

TRANSCRIPT

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Mac Thornberry
Chairman, House Armed Services Committee

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DWG: Thank you for coming in everybody for coming in this morning. Our guest today is Mac Thornberry, Republican of Texas who is the chairman of the House Armed Services Committee. As I said to him downstairs, his timing is impeccable, so thank you, sir, for taking the time to meet with us. We do all appreciate it. As usual, we have 60 minutes, we're on the record, and let's begin with a big picture look at what can we expect from the NDAA over the course of the next week?

Chairman Thornberry: First, I really appreciate everybody who's going to stay up with us all night, and your endurance and perseverance.

One of the things you can expect with the bill next week is that we will mark to the top line level that the President has requested, but we're going to rearrange the spending somewhat. So consistent with the agreement of last December; consistent with the House Budget Resolution that the House has not yet voted on, we're going to have, and this is authorization levels, you know, including MILCON and NNSA, but we're going to mark to meet base requirements at 574 billion, and then the OCO as far as it will take us.

There are a couple of things I want to say about that.

We looked seriously at asking for more money for defense because the numbers I've outlined -- 574, 610 -- are not enough. So we looked at upping the top line, but the judgment was that this gives us, being at the same total level as the President, gives us a chance of getting an appropriation bill signed into law, an authorization bill signed into law. So we want to take that opportunity.

At the same time what the President asked for, as y'all probably know, is I think 551 plus 5, so maybe 556 in base requirements, which really means a cut. It means less next year than this year for personnel, operations and maintenance, procurement, R&D, et cetera.

So I think that we are in a far more serious readiness crisis than I had understood or that most people understand.

Y'all may have heard, I asked some of the service chiefs when they were before us, what is happening with the increase in Class A mishaps? Those are mishaps, you know, that if somebody dies or you lose an aircraft or so forth, for both the Marine Corps and the Army, they are increasing significantly. And as we have dug into what is happening with our force, well, I'll just say in the past week or two I've had two people say that we are, the force is beginning to fracture like it did in the late '70s.

So recently I was visiting several bases and I heard about personnel shortfalls. To get the end strength numbers we have encouraged people to leave the military and so the people who leave the military are the people who can get jobs quickest in other fields, so we're losing pilots, aircraft maintainers. That means the maintainers who are left are stretched thinner and thinner, working harder and harder, shifting from squadron to squadron, whichever one's about to deploy.

I saw an aircraft that Ronald Reagan ordered in the raid against Muammar Gaddafi in 1986 that is still in use, and they had trouble finding the parts to keep it flying.

I looked in the face of pilots who are getting less than half the number of training hours that they are supposed to get in order to stay proficient in their airplanes.

So my point is that there is more stress on the force I think than most of us have recognized, and if I can leave you with one point that is the strongest for me is, it is absolutely wrong to send service members out on mission for which they are not adequately prepared or supported.

That's just a little bit of the context for the reason that we're going to mark base requirements to 574, because what that extra 18 billion gets is better end strength, a full pay raise, money for the depots, more money for training, money for facilities. I was in one hangar where part of it is condemned while they're working on airplanes in the other part of it. And it's money for procurement. Because the real, you can't, the real answer to this F-18 that Reagan sent against Gaddafi is to replace it with an F-35. So the more we stretch out and delay getting new systems into the hands of the warfighter, the more work our depots and maintainers have to do and the bigger challenge they have.

I don't mean to filibuster, but I think a big issue here is readiness and the top line that we are providing. As I say, it does not provide for OCO for the whole 12 months at the level the President has asked for. That gives the new President the chance to reconcile OCO activities and OCO funding and the new President's going to do that anyway.

So it's an opportunity to do that, but again, it is wrong to send them on missions for which they are not trained, not adequately supported.

In addition, the bill's going to have a number of reform efforts. Acquisition reform. Y'all know I introduced a bill about a month ago. We've made a number of adjustments to it, but the thrust is the same. We can talk more about that if you want to. We're going to have some organizational reform. Goldwater Nichols things including some of the requests that came over from Secretary Carter and General Dunford on some adjustments they want to make. We're going to have a number of reforms in the personnel area; commissary reform; health care, TriCare reform as we said we would do; Uniform Code of Military Justice reform which is a lot of, bad word, rationalization of the UCMJ as it has developed over the years. So there will be a lot of reform, and it's really connected.

So if we're going to adequately support our service men and women, we've got to get more value for the money we spend. We've got to get modern technology into their hands quicker, and that is what the reforms are designed to do.

DWG: I'll pick up with acquisition reform then. I was wondering if you could give us a little preview of the [inaudible] bill that you're going to [inaudible]. Specifically, I know that [inaudible] issues with open architecture [inaudible], and I was wondering if you were going to make any adjustments to give [spenders] more flexibility or the DoD more flexibility with that.

Chairman Thornberry: Yes. And you described exactly one of the changes. One of the things we heard back from Kendall in DoD as well as from industry is they thought they needed a little more flexibility. That the way it was originally drafted was too prescriptive. So what we want to do is encourage this modular, open architectural system in every way we can, but not say that it is the answer in every case. So we add flexibility there, we change some of the definitions somewhat, we make some adjustments on how we structure the prototyping fund which is I think really important to encourage that prototyping experimentation so you can mature technologies faster, get it into the hands of the warfighters faster. So that's why I say the thrust is the same, but we got a lot of input from a variety of sources and we've made some adjustment to pretty much every provision of the bill that I introduced about a month ago.

DWG: Good morning, sir. Switching topics a little bit. I wanted to ask you about the Pentagon's confirming yesterday that it transitioned the authorization to launch strikes against ISIS from Tampa to commanders that are in theater. Something that was reported the day prior, and then the Pentagon confirmed it yesterday in a briefing.

I'd be interested to know if that transition was something that you've been following. They said it's been happening gradually over a series of weeks and months. And given your criticism that the administration hasn't been as aggressive or as swift as it could be in this fight, whether this kind of transition is exactly what you're looking for.

Chairman Thornberry: I think one of the criticisms, not just from me but from the people who are who are actