in precision fires, but in a host of other issues?

ESPER:

Senator, another one of the six modernization priorities is the network. And so we know that we've learned from various studies, what -- what we saw the Russians do in Ukraine, that we need a network that is reliable, that is resilient, that is mobile, that can meet our needs in -- in such an environment.

We are fairly confident that the future adventures will certainly strike asymmetrically at our space systems, at our information systems, our networks. So we need to do everything from looking at the next-generation technology to make sure we have resilient systems.

At the same time, we need to look at training, make sure soldiers are training now to operate in an environment in which they either have no data or comms, or limited.

And I was pleased to see, on my first trip to National Training Center in November, that the 1st Cavalry was actually doing that. The OPFOR out there

were presenting that type of scenario, and we were training in an environment of limited communications. And that's the guidance we have set out for our commanders, as well, to be able to train along that spectrum.

REED:

General Milley, are there other areas of overmatch that you want to emphasize?

MILLEY:

The six priorities that we've laid out, which are related to the fundamental functions of an army -- to shoot, move, communicate, protect and sustain -- so long-range precision fires, the upgraded vehicles, rotary-wing aircraft, future vertical lift, the network that the secretary just mentioned, ballistic and air missile defense, and then all of the soldier improvements and soldier lethality -- those are the areas where we want to laser focus, where we think that we can make significant advances.

There's two particular technologies that we need to put the pedal to the metal to, both as a country, a Department of Defense and as an Army: artificial intelligence and robotics. Those are significant.

We're in a period of changing character of war, and those two technologies, perhaps more than others, will have fundamental impact on the character of war coming up. So we are shifting monies in our R&D and S&T accounts into those technologies, as well as many others.

REED:

Do you think there's enough resources going to those accounts, not just in the Army, but DOD-wide and government-wide?

MILLEY:

I think we should put more -- is my personal -- or my professional opinion is we should add monies into those particular research-development, science-technology accounts.

ESPER:

And I would add...

REED:

Yes, sir?

ESPER:

... Senator, that I meet frequently with Secretary Spencer, the SECNAV, and Secretary Wilson.

We've had these same discussions about those technologies -- hypersonics and a couple others -- where we really need to pull our efforts together and -- and look at how we can make sure that we're making advances, and not duplicating efforts, to get more bang for every dollar we put toward it.

REED:

As I mentioned in my opening statement -- as I think we've all mentioned -- is that the new defense policy has pushed us up into the area of near-peer competition. And there is a tendency of armies, based on my experiences: You only can do, really, one thing, and that's what you focus on.

So, you know (ph), when -- '70s and '80s, we got out of counter-guerrilla-warfare, and we got into the AirLand battle, and we did it very, very well. But we had to

reimmerse ourselves into counterinsurgency warfare techniques and equipment and practices in Afghanistan and Iraq.

Now we have not just two dimensions, but probably three dimensions. You have conventional warfare; you have hybrid warfare, which is right below that, with a sophisticated enemy with technological advantages or (ph) disadvantages; and then you have counter-guerrilla-warfare, like we're practicing in -- or counterinsurgency -- in Afghanistan.

How are you going to keep that balance between these three missions and avoid the danger of "We just do -- and we do it very well -- X"? General Milley, do you want to start?

MILLEY:

Well, I think you're correct that, post-Vietnam, we -- we sort of did away with any kind of skill sets that we had, for the most part, within our inventory in terms of counter-guerrilla, counterinsurgency warfare. We don't have that luxury.

Guerrillas, insurgents, terrorists are going to be around for a long time in various different forms. We have to maintain the skill set. We can't throw the baby out with the bathwater.

MILLEY:

So we have to keep that going and we intend to keep that going. That's part of the SFABs -- is a large resident capability within our special operations forces for that. But our conventional forces also need to have skills in that regard.

But, at the same time, we have to recapture our skills at combined arms maneuver warfare against near-peer competitors and great power competition because, you

know, frankly -- you know, probably, the word (ph) "peace through strength" is sometimes overused, but it's true.

And, in the international environment, you have to maintain the capabilities so that your opponent, your adversary, believes and knows that you have incredible dominating strength and incredible lethality on a battlefield.

So we have to be able to do both capabilities as a military, not just as an Army, in order to deter any potential aggression from any other country. If we don't do that, then you invite aggression, in my view. So it's incumbent upon us to do that -- to invest in those capabilities, to maintain those skills.

And that's a very expensive proposition, and we recognize that. But maintaining the peace is a very expensive proposition. The only thing more expensive than that is fighting a war, and the only thing more expensive than that is losing one.

So it's really important, I think, as we go forward in these budgets, that we continue to sustain predictable funding to be able to do both counterinsurgency, counterterrorist-type operations within our force structure, and higher end conventional operations against a great power competitor.

REED:

Thank you.

INHOFE:

Thank you.

The second vote has started and Senator Reed is, I believe, going to go down and vote at the first of it, and I'm going to wait toward the last.

Senator Cotton.

COTTON:

Thank you, gentlemen, for your appearance, again, and I thank you for your service to our country.

General Milley, let me just follow up on what you just said about sustained funding. So we passed a budget a couple months ago. Last week, or last month, we passed a spending bill for this fiscal year. I don't think we should spike the football about those things, though. Those were long overdue.

We still have to pass a defense appropriations bill for the next fiscal year. So is the point you're making -- and, Secretary Esper, you made it to Chairman Inhofe -- is that you need a -- Department of Defense appropriations bills done in a timely and predictable fashion, this summer?

ESPER:

Absolutely, Senator. If -- timeliness is critical to that. If not, what it does is push back our spending authority. If we are under a C.R., as you know, we are not allowed new starts. We are not allowed to spend money greater than a previous-year funding level. We are not able to procure additional munitions.

It impacts training, because we have reduced O&M dollars. So there are -- any number of reasons why the timeliness is critical to ensuring we are able to maintain the positive glide slope we're on with regard to readiness.

COTTON:

And that carries us out to the next fiscal year, fiscal year 2019, that is covered by the two-year budget we just passed. But we still have fiscal year 2020 and 2021 ahead of us, about 16, 18 months away, for which the Budget Control Act and sequestration still comes into effect.

Is it your judgment that Congress needs to act now to stop that kind of sequestration from even looming over the Army's head, come the summer of 2019?

ESPER:

Yes, sir, for all the services. It's critical to all of us achieving our readiness goals and, with regard to the Army in particular, as I said earlier, we endured seven, eight, nine years of falling budgets at a very high operational pace.

It's going to take many years to get out of that. And, if you step back, we have this goal of reachieving our readiness status by around '22. It's that point in time where we want to -- really want to start making significant investments and start fielding -- prototyping the next generation of technologies that we've outlined in our modernization priorities.

COTTON:

General Milley.

MILLEY:

Absolutely, Senator. I mean, you're not going to dig out of a 10 year trough -- eight-year trough in readiness and modernization (ph) -- you're not going to do that in two years. It's not a one-and-done sort of thing.

So it has to be consistent. It has to be predictable over time. And the sequestration, the BCA's caps -- they just need to go away. It's an incredibly efficient -- inefficient means of funding when we're only given part of the year to spend.

And, with industry, it's not predictable, so you can't do long-term contracts. And there's a wide variety of reasons why it is not an effective or efficient means of using the taxpayer dollars. It needs to go away.

COTTON:

Yeah. So -- so the Budget Control Act was designed to have eight years of potential (ph) sequestration cuts if budget caps weren't met. We have now gone through three iterations of two-year budget cycles.

I predict that, if we don't repeal the Budget Control Act, we'll have a fourth iteration in 2020 and 2021, before that law expires. I think Congress should just repeal it outright, this summer.

General Milley, I want to return to what you said about readiness. So you predict that, barring some significant increase in the demand for land forces, all Army elements will be -- will meet your readiness goals by 2021, 2022?

MILLEY:

That's the glide path I'm currently estimating. That's correct.

COTTON:

And where are brigade combat teams today?

MILLEY:

I don't want to give specific numbers in open testimony. I would be happy to do it in a classified testimony. But it's in the range of 50 percent.

COTTON:

Where were they when you took this job, three years ago?

MILLEY:

Significantly less than that. When I came in, two and a half years ago, we had two brigades at the highest level of readiness.

COTTON:

OK. Good work.

Secretary Esper, I'd like to turn to -- the point about (ph) long-range fires -- it has a policy implication. So the Department of Defense, Department of State have long recognized and acknowledged publicly that Russia is violating the INF Treaty.

If Russia continues to violate the INF Treaty and the United States continues to observe the INF Treaty, doesn't it stand to reason that there's no way the United States can make up the gap in long-range fires in Europe?

ESPER:

It is -- we are looking at hypersonics as a potential way -- a promising way to be able to reach beyond the treaty constraints imposed by the INF. So that's one option. But, clearly, as I've spoken to industry, if that constraint did not exist now, we could certainly do it with missiles.

COTTON:

It'd be the easier -- easier way to do it than developing hypersonics that might...

(CROSSTALK)

ESPER:

Probably easier and quicker, although hypersonics provide -- have some benefits in terms of volume of fire and other things that you can do. But yes.

COTTON:

General Milley, I'd like to turn to an operational aspect of another one of the six modernization priorities: the network, and specifically, fighting in a denied environment.

Both of you have discussed with me how we're working with our soldiers to make sure that they can go back to the old-fashioned way of fighting, with compass and map and so forth, and the call for fire and navigation and what have you.

If that were to happen -- if we're -- if our soldiers had to fight in a denied environment, surely, the enemy soldiers would also be fighting in a denied environment, as well, right? There's no situation in which, to use a football term, it won't be raining on both sides of the field?

MILLEY:

No, I think that all modern militaries are incredibly reliant on very sophisticated command-control-communication systems. They're reliant on space systems: GPS, you know, precision and -- navigation and timing capabilities. All modern militaries rely on those.

And those are vulnerable for all forces. So, yes, I guarantee that any adversary that takes on the United States will be operating in a significantly degraded environment.

COTTON:

So, they would -- so, if our soldiers are using compasses and the hand and arm signals, so to speak, to put it in colloquial terms, their soldiers will be using compasses and hand and arm signals?

MILLEY:

I would imagine that that is very likely.

COTTON:

Do you have any doubt that our soldiers, fighting on those terms, are going to be able to defeat their soldiers?

MILLEY:

Well, as -- you know that our Army, like modern armies -- we're very reliant on these things for navigation and for precision munitions and for calling in close air support.

And it's important that we have systems that are resilient, that are capable of operating in degraded environments, and that our soldiers are trained to do so.

MILLEY:

I'm confident that our soldiers' ability to operate in a degraded environment is improving. A couple of years ago, we started doing cyber operations against ourselves at the National Training Center. It's a very effective way to increase the training levels and the comfort of our soldiers to operate in those environments.

So it's not going to be a perfect world. Combat's not a perfect environment. It's a very lethal environment, and it is something that we'll have to adapt and overcome -- the ability of operating in a degraded electronic warfare environment. There's...

COTTON:

Thank you, gentlemen (ph).

MILLEY:

... no question about it.

COTTON:

My time is expired.

INHOFE:

Senator Rounds presiding.

And Senator King.

KING:

Thank you, Mr. Chairman. I also have to go to vote, so I'm going to be quick with my questions.

I think, to follow up on Senator Cotton's questions, are we training our troops, now, with compasses and maps, just as, at Annapolis, after a 20-year gap, they're now teaching how to do celestial navigation? In other words, are we -- are we specifically training for the failure of the GPS system?

MILLEY:

Yes.

KING:

That's -- that's a -- very succinct, and that's the answer I hoped I would get.

ESPER:

And we're reinforcing, Senator, the importance of doing that in training scenarios and training activities -- that you have to be prepared to operate without communications, without electronics...

KING:

Good.

ESPER:

... across a range of specialties.

KING:

I think one of the most important things that's going on now is the Army Futures Command. I guess my question is should that be a four-star, in order to give that person sufficient authority to do the kind of coordination and pulling-together of authorities to make it work, Secretary?

ESPER:

Yes, sir. We believe so. Not just that, but the Army Futures Command is envisioned to be a peer institution to the other four-star major commands -- that's Army Materiel Command, TRADOC and Forces Command.

KING:

I think that's important, because there's a -- there's going to be some important turf battles, I think, going on there, and I think it's important that the authorities be equivalent.

Secretary Esper, this isn't a hostile question, but it's a challenging question. You talked about acquisition, and the Army doesn't have a very stellar record in the history -- in recent history, in terms of acquisition. You talked about "We're going to do it better."

Why? What -- the people that didn't do so well before weren't bad people, and they were doing their best. What are -- what is changing, systematically or structurally, in order to give you the assurance that we're not going to have some of the disasters that we had in the '90s?

ESPER:

Yes, sir. It's a fair question. Needless to say, we have taken a hard look at what experts have said in the past, who have revealed -- reviewed Army programs. We have studied reports, such as the Decker-Wagner report.

We've officers working on this for a couple of years. We know that one of the fundamental problems with the current big-A acquisition system is lack of unity of command and unity of effort. In other words, we have piece (ph) parts of the acquisition system spread across multiple commands and, in some cases, not under a specific command.

So the promise of Army Futures Command, in one aspect, is to pull them under -- get -- pull them all together under a single commander, who can manage everything from what he or she believes the future threat environment may look like, to operational concepts, into material solutions, all the way through testing and evaluation and procurement, and so you'd have that single chain of command. That's number one.

The other problem has been a requirements process that has crept along, that has extended the timelines and cost...

KING:

Retirements (ph) -- requirements creep.

ESPER:

... yes, sir.

And so what the Cross-Functional Teams are doing now -- have been doing, and successfully -- and we will -- this will be imported into Army Futures Command -- is to put all of those stakeholders that I just described at the table, up front, and to agree on what is a -- what are the reasonable requirements that we know that we can achieve and a date certain that provides us overmatch that the technology is sufficiently available to do, and move along that type of line.

And, as technology matures, we would continue to incrementally approve -- improve vehicles or systems, whatever the case may be.

KING:

Well, one way to make sure that happens is to -- is to build the initial platform in a modular way that -- so it can be upgraded without having to scrap the whole platform.

ESPER:

Yes, sir. We're doing that right now, as we look at deploying a mobile SHORAD -- short-range air defenses in Europe in the next couple of years. We've already decided on a chassis to do that, and we're working on the effectors.

But one of the things, as I've talked to the CFT lead on, is to make sure that you build sufficient size, weight and power into that vehicle, so that, as the technology matures, for example, we can put lasers on it, because lasers provide an unlimited magazine, if you will, at a very minimal cost.

KING:

Well, I'd like to follow up with you offline, because -- just the number of hearings that we've had -- there are lots of lessons, and I think it's so important to try to avoid some of those issues that have plagued us in the past.

ESPER:

Yes, sir.

KING:

And I appreciate your attention.

General Milley, my understanding is that the increases that have taken place in your funding in the last -- in the last few months are going almost entirely to capital, and not to personnel. Is that accurate?

MILLEY:

In terms of the capital -- in terms of modernization and putting it into, you know, remanufacturing of the helicopters or new helicopters, new aircraft -- is that what you're talking about, Senator?

KING:

Well, just the -- the increase -- the increment of increase...

MILLEY:

Yes.

KING:

... is going into capital improvements, rather than manpower and other...

MILLEY:

Well, we've taken the additional monies, and we're putting them in modernization.

KING:

That's my point.

MILLEY:

Yeah, into -- absolutely, into modernization, because modernization -- we, the Army, took a modernization holiday in the last 16 years, and we've been fighting a war. We've been consumed with current operations in Iraq and Afghanistan and elsewhere.

And our modernization has lagged behind significantly. So we're to redress that and dig ourselves out of that hole. And that's really -- in part, is the reform of AFC. But we are shifting monies.

KING:

But we have to realize...

MILLEY:

Yes.

KING:

... that there are still unaddressed issues on the personnel side.

MILLEY:

There are, but we are increasing by 4,000 -- this budget, '19 and '18, is an increase of 4,000 personnel. We have a steady growth in the -- in the military personnel -- 4,000 a year. We're shooting to get north of 500,000 -- or 500,000 in the regular Army. And we'll cap out at about 343,500 in the Guard and 199,000 in the Reserve.

So, in terms of military end-strength growth, there's a gradual, modest growth in order to fill the holes in the existing units. But we think we needed to shift additional monies into modernization. That's the need.

KING:

I understand.

Thank you, gentlemen. I want to thank you, particularly, for the progress that you've made -- both of you. It's, I think, quite remarkable, necessary, and I just hope that we can see it maintained.

And I look forward -- I'll have some questions for the record, and, Mr. Secretary, talking to you about the acquisition process. We've got to get it right this time.

ESPER:

Absolutely.

KING:

Thank you.

Thank you, Mr. Chairman.

ROUNDS:

On behalf of the chairman, Senator Graham.

GRAHAM:

Thank you.

I want to echo what Senator King said. Bottom line, I think you all make a heck of a team for the Army, and hats off to you. You've been in a bad spot, and we're trying to dig out, and I appreciate both of your leadership.

So let's talk a little bit about Syria, because it's sort of a hot topic. The president said that Assad is an animal who killed innocent children by using chlorine gas and maybe some other form of gas, and he is going to pay a big price. Do you agree with that statement, Mr. Secretary -- that Assad should pay a big price?

ESPER:

Senator, it's something that -- you know, as (ph) -- my responsibility is for Title 10, making sure the Army is organized, trained and equipped. It's something that is -- it obviously is playing out real time. So I would, at this point, defer to SECDEF (ph).

GRAHAM:

General Milley, do you agree with that statement?

MILLEY:

Absolutely, yes.

GRAHAM:

OK.

MILLEY:

No question, he should.

GRAHAM:

So do you agree with the following: If Assad doesn't pay a big price, we will, because we have now challenged him?

MILLEY:

Well, in -- you know, Asaad or any others...

GRAHAM:

Once you challenge somebody ...

MILLEY:

... unanswered aggression leads to more aggression.

GRAHAM:

I couldn't agree with you more. The only thing worse than war is losing a war, and you said that.

MILLEY:

That's right. That's right.

GRAHAM:

So, the president, I think rightly, said that enough is enough when it comes to Assad. You're a war criminal by any definition, and a big price. Do you think a big price should include that he'll have less capability to gas people in the future?

MILLEY:

I think his ability to use chemical munitions on the innocent needs to be significantly degraded.

GRAHAM:

Do you think he's the legitimate target, given what he's done?

MILLEY:

I'll ...

GRAHAM:

Assad?

MILLEY:

... not answer that question in public at this time.

GRAHAM:

Okay, fair enough. I just hope a big price, when it's all said and done, that Kim Jong-un says, "Hey, that was a big price." I hope that the Iranians believe that Assad paid a big price, the Russians believe that he paid a big price. I hope they start paying a price for supporting Assad.

Because the president's right to say he's going to pay a big price, given the fact that he's killed 500,000 of his own people, disrupted the entire Mid-East, and is a war criminal by any measure.

The question of whether or not it's a big price is yet to be determined, and I would say this: if after saying that he doesn't pay a big price, America will pay a big price.

Residual forces -- do you support leaving residual forces in Iraq if the Iraqis would agree, to make sure ISIS doesn't come back, General Milley?

MILLEY:

I think we need to continue to sustain our level of effort in order to achieve our national security objectives, which have been fairly...

(CROSSTALK)

GRAHAM:

Which would include a residual force?

MILLEY:

Well, I think the Iraqis -- absolutely. Because I think the Iraqis need continued support ...

GRAHAM:

Yes. Sure.

MILLEY:

... so you don't see the return of ISIS. That's important. We learned this lesson in 2011, we don't want to learn it again.

GRAHAM:

Well, that's right. And it's in our national security interest to make sure we don't do this twice.

Syria -- we have a couple thousand troops training the Syrian Democratic Forces and doing operations against ISIL. Do you think that's in our national security interest, to have that presence?

MILLEY:

I believe it's in our national security interest to destroy ISIS ...

(CROSSTALK)

GRAHAM:

Right. And make sure they don't come back.

MILLEY:

... absolutely. And that's what we're doing.

GRAHAM:

And make sure they don't come back.

MILLEY:

That's correct, and that's what ...

(CROSSTALK)

GRAHAM:

Do you think it's in our national security interest to counter the Iranian aggression throughout the Mideast?

MILLEY:

I do.

GRAHAM:

Okay. As to all of these things that we're asking you to do, do you think it's in our national security interest to maintain troops in Afghanistan?

MILLEY:

I do.

GRAHAM:

All right. So the bottom line is, Russia's on the prowl, China's making it difficult for us, in their part of the world, and only God knows what's going to happen in North Korea.

Bottom line is, the budget we just passed -- how much of help has it been to the Army?

MILLEY:

In my view, it's enormous -- enormously helpful. And -- and again, what I mentioned earlier, it can't be one and done, though. You can't dig yourself out of an eight or 10-year trough in readiness and modernization, which was getting consumed (ph) with current -- we can't do that in just two budgets. This has got to be sustained over time.

GRAHAM:

Do you agree with that, Mr. Secretary? Do you agree with that?

ESPER:

Absolutely. The -- what we're getting in '18 and what we'll see in '19 is tremendous. We thank the Congress, but it will take many years to get to the readiness level, and then get to the next generation of technologies we need for the future fight.

GRAHAM:

Yes, I couldn't agree with you more. In 2011, CBO projected that military spending in 2018 would be 801 billion and it's (ph) 700 billion. In 2010, non-

defense spending was 611; today it's 589. So these are just facts. Sequestrations cost us a lot.

So is it fair to say that the congress needs to understand that we're making progress, but we're a long the way -- long away -- long way away from actually fixing the problem caused by sequestration? Is that true, General Milley?

MILLEY:

In my view, I think that's accurate in terms of the readiness and modernization of the United States Army. I think that's true.

GRAHAM:

Yes, sir. Thank you. Thank you both for your service.

INHOFE:

On behalf of the Chairman, Senator McCaskill.

MCCASKILL:

Thank you very much. Thank you both for your service, and we are glad that you are there.

I -- as you both probably are aware, I've spent a lot of time on this committee talking about contracting, and I want to really drill down on some contracting issues in my time here this morning.

I began some oversight on the Legacy Program, beginning way back in October of 2012. And as you all know, the Legacy Program is a very expensive American effort to build the intelligence capacity of Afghanistan and Iraq.

We are now very engaged in an investigation into parts of this contract. I have sent a lengthy letter in August of last year to Secretary Mattis requesting a lot of information. The -- we -- through both SIGAR and -- Robert Portman and I, we have all been asking for more oversight on this and we learned that in August of 2017 that there was a non-public DCAA audit of the sub-contractor, New Century Consulting.

And this audit, we know, includes question costs amounting to over \$50 million, including Bentleys, Alpha Romeos, assistant salaries of \$420,000.

It is -- you know, it's so discouraging to me, after all the work we've spent on contracting, after all -- after the War Contracting Commission, and all the reforms we've done in contracting, that we have not yet figured out how to get at these abuses close in time and close to the source.

And I don't even think leadership finds out about this until it's way too late. And we're always engaged in the claw-back process.

So I have been on this for a while, and I would like a couple of things that we're not getting right now, and I'd like to bring them to your attention.

One of the things that we would like is a full list of contracts and subcontracts in which New Century Consulting is still engaged in. We would also like the NCC Performance Assessments.

Now, we are being told we can't get the audit, because the audit agency is worried that if they publicly disclose some of the audits that that would discourage contractors in the future, because their financial information would become public.

I think we can get around that, and I think we've got to figure out a way to get all of this information out. Because if I just don't embarrass the hell out of you guys, I don't know how we're ever going to stop this stuff.

And ultimately what -- I'm not going to issue this investigative report until I figure out who was seeing this stuff and not saying anything. Who on the ground?

Which brings me, Secretary -- and when you were here on your confirmation, you know I talked to you about the I.G. report, the DOD I.G. report in terms of top management challenges.

And, ironically, the DOD I.G., no surprise, said overseeing contracting officers representatives was one of the biggest challenges, and assessing and reporting on contractor performance was one of management's biggest challenges.

MCCASKILL:

Can you give me some good news, Secretary, as to whether or not you've now digested this report, and whether or not you, along with General Milley, are actually strategizing how we can -- I mean, we've made progress on course (ph), because I went to Iraq, in the beginning, it was clear that a guy was just getting a clipboard.

I mean all that stuff with LOGCAP, and all of the abuses with the cost-plus (ph), that was really sitting at the feet of a very ineffective course training and assessment program. Those are in the contracting representatives there right there on the ground, can see what is going on.

So give me some good news about how you view this problem and please tell me that a senator 20 years from now is not going to be sitting here and going, how in the world are taxpayers paying for -- for Alfa Romeos and Bentleys.

ESPER:

Yes ma'am. You are -- you are correct. After you raised the issue with regard to the -- the contract with regard to aviation, I think it was 2,000 separate contracts amongst hundreds of contractors for hundreds of millions of dollars, and in many cases for the same parts at different prices.

I went back and went through that report. I've discussed with folks internally. I will stay in the four months on the job, I have met with contracting command twice, as recently as three weeks ago, I had a conversation with my senior acquisition executive. It's something that General Milley and I recognize as a challenge. The head of the Army material command saw this week.

We recognize that as -- as that report outlined, is we need to have clear metrics and hold leaders accountable for meeting those metrics with regard to accounting -- a contract, I am sorry. One of the reform initiatives we're pursuing right now is to is -- is -- is aim to reduce number contracts, reduce that process. We're looking at savings of possibly over \$1 billion over a multi-year period. But there's a lot more work when you do with regard to this, and it's -- we just don't have -- we have to be good stewards of the taxpayers' dollars and that means reform includes certainly contracting.

MCCASKILL:

I look forward -- I know we -- we need to have a meeting and you've been kind to try to reach out to my office and have a meeting. When we have that meeting, let's talk about these contracting representatives on the ground and what next step we need to take to augment their ability to be the eyes and ears. I won't regale you now because I'm out of time with all of the time and energy that has been spent on

this. And general, if you could help get this information I've asked for, I would really appreciate it.

MILLEY:

We'll get you the information.

MCCASKILL:

Thank you so much.

MILLEY:

What you're describing is unacceptable. Smacks of corruption and criminal activity. It's unacceptable and the people are going to be held accountable.

MCCASKILL:

And by the way, we keep doing business with them. This goes all the way back to the alcohol at parties.

MILLEY:

I got it, we owe you answers.

MCCASKILL:

All right.

ESPER:

I would just add briefly I had a good meeting with the head GAO a couple weeks ago to talk about a number of issues, past reports, along the same line you raised

and we made a commitment to work together that -- for them to help us look at issues and solve them.

INHOFE:

Senator Rounds.

ROUNDS:

Thank you Mr. Chairman. General Milley, I commend the Army for already reaching full operational capability on the fielding the cyber force ahead of the October 2018 requirement. Can you share the lessons learned on that process from the Army's experimentation with placing offensive and defensive cyber capabilities out of the brigade combat team level.

Also, would you share your perspective on integrating artificial intelligence to enable both superior performance and security of Army networks?

MILLEY:

I'd say really, two or three things on the cyber piece. first of all, we have a lot -- even though we've achieved FOC, we have, on our objectives that we stated in terms of our organizations and our capabilities of cyber protection team and the offensive teams, there's still more growth -- that's a big growth industry. Cyber is an area -- domain of warfare -- that is going to require us to continue to grow in the out years.

So we're into really done even though we've achieved FOC for the stated objectives that you're referring to. Some of the key lessons learned, I think one of the biggest lessons learned is to empower the youth. You and I and probably most in this room are essentially digital immigrants into a world in which we are really semi-familiar with a lot of the digital technologies that are out there. But these

young soldiers and sailors and airmen and Marines that are coming into the force, they're digital natives. I mean, this is all second nature to them.

So it's best to arm them, equip them and listen to them as they create the capabilities and the forces that are going to be required in this new domain of war. That's probably the biggest lesson. We've embedded them into the units, the tactical and operation units and we also have ones at operational and strategic level as well.

But the tactical unit ones are doing tremendous work. We're learning a lot more about the vulnerabilities of our systems and how to make them more resilient. But I think the biggest single lesson learned is listen to the young on this one. This is one where they have far more wisdom than the rest of us.

ROUNDS:

These young people are vital to long-term security defense...

MILLEY:

No question.

ROUNDS:

...in our nation.

MILLEY:

That's right.

ROUNDS:

We want them to stay in the Army, we want them to feel like this is a good profession for them and that there's a place for them long-term. Fair enough?

MILLEY:

Absolutely.

ROUNDS:

And part of that, I'm going to ask your personal opinion now, and part of it is because I think you do listen to these young people coming in. What's the scuttlebutt on TRICARE?

MILLEY:

TRICARE is a very large capability -- insurance capability that takes care of our soldiers. And I am -- as well as my family, recipients of that and have been for years. There are -- like there are with any large system, there are bureaucratic issues, sometimes with it. I will tell you that on balance ,TRICARE is an effective system for our soldiers. There are areas of -- of improvement that we need in terms of its responsiveness, but on balance it's not a bad system at all.

ROUNDS:

Part of the challenge is, is making sure the claims get paid on time.

MILLEY:

That's right.

ROUNDS:

Are they getting paid on time?

MILLEY:

I'd have to look at the exact statistics, but I have not -- I don't have any evidence that there's any wide disparity of being paid on time.

ROUNDS:

Thank you. One of the other items that I think a lot of these young people appreciate is the fact that they don't get paid a whole lot of money and they want to make that money go as far as it possibly can. We provide on bases, the commissary.

MILLEY:

Right.

ROUNDS:

Do you think those commissaries re valuable to the young people that are coming in?

MILLEY:

My professional opinion is yes, because the commissary -- you know, food is one of your big -- bigger household item expenditures; housing, food, medical, educational, those sort of things -- but food is a big one. So a family of four -- our demographic is the majority of our soldiers -- well (ph) over 50 percent are in the E-45 range, they're in the 26, 27, 28-year-old range and they are -- about 60 percent are married, and of those that are married on average there's two children.

So on average, the bulk of the Army is about a family of four. Family of four, on average, their monthly food bill is several hundreds of dollars. The commissary --

use of the commissary knocks off a significant portion of that in lieu of having to go to some commercial entity to buy food every month. So the commissary is a big benefit and advantage to the soldiers, sailors, airmen and Marines out there in my view.

ROUNDS:

Do you think those young people coming in, the ones we want to keep in, do you think they feel that the commissary system is working to their benefit today?

MILLEY:

I think so, yes. I -- I think -- you know, commissary is one of those areas where you almost universally get positive comments in terms of the cost, performance, the quality and diversity of goods that are sold there. Commissary gets pretty high marks.

ROUNDS:

Very good. Thank you. Thank you both for your service to our country. Thank you, Mr. Chairman.

INHOFE:

Thank you, Senator Rounds. Senator Warren.

WARREN:

Thank you, Mr. Chairman. And thank you to our witnesses for being here. I'd like to follow up on an issue that really hits a nerve in my home state. Secretary Esper, during your confirmation hearing, you may remember that I asked you look into

complaints from National Guard officers about delays and federal recognition of their promotions.

According to the National Guard Association, many Guard officers are waiting 200 days or more and this can have a really negative effect on their pay, on their benefits, on their command opportunities. So, Mr. Secretary, what have you found and what actions is the Army taking to address this issue?

ESPER:

Yes, Senator. Thank you for that question. And then, after we did have that exchange during the hearing, I spoke to the TAG of the Massachusetts Guard, and then, about four weeks ago I met with all 54 TAGs at the Army National Guard headquarters and this issue came up again.

I took it back and had a meeting with my manpower and Reserve (inaudible) personnel and, you're right, the numbers are too long and it's unacceptable. And, frankly, I endured my time in the Guard, I had a similar type of action, you know, happen to me.

So, what we're doing is, we're digging through it right now. Part of the challenges, there are multiple steps. The process begins at this state TAG level, goes through NGB, the G1, all the way through and, in some cases, the Senate if it's a Colonel or above.

There are things we need to do to improve the process. We have added additional manpower. We're looking at greater automation. I think there are ways we can reduce the time. There's about, anywhere, from 30 to 45 days added on to determine that they exhibited exemplary behavior.

And then, there are other things out there that may require congressional action. For example, part of the process, as I understand it, is de-scrolling (ph), which is an antiquated pen and paper process that also adds time to it, so.

WARREN:

OK.

ESPER:

We're trying to attack it on a number of fronts, but we need - it needs to be much, much more timely.

WARREN:

OK, well I really do appreciate your working on this. I'm going to keep pushing on this. You know, I understand the need to thoroughly vet our officer corps, but this has become a morale issue for the Guard. And I don't think it's right to make our junior officers pay the price for bureaucratic delays and antiquated systems, regardless of where those delays originate.

So, let me ask you another question on this, would you support proving back pay to the Guardsmen whose promotion sits idle for months while they're waiting for federal recognition and actually doing the next level job?

ESPER:

Senator, I think that's a fair approach to it. As I discussed with you, I would want to make sure I talked to the National Guard, make sure it's fair to them, we understand what the implications are. But I think in principle that's fair.

WARREN:

Good. I'm glad to hear that. You know, these young men and women who volunteer to serve their country don't get paid all that much and I think It's just plain wrong when National Guard officers earn their promotions, serve at a higher level of responsibility for months and then don't get that ranks pay while they're waiting for federal recognition of that. We've got to find a way to speed this up and - or else I worry that it really is going to do a lot of damage to morale.

ESPER:

I do too, Senator. The National Guard has become integral to our operational readiness. They're serving around the world, now, in support of world activities. I was with the Guard in both Poland and in Ukraine in January, doing a fantastic job. So, we need to fix these things. And not just - we have similar problems in Reserves and the active side, as well. It's just to get the bureaucracy out of the way and...

WARREN:

Good.

ESPER:

...make the system much more efficient.

WARREN:

Good, I'm really glad to hear that. And, with my remaining time, what I'd like to do is follow up on Senator King's question. You know, the Army has announced plans to establish a new Futures and Modernization Command.

The idea is to bring people who need new technology and the people who acquire that technology together under one roof so that they can get the technology into the hands of our soldiers faster.

But, today, a lot of the cutting-edge technology is not developed within the Pentagon, but in the commercial sector or in laboratories at our colleges and universities. Secretary Esper, how important is it to capitalize on commercial and academic developments in advanced technology? And, here's the key, as the Army establishes this new command, what steps are you taking to make sure it is closely tied to outside innovators?

ESPER:

Yes, Senator, you're right. Army Futures Command, it's critical that we have access to talent. Talent, not just on the material side, particularly with the hard sciences, but also talent that can help us think about the future strategic environment.

Thinking in the 2030s, 2040s because that will inform, in many ways, the steps we take with regard to material. So, we are looking at a number of locations. I think we started out with around 150. We've winnowed it down to around 30. And I think the next step in a week or so will be to get it down to ten, 11 and 12.

But each time we go through this we look at different filters, whether it's talent, it's then specific areas of talent. It's a proximity innovation. It's a proximity to academia and then our other issues, of course, that we have to look at -- quality of life, cost of living, you know, all of these things. So, we're really trying to be smart about it. We want to make sure we can attract the top talent. We have access to an ecosystem of talent where we put it. And that's why we're really trying to get into an area that really offers much of that.

WARREN:

Well, I'm really glad to hear that the Army is focused on taking advantage of existing talent where technological innovation is occurring. Of course, General Milley and I both come from a state from a state where a lot of that is going on. I know you've lived there, Secretary Esper, and anytime you want to come to Massachusetts and look around, you're welcome.

ESPER:

Thank you, ma'am.

INHOFE:

Thank you. Senator Peters.

PETERS:

Thank you, Mr. Chairman. And, gentlemen, thank you for being here. Thank you for your service to our country, as well. We appreciate having you before the committee. Secretary Esper and General Milley, I'd like to ask about the Army's plans for production of the Stryker vehicle.

I understand that the army intends to produce a Stryker A1s which include, both, improved protection of the Double V-Hull and improved mobility and the power provided by engineering and change proposal number one.

But I'm concerned that the current budget request for Fiscal Year '19 doesn't seem to provide for converting the Army Stryker brigade combat teams to modern Stryker A1s quick enough, getting them out in the field seems to be important, particularly, with new threats emerging around the world. Could you please give me an update on the Army's plans for production of the Stryker vehicle?

ESPER:

Yes sir, we are looking at, like you said, improving the survivability by adding the Double V-Hull. We're looking at improving lethality by adding the 30 millimeter gun and some anti-tank weapons.

I had the privilege of actually seeing a Stryker when I was in Grafenberg, Germany in January. Walked around the vehicle, spent some time with soldiers, they are very impressed with what they're doing. It will go through operational testing, now, for several months. And, I think, that we will make an assessment with regard to its performance and all of the feedback now is good.

I would note, in terms of procurement, we've increased about over 18 percent over the F.Y. '18. So, it's something that General Milley and I are watching closely, but, you know, the commitment is to make sure we improve the survivability and lethality of all of these vehicles as we look at, you know, this great power competition that we're in now.

MILLEY:

And, as you're aware, Senator, yes, we are putting money against it. But we're also - it's a balance right now. So, for the Bradley, the Abrams and the Stryker, these systems were designed and came online many, many years ago.

Now, they've had various upgrades and improvements over the years, but they are products of technologies and ideas that come out of the 60s and 70s, vice (ph) today's world. So, the next generation combat vehicle - ground combat vehicle that we're working on, it's in the RND and SNT phases in the prototyping, et cetera.

MILLEY:

That will eventually replace the entire family of vehicles that we have. The Abrams, Bradley and Strykers, realistically, they're life span is probably 10, maybe 15 years. So, we are putting improvements in Double VL lethality and some other things, but what we really need to do now is to make the shift in money and investments to a next-generation combat vehicle, and that's what we're doing with -- with our modernization accounts.

PETERS:

Well, speaking of the -- the product -- or the next combat vehicle, could you please talk a little bit about, or at least give us an update on the prototyping effort, which is something different that seems to make some sense?

MILLEY:

Yeah, the -- the philosophy, or the -- the methodology was shifted, and -- and we're incorporating much more prototyping, which will crunch down the amount of time it takes. Because a long -- there's a long lead time to the Army acquisition process. It's very linear. It's step-by-step. It's left, right, and left, right, and left, right, and left, down the line. So what we want to do is accelerate that by bringing in prototypes.

And in terms of the next generation combat vehicle, one of the things that we're accentuating in it -- it must be optimized for urban operations, which our current families of vehicles are not. It must be optimized so that it can be both manned and either autonomous, or semi-autonomous, robotic, depending on what the commander chooses to do at the time, and the situation in -- in the battlefield. Those are significant radical changes to the current system or family of vehicles.

So there are companies, there are corporation and industries out there that are already producing robotic vehicles. They're -- they're just getting modified, and we are prototyping them. We have several experimental prototypes going on right this minute that are showing some promise. We're not there for down-selecting, or picking vendors or anything. But we are experimenting with the various technologies, and we think that by 2028, we should be able to begin fielding a next-generation combat vehicle that's optimized for urban operations; that's both either manned or unmanned for ground operations; that has lethality, power, speed, weight; that's optimized for the next generation of -- of a battlefield that we perceive. And we think we'll have that fielded inside of 10 years, which under current Army practices would take 15 or more.

PETERS:

And as mentioned in a previous question a great deal of this work is being done in the civilian side. Obviously, I'm very -- very involved in self driving vehicles from Michigan...

MILLEY:

Yes.

PETERS:

... and what's happening in the auto industry. A lot of work is being done in Michigan, in TARDEC and other places.

MILLEY:

Absolutely.

PETERS:

You mentioned the next generation of vehicle with the autonomy features. Do you see having two different variants, or will all of these capabilities (inaudible)

(CROSSTALK)

MILLEY:

There'll be multiple variants. There'll be a tank-like variant. There'll be an infantry carrier-type variant. There'll be logistics and medical variants. I mean, it's a family of vehicles. It's not a single -- single vehicle, but they'll be based off of common chassis, and common engines, and power packs, and so on.

PETERS:

But my -- my question related to those variants. Will they all have autonomous capabilities, or will some be...

MILLEY:

Yes. Every -- every ground and -- and rotary wing vehicle that the United States Army produces from now on, the -- the next generation, after Bradley, after Abrams, every single one of them has to have the base requirement. It has to be either manned or unmanned, robotic, either fully autonomous or semi-autonomous built into its very basic requirement. It has to be able to have that option so that the commander on the battlefield of the future has the option, based on mission, and enemy, and terrain, and time, and troops available to pick whether he wants this objective to be seized with manned vehicles or not. And it depends. It depends on the situation sort of thing at the moment in time.

But we want that option to be available to company commanders, battalion commanders, brigade commanders in the future. So the requirement for all vehicles in the air or on the ground is both manned and unmanned.

ESPER:

And Senator, to be clear, we're looking expansively. It's -- it is beyond combat vehicles, as the chief just alluded to.

So for example, within this year, the 101st will be experimenting with an unmanned squad support vehicle. I'm talking to our senior acquisition executive about unmanned trucks, so we can transport, you -- you know, supplies, and we hope to accelerate that as well, so we could be experimenting in the next couple years with regard to, you know, unmanned sustainment, logistics support.

INHOFE:

Senator Tillis?

TILLIS:

Thank you, Mr. Chairman. Gentlemen, thank you for being here, and for your service.

General Milley, thank you. Actually, for the three years that I've had the opportunity to get to know you, the only thing I don't like about you is you're a Patriots fan, but I thank you for your generous time in the office. The -- yesterday --

Just a quick update -- you -- you and I talked. I think it bears repeating. Talk a little bit about what it means to become a more lethal force, and you know, in --

in hopefully, a limited amount of time. I've got one, two other questions. But I think running through that's very important.

MILLEY:

Well, just -- just briefly, I mean, the -- the way I look at it is you evaluate an organization both based on its individuals, but also on its collective capability. And we look at the training, the equipping, the manning and the leadership.

So for training, we want to make sure that a lethal force, a collective entity, a squad platoon, company, et cetera has got many, many reps at their basic, mission-essential tasks. Not one or two reps, but hundreds of reps, if not thousands of reps. That's what makes the Patriots a great football team, is because they do it thousands of times before they win, except against the Eagles.

So the -- but -- but reps matter. Reps matter. So one of the things the initiatives were doing is a synthetic training environment which will give leaders and collective units thousands of reps relatively cost-free, without going out into the field. So training's important, lots of reps. That applies to the individual, as well.

In terms of equipping, to make sure that not only you have the right amount of equipment on hand, but that equipment works. So spare parts and the maintenance of that equipment, so it's fully operational, and we want to make sure that that organization has the most modern equipment that is available, really, that money can buy.

And then in terms of your -- your manning levels, we don't want units going out to training at home station, or at the combat training center at 75 or 80 percent fill. But we want them going out into the field to train at 90, 95 or 100 percent, or even more to train, because they get the full benefit of the collective training experience.

And then the leadership is key. We want leaders who can operate in intense environments -- middle of the night, smoke's going on, bombs are going off, people are screaming and bleeding right next to you, and yet you can still make incredibly complex and difficult decisions under intense pressure. They can be morally correct decisions, ethically correct decisions, and tactically correct decisions. And you can do that in unbelievable pressure. That's what it takes in -- in -- in a modern environment, but that's the same type of leaders that it took in World War II at Normandy or Iwo Jima, in the Korean War and Vietnam, and so on.

So that's what increased lethality is. It's a combination of training, equipping, manning and having excellent leaders that are up to the task. Units that are fit. They're able to shoot, move, communicate, protect themselves and sustain themselves.

TILLIS:

Do any of you all think the sequestration's going to be helpful to achieving that increased lethality?

MILLEY:

No, it'll kill it.

TILLIS:

The -- I want to talk briefly about futures command. I believe that the Army futures command, that Senator Warren made a -- may have brought it up. I look forward to seeing you all go through the process, and assessing the various states that may be the most hospitable to -- to house that command. I know that you're

going to start proceeding through the process over the next week or two. And it's like I've said a number of times before: I will never fight for a dollar in North Carolina. They can be better spent somewhere else. I look forward to that selection process being a level playing field, absent political pressure to go one place or another, because of the jobs or economic impact.

When we're constantly trying to fight to get you all more money, the last thing we can possibly do is satisfy the political pressure of any one person or anyone delegation when you know in your heart of hearts there's a better and more optimal place to put it.

And the states that are under consideration, the cities are under consideration have the onus on presenting the best possible case. And your onus is to make sure that whoever doesn't get it, should it be North Carolina, Massachusetts, any other state you may be considering, that you've got a well articulated reason for why whatever choice you had, based on the numbers based, on the empirical data, was the best place and I wholeheartedly support that decision, regardless of where it goes. I obviously would like for it to be in North Carolina, but only because it's the best and highest use of the limited dollars that you have.

MILLEY:

I can assure you, senator, that Secretary Esper has laid out a rigorous process. It's totally apolitical. It's totally based on data and analysis and that we are very rigorously and deliberately going through that and evaluating each location based solely on its own merits with no political interference whatsoever.

TILLIS:

Thank you all very much for your service. We may submit a few questions for the record.

INHOFE:

Thank you.

Senator Heinrich.

HEINRICH:

Thank you, chairman.

Secretary Esper, I understand you'll be visiting White Sands Missile Range next week.

ESPER:

Yes, sir.

HEINRICH:

So I want to thank you for taking the time to -- to visit that facility. I think you'll be incredibly impressed at the -- just the scale of the range and in part, which is very unique. I want to ask if you're able, if you might take a few minutes and quickly visit what used to be the old Second Engineer Battalion facilities. It's about \$170 million worth of brand-new facilities at White Sands that is currently sitting vacant. At the very least, drive through that footprint, and I think it'll give you a better understanding of the potential for -- for hosting the security force assistance brigade at that site.

So if you would, I'd ask you to fit that into your schedule.

ESPER:

Yes, sir.

HEINRICH:

Super, I very much appreciate that. As you know, the full New Mexico delegation and local community support the addition of that mission and I think one of the things you'll find at White Sands is that it's an incredibly safe community with good quality family housing, and for that matter, one of the best schools in the states. So it's a very attractive place for folks to -- to serve.

General Milley, I was really glad to see the Army place a high priority on modernization. And the short range air missile defense in particular, was particularly impressed to see that the General McIntyre and the Army's new cross functional team have accelerated some systems by up to five years.

I think that's good news to all of us here who recognize, as you said, that we sort of taken a break from modernization for far too long. Do you believe that CFTs will be able to shorten the prototype development and fielding timelines for your modernization objectives and -- and how are you seeing that come together?

MILLEY:

I do, I think there -- its come together tremendous and I think that the -- the process we put in place, the organization we put in place and the governance and oversight are put in place is very effective, and I have no doubt that is shorten the -- the procurement acquisition timeline.

The vice chief of staff of the Army, General Jim McConville, and the undersecretary Army, Ryan McCarthy, are driving this and these guys are driving is hard, and they're sitting on top of the six cross functional teams -- there's actually eight, but two of them are embedded under two others, so there's six total teams that are working each of those six modernization priorities, long-range position fire, next generation, Future Vertical Lift and so on.

With respect to air missile defense and McIntyre, he's doing a great job in driving that. You are correct, we the Army have been blessed by having the greatest Air Force ever known throughout the history of mankind, in that we the Army have not come under enemy fixed wing air attack since the beaches of Normandy.

If we get into a conflict with a great power, those days will be gone. We will likely be under attack from enemy fixed wing. Our Air Force will again, do a tremendous job, but we the Army must protect us ourselves. So air and missile defense is a critical capability to protect our unit formations, and it's a critical vulnerability right now.

So we want to speed up as fast as we can. We're doing that, and McIntyre is leading the way under the supervision of McCarthy and McConville. So the three Mc's are bringing it home.

HEINRICH:

Are you comfortable with how much the Army is budgeting towards RDT&E funding to meet those modernization and testing goals?

MILLEY:

Well, from my perspective, I would always like more to put in there, but it's a balanced portfolio. And we think -- the secretary and I think that we have balanced it for the F.Y.-- this proposed budget '19. We think we have about the right amount. We've increased, so I think its 8 percent or so in terms of our R&S and S&T capabilities. So we think it's balanced. It's not optimized, but it's balanced.

HEINRICH:

Right. I very much appreciate that approach. During the AUSA Global Force Symposium, General McIntyre said that the first prototype platoon of strikers equipped with directed energy weapon systems will be fielded by 2023, but that he'd like to move that timeline further to the left. What can we do? Is it just a matter funding or are there other things that we can do to assist with that because I think that's a very important development.

MILLEY:

I think, senator, it's a -- I have to look at whether it's the funding challenge, but there is a technology challenge as well, that's why we're trying to the other services on that. And he's talking about fielding, we are trying to push hard to move left as much as we -- as quickly as can. It does get to the bigger issue about sustained funding beyond '19, to make sure we can make those big procurement bets at that point in time.

HEINRICH:

You know, secretary, if anything, I finally see that we're turning a corner on the recognizing just how far the technology has moved and now it's more a matter of getting all these technologies to the various processes, working out how they're going to be used in the field. It's not so much a limitation in my view, on the technology anymore, it's a limitation on how quickly we can work out the details of how they will operate in the field.

ESPER:

Right, and our view is, don't make the perfect the enemy of the better. So even if we get limited powers at limited range, we'll start there and we'll continue to upgrade -- upgrade as the technologies mature and build upon it.

HEINRICH:

I look forward to working with you on that, secretary. Thank you both.

INHOFE:

Thank you. Senator Cruz.

CRUZ:

Thank you, Mr. Chairman. Secretary, general, welcome. Thank you for your service. Secretary Esper, the -- the capability gap separating the United States and its competitors, Russia and China has reached a troubling inflection.

Over the past two decades for a whole lot of reasons, the U.S. military hasn't been able to match the rapid pace of a Russian and Chinese military modernization. Both nations are reaching parity in some areas once dominated by the United States, such as field artillery, reactive armor, air defense artillery, electronic warfare and antitank guided munitions. .

Furthermore, the training and professionalism of the Russian and Chinese militaries have seen steady improvements as well. That is why the recently released National Defense Strategy explicitly directs the U.S. military to prioritize the threats emanating from Russia and China.

CRUZ:

The NDS will have far-reaching implications for how the U.S. military trains, equips and postures its forces. Each of the services will play a significant role in the implementation of the NDS which requires new and innovative ways of

conducting joint operations. In light of the NDS, what does the Army see today as its primary mission?

ESPER:

Our primary mission is to deploy, fight and win the nation's wars, senator. And as the National Defense Strategy has outlined in this era of great power competition, our focus is on high intensity, near-peer threats, possibly Russia and China or, mainly Russia and China.

So, that is our core focus. Now, in addition to that, the NDS outlines the need to, of course, protect the homeland. The need to preserve irregular warfare a core competency, but those two strategic competitors are our primary focus.

CRUZ:

How is the Army prioritizing the threats posed by Russia and China, but, both, in the context of weapons procurement, but also, transitioning the mindset of our soldiers from a global war on terror to a more expeditionary posture?

ESPER:

So, we have moved to focus on high intensity conflict in our home station training and our national -- our training centers, particularly, the National Training Center. When I was there in November visiting and the 1st Cavalry was going through the training. They were, actually, facing scenarios that the Ukrainians saw in eastern Ukraine against the Russians, high intensity, use of drones, et cetera. So, training is one.

With regard to material, as we've outlined today, there are six modernization priorities that we think if fully exploited, will ensure our overmatch in the out years. So, that's the second part of it.

And again, we must, as the Chief spoke eloquently on earlier, continue to develop our leaders to make sure that they are prepared for the future battlefield and train the soldiers, as well, so that they can fight along the entire spectrum of conflict, which well may, may -- well may mean that they don't have access to communications, electronics, et cetera.

CRUZ:

I'm also concerned about the modernization of our armored brigade combat teams such as those at Fort Hood and Fort Bliss in Texas, technology such as active protection systems and reactive armor have failed to keep pace with where Russia is currently.

I understand the Army has started fielding systems like Trophy before deploying to Europe. What is the status incorporating APS systems like Trophy on our armored vehicles such as the Bradley or the Stryker?

ESPER:

Senator, you are correct. We are looking to -- we are outfitting some armor brigades with anti-protection systems -- active protection systems. We're looking at the same with regard to Bradleys and Strykers.

But there are other things going on, as well. We are upgrading the Abrams tanks we -- this -- the budget we see in '18 and '19 will allow us to accelerate the upgrade of five ABCTs from ten years to five years. And, of course, we're pursuing other ways to improve the survivability and lethality of these systems.

CRUZ:

Additionally, how are you working to ensure that our armored formations incorporate technology such as APS, FLIR (ph) and other off-the-shelf technologies to keep -- keep pace with the threats that exist today?

ESPER:

I would say, and I would defer to the Chief here, as well. This is one of the areas where the school houses are looking requirements for the future fight, certainly the cross functional teams, to make sure that we are incorporating whatever technologies are available, to do that.

Certainly, with regard to communications, with -- we have pivoted now to looking at a lot more commercial off the shelf technology that we could ruggedize. I've seen that already, with regard to how we are outfitting the Stryker and infantry brigade combat teams. And it's the only way we're, actually, going to be able to keep up with what's the, the changing pace of technology in the communications sphere.

CRUZ:

General, anything to add on that?

MILLEY:

Yes, in the seconds remaining, I would just tell you that we are actively upgrading our Bradley and Abrams formations. But, as I mentioned earlier in a previous question, the Bradley and the Abrams came into service when I was commissioned as a Second Lieutenant.

They have served the nation extraordinarily well, but they are fundamentally at the end of their lifespan. We'll probably get, max, another ten maybe 15 years out of these vehicles. We have maxed out their weight, the technological upgrades

that we can do. So, hence, the modernization program of a next generation combat vehicle.

But we are aggressively upgrading Abrams and Bradley and Stryker in all of our formations throughout the Army. And I'm very confident that those weapon systems will continue to serve us well, even against a Russia or China in the near term because, you know, armies don't go to war, nations go to war. And armies don't win wars, nations win wars.

And we go as part of a joint force. So it's not just the Army. It's the Army with the Marines, the Navy, the Air Force, the CIA and so on and so forth. And it's the synergistic effect of all that combat power and time and space against the opponent, whether it's China, Russia, no matter what the country. That's what brings victory or defeat.

We do know that decision in war happens on the ground. We know that because that's the worst part of politics. People live on the ground and so on. So, it's important, the Army's contribution to that piece is critically important that we have a decisive, conventional capability that can conduct campaigns over extended periods of time. To do combined arms maneuver and defeat the armies of the opponent, and then, to take control of the land mass from the enemy army.

That's the fundamental task of any army, that's our task as well. We're confident in our current capabilities. We're confident in our current systems, relative to Russia, China or anyone else for that matter.

But we are keenly aware of the modernization programs of, both, Russia and China, right now. And we are keenly aware that we need to shift gears rapidly into the modernization in order to make sure that we don't have parity or that they don't close the gap or cross the gap.

We want a military, across the board, to be unbelievably lethal and unbelievably dominant so that no nation will ever challenge the United States, militarily. That's what we want.

CRUZ:

Thank you, gentlemen.

INHOFE:

Good statement. Senator Hirono.

HIRONO:

Thank you, Mr. Chairman. This is for, both, Secretary Esper and General Milley and Senator Cruz touched upon the National Defense Strategy and how ready we are, but I want to focus on the Asia-Pacific area. And China, of course, is a significant rival in the Pacific and it's important for the U.S. to project strength. Reassure our allies and build partners in the Asia-Pacific, particularly, in light of the actions of China and North Korea.

So, I have a series of questions for both of you. How are you resourced for mil-to-mil exercises in the Asia-Pacific region? Are you resourced to cover Army (ph) requirements in the region? Is the Army's force laid out appropriate to meet current threats? And does the Army envision directing additional assets to the Asia-Pacific area of operations? We'll start with you, Mr. Secretary.

ESPER:

Senator, I'll take a shot at the first question. I -- one of the most important programs we have out there for improving interoperability and addressing

training in the Pacific is the Pacific Pathways program. The U.S. Army Pacific Commander has request \$61.8 million for that program in F.Y. '19. And the Army fully funded it.

So, I think we will continue to sustain that level of training and readiness as we look ahead. With regard to disposition of forces, there are currently no plans to put more forces in the Pacific that I'm aware of. I'll defer to the Chief if there's something else, but, really, what we're focusing now is to make sure that we, the troops, prepare, both, at home station and through our training centers for the high end conflict. Whether it occurs in Europe, Asia or elsewhere.

MILLEY:

I would echo that, senator, that our -- we have a very wide variety of exercises into eh Pacific that you're very familiar with, pathways is one of those, and we think we have adequate funding in '17, '18 series of bills and we're requesting adequate funding in the '19 series of bills.

And those are really important, but the United States Army remains continually engaged because China, Asia-Pacific, Indo-Pacific, really, is the priority in the National Security Strategy and in the National Defense Strategy that Secretary Mattis has laid out for us.

We think we have adequate funding and resources to do that and we have a considerable amount of Army forces, not only in your state of Hawaii but up in Alaska, on the West Coast in Washington and forward in Guam, Japan and Korea. So we've got a good array of forces throughout the Pacific region.

HIRONO:

Well, there is a concern about the fact that the service deputy has testified in the Readiness subcommittee in February, and they all stated that nearly 70 percent of young people in the U.S. today are not qualified to join the military. And your fiscal year 2019 request calls for an increase in end strength of 487,500 regular Army soldiers. And will you be able to continue increasing end strength without lowering standards, giving the small pool of people who meet the current standards?

MILLEY:

The short answer is yes. I believe -- we've done a lot of modeling and estimates on that - that we can increase our force by 4,000 or so each year, that we've been shooting for. We've been meeting that to date and I think we'll meet it in the future without lowering any standards. So the key is standards, it's a standards-based Army, we're not going to lower those, and I think we can meet the end strength.

As far as what the vices all said, 70 percent, that's a statistic that's been out there for a considerable length of time, that's well known. And -- but we focus on those that do meet the standards and we're not going to move the standards.

HIRONO:

If you have nothing...

ESPER:

I completely concur, and I would say actually in many ways, you know, we all face that same problem, but we being the services, in terms of how we attract youth, we are putting more money into recruiting, and other ways in which we

can attract youth, the National Guard is doing the same. And so it's a challenge but we will not lower standards to bring a young man or woman into the service.

And in fact if anything, we are raising standard and we are looking at, for example, how can we extend either basic training or one station unit training to make sure that the product we put through is ready to go, that young man or woman, when they arrive at their first unit.

HIRONO:

Let me get -- as a question about cyber capacity because that is an issue of concern for us throughout the -- all the services. Last month, General Nakasone testified about the success of the Army's Cyber Center of Excellence, that they're -- you're having in developing and training a cyber workforce, including the first class of them, and this is cyber operated -- she (ph) graduated from the Army Cyber School last August.

What percentage of soldiers trained at Army cyber school from the Reserve and Guard components, do you envision growth and these numbers in the future? And as the Army continues to successfully train cyber operators, how will that effect the Army cyber -- Army's cyber efforts across the service and could the model -- Army employ the Cyber Center of Excellence be scaled up and train other services throughout the government?

ESPER:

Senator, if I can, I'll meet and speak broadly, and then I'll get to one of your questions there. One of the things I was most pleased to find when I came into this role about 4.5 month ago was, how far the Army had progressed and what it had achieved with regard to cyber. So we have a cyber school, a cyber command,

a cyber MOS, a cyber branch, and are doing really well with regard to bringing people in.

The -- the goal is to have 62 cyber mission force teams. We currently have 41 regular Army and are building 21 in the Guard and Reserve. I was at the Guard bureau a couple weeks ago, and they told me that they're up to like 30 teams in the states and building more. So I think there is -- we continue to grow.

I think the guard, the states provide good opportunities because there's a lot of talent out there that is familiar with these skills, and they're working in the private sector. So to bring them in as a guardsman is a great opportunity to capitalize on skills they already have.

HIRONO:

If you want to answer...

MILLEY:

Yes, on the percentage. It's roughly a third. We can get you the exact numbers. You were asking about RSC (ph) that are getting trained. And in terms of growth, absolutely. Cyber is a domain of warfare, land, maritime and -- and air, the normal three traditional ones, but now space and cyber.

So developing capable cyber forces in the joint force, in all of the services is critical to our war fighting capability in the future. So this is an area of absolute growth, no question about it, and we're very fortunate, and you know him well, General Nakasone has led the way for the Army and done a great job there, and of course he's the nominee who will be taking command of CYBERCOM here shortly.

HIRONO:

Thank you. Thank you, Mr. Chairman..

INHOFE:

Senator Perdue.

PERDUE:

Thank you, Mr. Chair, and thank you both for your service.

General, I just returned from North Korea and I just want to make comment to you, I have been around high-performance teams all my life and I have to tell you, General Brooks (ph) and your team over there is absolutely the best of the best, and I want thank you for the training and preparation of those young men and women over there. I was really proud to be surrounded by them. So please pass that message along, both of you.

MILLEY:

Will do, senator.

PERDUE:

You've got about 24,000 soldiers over there, I think. This -- the National Commission on the Future of the Army recommended that the Army consider forward deploying a combat aviation brigade in Korea in order to bolster the aviation readiness on the peninsula.

This spring, an Army -- as you mentioned, I believe earlier, an Army tank brigade -- the first brigade, third division, I think from Fort Stewart, deported to South Korea to deter potential aggression over there and to make sure people around the

world know we're serious. Can you give us an update on the forward deployment strategy with regard to Korea as you can -- as you best can in an open conversation like this?

MILLEY:

Yes, as you know, we've got 20,500 U.S. military personnel, of those, 24,000, 25,000 or so, are U.S. Army. And we rotate an armored brigade combat team, as you noted, through there are regular basis. I go over there for deployment, it's a heel to toe rotation. That's a critical capability that's necessary in order to deter North Korea aggression.

In addition to that, we've got the headquarters of the second division. We've have got artillery capabilities, we've got ballistic missile defense with Patriot and THAAD forward deployed. We've got appropriate sustainment and intelligence capabilities and a variety of other capabilities built within that 24,000 soldiers.

And as you know, the situation on the Korean Peninsula is dynamic right now. We've got a very important strategic level summit meeting between the president and Kim Jong-un coming up here shortly. Right now, the U.S. strategy is to maintain maximum pressure and if -- and -- and to continue our capability to deter, and we'll see what develops in the diplomatic realm.

The main effort is clearly to resolve our issues with North Korea through the peaceful diplomatic means, but to retain the capability for the options to be presented to the president if diplomacy does not work. So that's what we're doing, we're maintaining our maximum pressure, we're maintaining our readiness work and we're keeping those forces under General Brooks at a very, very high state of readiness.

PERDUE:

Yes sir, thank you. Mr. Secretary, you both have spoken to the five domains in the growing domains of space and cyber, in addition maritime, land and air.

We've been getting these cyber briefings in the subcommittee on -- on cyber and I have to say it's very sobering. In an open environment like this though, there are some concerns that we can discuss relative to the integration. I know we have one approach for the government. But when we look at the services, and this is your responsibility, talk to us about the integrated efforts between the services, so that we don't -- so that we have best practices, we share best practices, and we also have a concerted effort that can efficiently compete with the absolute rapid development in -- in both China and Russia.

ESPER:

Yes, sir. This is a -- an area of -- of focus as well for all the concerns you outlined. There is certainly a lot of cooperation going on between the services -- and with OSD, I might add -- to -- to make sure that we are protected from the tactical through the strategic level. Certainly for the Army, we are building a lot of capability to brigade level and above to deal with the tactical problems that we might face.

I can tell you, with regard to the modernization priorities and the cross-functional teams, I've talked to them, and they're committed to making sure that whatever we procure for the future is cyber-hardened and cyber-resilient.

As you think higher and look across the DOD, we're looking at the same thing to make sure that we can protect our data. It's recognized that this is a vulnerability. I can't go into too much detail, but there's clear recognition that that's the case,

and we need to be able to attract the talent, as the chief spoke to, the talent from the private sector to make sure that we are on the cutting edge, and are capable of defending ourselves in this -- in -- in what is considered, it could be considered asymmetric vulnerability.

PURDUE:

Thank you both. Thank you, Mr. Chairman.

GILLIBRAND:

Thank you. Dr. Esper and General Milley, thank you for being here, and thank you for your service.

On April 3, 2018, the American Medical Association wrote a letter to Secretary Mattis decrying the recent policy released by the White House, echoing concerns raised by the American Psychological Association and two former surgeon -- surgeon generals. The American Medical Association said, quote, "We believe there is no medically-valid reason, including the diagnosis of gender dysphoria, to exclude transgender individuals from military service." The memo mischaracterizes and rejected the wide body of peer-reviewed research on the effectiveness of transgender medical care.

Yet, the DOD, quote, "panel of experts" quote, "came out -- came to a drastically different conclusion from the preeminent medical organizations in America about gender dysphoria, the effectiveness and impact of gender transition on medical and psychological health, and the ability of transgender servicemembers to meet standards of accession and retention." Who represented the Army on this panel?

MILLEY:

For the Army, it was, I believe, the vice chief of staff of the Army, General McConnell.

GILLIBRAND:

And di the Army include any health professionals on the panel, and if so, who?

MILLEY:

I know there's been a lot of -- I don't know -- I don't know the specific answer to your question terms of on the panel, but there were -- General McConnell consulted with lots of internal folks, medical professionals, absolutely, yes.

GILLIBRAND:

Can you submit to the committee who was consulted, specifically...

MILLEY:

Absolutely, yeah, sure.

GILLIBRAND:

Do you know whether any health professionals from within the government and outside of it testified before, or consulted with the panel in written testimony, or was it just verbal?

MILLEY:

With the DOD panel?

GILLIBRAND:

Mm hm.

MILLEY:

I don't -- I don't know if it was written or verbal, but I can get you the answer.

GILLIBRAND:

Whatever -- whatever was submitted, we'd like to see please.

MILLEY:

Yeah, yeah, sure. Sure, sure.

GILLIBRAND:

Thank you. And are you aware of anyone else who contributed to the panel?

MILLEY:

Each of the service vices, I believe, was on it. There were several DOD folks. I think the -- I'm pretty sure the panel was led by DOD PNR, if I remember right -- personnel and readiness, the undersecretary for personnel and readiness. We can get you the exact names. Sure.

GILLIBRAND:

Great, thank you so much. And any information they submitted.

MILLEY:

Sure.

GILLIBRAND:

Dr. Esper and General Milley, in light of the existing injunctions DOD is currently operating under, the previous transgender open service policy put in place by the last administration, yet transgender soldiers have now seen the department's recommendations, and are on notice that if the policy is implemented, they will get kicked out for seeking care or treatment for their gender dysphoria. I'm worried that this uncertainty will get -- will have a negative impact on these individuals, but also on their units, and that fear of these recommendations will stop these soldiers from seeking care. What are you doing to ensure readiness, in light of the pall -- the pale that has been cast on the future of transgender soldiers?

ESPER:

Senator, we can continue to treat every soldier, transgender or not, with dignity and respect; ensure that they're well-trained and well-equipped for whatever future fights.

With regard to accessions, our accessions folks understand that we are operating under the -- the Carter policy, if you will. We've had some sold -- some persons already join, transgender persons join, and we will continue to access them, and train them, and treat them well in accordance with that policy.

GILLIBRAND:

Well, I'm concerned because the report that was included with the memo claimed that transgender persons serving in our military might hurt unit cohesion. So that is different than treating everyone with dignity and respect.

When asked by reporters in February whether soldiers have concerns about service -- serving beside openly-transgender individuals, you said it really hasn't come up. Are you aware of any problems with unit cohesion arising since you

made that comment? And if so, can you tell us how they were handled by the unit leadership involved?

ESPER:

Senator, nothing has percolated up to my level. When I made that comment, I was -- it was a question about, you know, have I met with soldiers and talked about these issues? What did they raise? And -- and as I said then, soldiers tend to, you know, young kids tend to raise the issue in front of them at the day. It could be that they're performing all-night duty, or didn't get their paycheck, and this was just not an issue that came up at that moment in time, and beyond that...

GILLIBRAND:

Have you censored anything how transgender servicemembers are harming unit cohesion?

ESPER:

Again, nothing has percolate up to me.

GILLIBRAND:

General Milley, have you heard that?

MILLEY:

No, not at all. The -- we have a finite number. We know who they are, and -- and -- and it is monitored very closely, because, you know, I'm concerned about that, and want to make sure that they are, in fact, treated with dignity and respect. And no, I have received precisely zero reports...

GILLIBRAND:

OK.

MILLEY:

... of issues of cohesion, discipline, morale, and all sorts of things. No.

GILLIBRAND:

That's good news.

I know that the secretary spoke with transgender soldiers recently. Of all the ones that you have personally spoke with of the active-duty transgender soldiers, were you concerned by any of them continuing to serve?

ESPER:

Well, I actually met with them in the first 30 days on the job, Senator, and no, and nothing -- nothing came up that would cause me concern. I was, you know, impressed by what I heard.

GILLIBRAND:

And have either of you spoken to any transgender servicemembers since the set of recommendations was released by the administration in March? And if you have, what did you hear?

ESPER:

No, ma'am.

MILLEY:

I have not. I did before. I have not. But let -- let -- You know, the case, as you are well aware, is in litigation. It's in four different courts, so there's -- we're limited in actually what we should or could say right this minute, because it could either one way or the other, impact that litigation. But let me just say that our feeling, and -- and -- and -- well, I'll say my feeling, my view is that we have an Army that is standards-based. It has always been standards-based. It will remain standards-based, for medical, physical, psychological, conduct, et cetera. And those soldiers, or those applicants of people who want to assess into the Army, that meet those standards -- and they're rigorous standards -- if you meet those standards than you're on the team. If you don't meet those standards, for whatever reason, then you won't be on the team. It's that simple.

And those standards are based upon the rigors of ground combat. It's important that this 1 percent who wear this uniform and the cloth of our country were giving up certain civil rights so the other 99 percent can retain their civil rights.

We know that, we do it willingly and volunteer to do it. So, this is not an issue with, respect to transgenders, this is not an issue in our -- in my view, this is not a civil rights issue. This is an issue of standards and maintaining the deployability and the combat effectiveness and lethality of the United States Army. And I think I speak for the other service's service chiefs, as well...

GILLIBRAND:

Thank you.

MILLEY:

...standards based.

GILLIBRAND:

Thank you.

KAINE:

Thank you, Mr. Chair and thanks to the witnesses for this important hearing. Secretary Esper, I want to ask you about a passion of mine. I've got two bills filed in the Senate now, which I'm hoping might be included, ultimately, in the mark for the NDAA. One is a Military Spouse Employment Act and colleagues on this committee, including Senators Gillibrand and Perdue are co-sponsors, and the second is the Childcare for Military Families Act. Senator Rounds, on this committee, is a cosponsor.

What I've tried to do in both of these bills is take a significant amount of feedback from spouses all across the country to address major factors leading to an unacceptably high unemployment rate among military spouses.

And as I've worked with spouses on this issue, we've identified a whole series of challenges and causes, lack of direct employment opportunities with other federal agencies, lack of childcare, lack of our under utilization of education and training and resources, lack of counseling, frequent moves.

Additionally, the first bill tries to encourage more public, private partnerships for the DOD and more opportunities for entrepreneurship on military bases for military spouses. These bills, the two, address each of these issues. I don't think there's a silver bullet that's going to drop the unemployment rate of military spouses from three to five times the national average to the national average.

But I think these bills offer a great start in beginning this conversation and moving this in the right direction. I want to ask if you've had a chance to review the legislation and is this an effort that the Army would be supportive of?

ESPER:

Senator, I looked over the legislation. I'm impressed by what you put in there. I think, as I've shared with you before, I think these are some of the most important challenges, if not, the most important challenges facing our spouses, army spouses.

I know my wife experienced the same challenges when I was on active duty. Everywhere I go, if there's a family readiness group, spouses, I meet with them and this issue comes up over and over again and they are intricately linked.

The fact that it takes, on average, 140 days to hire someone is hurting the Army. It's hurting our readiness and it's certainly hurting spouses. And, as a result, it hurts retention. And, the direct link here, as I think I share with you, is if you can -- we have daycare centers that go unfilled with supervisors because it takes months to hire them.

And the supply is there to tap into, but it's cluttered up in everything from things that we're doing within the building all the way up to how OPM handles it. So, I've talked to staff, I've talked to members about the need to fix this problem because it's -- there's nothing but good if we can.

KAINE:

I have a son in the military who signed up and then did -- for a first four and then a second three as a single individual and now is married and as he gets to the

seven year point he has to make another decision. It's fundamentally a very different decision.

ESPER:

Yes sir, we like to say you recruit soldiers and retain families.

KAINE:

And it's very true. And so, you know, the ability of spouses to feel like with the sacrifice that they bear, there is going to be an opportunity for them to put their talents to use is a really important of retention. I appreciate your answer to this.

I have one other question. We had a readiness subcommittee hearing, Chair Inhofe is the Chair of our readiness subcommittee. In February, you had the service vices in and I asked about how the services are balancing reconstitution efforts against the COCOM force request. And so, focusing, specifically, on the Army to each of you, General McConville answered that day and he said, basically, we need more people and fewer missions.

The funding that we just did in the budget, I think, is going to be really helpful over the next 18 months, on the first part of this, the funding for the additional people. But how about the second part, the fewer missions?

Is there an opportunity to reconstitute, since we now have fewer troops in Iraq and Afghanistan? Or are the additional necessary mission that we're engaged in around the world, sort of, immediately taking up whatever slack there was from that draw down in Iraq and Afghanistan?

ESPER:

Yes, sir. This is a supply and demand issue and I think with the '18 and '19 bills is we can grow end strength. It helps us create more supply, fully flesh out our units, et cetera.

But there is the demand side of the equation, that's something that we've had discussions with, internally. We've discussed it with OSD to look at the range demands placed on the Army. Can we do some of it differently? Can we look at lower value exercises or training and, if not, if not limit them, reduce them, make them, at least, more productive to preserve readiness.

What we really have to do is get the soldier deployment rate, the bog that dwells we call it, up to the one year to two year standard and, right now, we're well below that. We're, somewhere, just north of one. And that has an impact on the force, both, through terms of readiness, retention. You know, it has a range of impacts that we need to address with regard to that.

KAINE:

Thank you very much. Appreciate it, Mr. Chair.

DONNELLY:

Thank you, Mr. Chair and thank you to both of the witnesses. I know the Army is committed to addressing military suicide. I'm sure both of you know, that suicide risk among the service members, often, isn't tied to deployments or combat experiences. And we can't be restricting our most rigorous mental health assessments to the deployment cycle.

This committee helped pass legislation in 2014 to ensure every service member, active Guard or Reserve receives a thorough in-person mental health assessment every year. It was name after a brave who's your soldier (ph) Jacob Saxton, who

was lost to suicide in 2009. It's my understanding that the Army is now fully implementing the Saxton Act requirement for robust annual mental health assessment. Is that correct?

MILLEY:

That's correct.

DONNELLY:

Thank you.

MILLEY:

That's correct.

DONNELLY:

What are your top priorities, looking forward, for combating military suicide, the best tools you think you have in approving mental services for our soldiers this year and in the years ahead? What do you think are some of the areas where -- when you look at, General, that you look and you go, you know, here's one of the -- one of the causes of some of this and, and the best way to try to reduce it?

ESPER:

Well, Senator, thank you for raising this issue. It's -- it is very troubling. I've signed too many condolence letters associated with, you know, the scourge of suicide. And the rates that I see across the Army are not heading the right direction. I mean, we need to get them, rather than flat, heading in the right direction. And the challenges, you know, particularly troubling, in the Guard and

Reserve where you -- where units only come together every 30 days and break back up.

And, you're right, it's not related to -- necessarily to deployments. It's -- the experts will tell you, it's hard to pin it down. But we do know the most vulnerable population are these young soldiers, 17 to 22 or so, it often is -- the cause is a relationship issue, you know, a breakup, whatever the case may be.

ESPER:

As I've looked at this problem, I've asked our folks to come back with new thinking with regard to strategies that we can deal this. We already put behavioral health experts in the units. We provide a lot more access, as I've talked with some -- some of the committee staff. We need to make sure the commanders and the -- the officers in the units have greater access to that type of information, so they know how to deal with soldiers.

But I also think that it's critical that we -- we -- we make sure that the -- the chain of command is responsible and in charge, and in some cases, we've -- we've moved away from that. So making sure that we implement programs like Not In My Squad, that we put NCOs, junior officers back in charge of teaching their soldiers resiliency, all that is important. General?

MILLEY:

Yeah, I think the key, Senator, is -- is two things in order for -- for prevention, and we have a lot of resources, and we appreciate the support of Congress in helping us to do that. But I think that the key, and the -- and the resources have to be focused in -- in -- in two particular areas. One is situational awareness of the soldiers in a squad, and a platoon, and a company of the early warning indicators

and signs of potential suicide, the stressors that are on -- on an individual soldier. And the second key is -- first, is recognize the early warning signs.

Second key is know that you can intervene; that we are, in fact, our brother and sister's keeper; that being silent is -- is not OK; to intervene, to take action, and to get that soldier help. They are reaching out. They are crying out for help. Get them help. So situational awareness, and it's OK to intervene.

DONNELLY:

Great. Thank you.

To both of you, I just wanted to mention that in Indiana, we have a training center, Muscatatuck. It's used for all types of training. It's a national asset. It's a venue that can help prepare our forces for current and future threats. And I just wanted to make both of you aware of it. Hope you both have a chance at some point soon to go there.

ESPER:

Yes, sir. It's on my visit list.

DONNELLY:

Great.

ESPER:

I think in the next four or five months, I plan on coming out there.

DONNELLY:

Terrific.

General, what does stability look like in Afghanistan? When -- when you look at that, and you're looking, go, this is -- this is an acceptable state to move forward with, how do you see that?

MILLEY:

A couple of things, Senator, that we've defined in the strategy. One is that Afghanistan -- and this has been the objective since 2001 -- that Afghanistan no longer is a platform for terrorists to conduct strikes on the continental United States, or in the United States. That's key. That's why we're there, and that's why we're still there.

Secondly, how do you achieve that? You achieve it through a stable and -- Afghanistan. So what does that look like? It means that the armed opposition, the Taliban, Haqqani network, al-Qaida, ISIS, K (ph) and all these other groups are reduced in terms of capability that they no longer present an existential threat to the regime in Kabul, and that the Afghan National Security Forces are at large. Their army, their police, their intelligence forces can handle the violent threat against the regime at a level that is something akin to crime or banditry, and they are no longer capable of -- the enemy is no longer capable of actually presenting a -- a downfall to the regime.

DONNELLY:

The -- the last thing I want to ask, real quick...

MILLEY:

Yes.

DONNELLY:

... is just, can we do that without the -- the real cooperation of Pakistan and ISI?

MILLEY:

Well, that's -- So -- so that's not...

DONNELLY:

Sorry, I didn't mean to cut you off.

MILLEY:

That's the end state of Afghanistan, is reduce the threat to something that can be handled on a routine basis by the internal security forces. In order to do that, you have to essentially do several things. You mentioned Pakistan. That is key. It's important that Pakistan is part of the solution. It's a regional solution. Part of our strategy is a regional strategy. That involve -- very much involves Pakistan.

It's very, very difficult to eliminate any insurgency if that insurgency has safe haven in another country. But right now, the Taliban, Haqqani and other organizations do, in fact, enjoy some safe haven in the border regions on the Pakistani side of the border. Pakistan's got to be part of the solution.

And lastly is reconciliation. At the end of the day, the Afghan government has got -- is on the path right now to establishing some sort of political reconciliation with the various opponent groups. But we're in support of that effort. So it's important that we realign the forces, that we reinforce the capabilities that we're already doing, and that we regionalize the problem, including Pakistan, and that there's some sort of reconciliation process. At the end of the day, that's how that ends, and it ends successfully, and I believe that's achievable.

DONNELLY:

Thank you, General. Thank you.

INHOFE:

Senator Blumenthal.

BLUMENTHAL:

Thanks, Mr. Chairman. I join my colleagues in thanking you for your service, and thank you for being here today.

I want to focus on Ukraine. I know, Mr. Secretary, you visited with some Ukrainian soldiers recently. You have been to Europe in various Army posts there, and discussed this issue with them. Operation Atlantic Resolve, as you know, is an Army-led operation designed to reassure our NATO allies and partners of America's dedication in the region after Russia's illegal annexation of Crimea, and its continued aggression -- I might say over-defiant military aggression in Ukraine.

Since April of 2014, the Army's conducted continuous multinational and security cooperation training through European deterrence, the European Deterrence Initiative. As someone watching from the outside, my conclusion would be that whatever we're doing there has had no impact, no effect whatsoever on Russian aggression, either to deter it, or defeat it. Maybe you can dissuade me.

ESPER:

Senator, I -- I did visit Europe in January. I -- I went to Belgium, Poland, Germany and Ukraine with different focus on each. My -- my takeaway was that, at least with regard to Atlantic Resolve, when I met with the -- the -- the Poles,

both the military, and on the -- the Ministry of Defense side, that they were very happy with our presence there; that they felt it provided not -- not just a reassurance role, but also a deterrence role. And it was not just because of U.S. troops, but you had NATO troops in -- in the -- all the Baltic states and Poland.

There were very -- very eager to -- to continue to improve that relationship, to increase number of forces. When I was in Germany, for example, with regard to exercises, a Polish brigade was training in Germany with American, Italian, British units -- British units underneath it. So a lot of great training happening.

But my sense, and I'd recently met with a -- a Lithuanian vice defense minister -- again, very happy with -- with our presence there, and very reassured in the helpfulness of what the -- the -- the EDI funding has provided, so...

BLUMENTHAL:

I apologize. I probably was less than fully clear in my question. Focusing on Ukraine.

ESPER:

Well, Ukraine, I was very impressed by the, you know, the New York National Guard at the time was training, and they -- they've -- the training was going exceedingly well. What -- what's interesting is the degree to which Ukraine is really adapting to NATO doctrine, NATO standards, really building up quite a capability. And what's interesting is they're using it -- the facility that we're training at in Ukraine -- in western Ukraine not just to bring -- bring in new recruits, but to -- they're taking soldiers off the front lines in eastern Ukraine, in Donbass, and coming back to the training site, and incorporating those lessons learned. And they feel...

BLUMENTHAL:

Is it having an effect on the battlefield?

ESPER:

I -- I -- Yes, sir. I -- I think what -- what the leaders -- what the Ukrainian officers told me was it was having effect in terms of their performance. The soldiers felt reassured, but that was my -- my takeaway. I don't...

MILLEY:

Yes, Senator, it has. The violence along the Ukrainian -- along the line of contact is at a three-year low right now. That's significant.

BLUMENTHAL:

The level of violence is at a three-year low.

MILLEY:

That's correct.

BLUMENTHAL:

But have we -- have they pushed back?

MILLEY:

There is -- Well, there is cause and effect as to why it's low. It be -- in part because the Ukrainian capability has increased since we have begun an -- an advisory effort in our support efforts, and because they're -- they're fighting against the various separatist groups in the Eastern Donbass. So the Ukrainian

military's performance has increased. The opposite -- the enemy's performance has met that, and -- and is reduced, and they recognize what they're up against. Therefore, the violence has subsided. It's not done. There's still violence. Don't get me wrong. (inaudible)

BLUMENTHAL:

I -- I apologize for interrupting...

MILLEY:

Yeah, sorry. I'm sorry.

BLUMENTHAL:

... General, and I'm doing so only because my time is limited.

MILLEY:

Go ahead. Sure.

BLUMENTHAL:

The other way of interpreting the situation, and I say it with all due respect, is the Russians have gotten what they want for now, and they and their proxies -- and I mean the Russians -- are staying put, maybe because they sense a little bit more strength from the Ukrainians. But in terms of their ill-gotten gains, they are satisfied. They've divided the country.

MILLEY:

That is a way of looking at it. That's correct.

BLUMENTHAL:

Is there a Ukrainian determination to push back?

MILLEY:

Oh, absolutely.

BLUMENTHAL:

And to recover...

MILLEY:

From my visit there, and I think Secretary Esper's visit there, the Ukrainians are determined that Ukraine is a sovereign nation, and that they intend to remain a sovereign nation, and they do not accept annexation of the Eastern Donbass. That -- that's what the Ukrainians told me, and I believe that's what they've told you, and I believe that's their stated policy position.

BLUMENTHAL:

Thank you. I -- I really appreciate both of your candor, and your very informed presentation today. Thank you.

INHOFE:

I would say thank you to our witnesses. It's been -- I appreciate your patience and your -- your responses. They've been excellent.

We're adjourned.

(UNKNOWN)

Thank you.

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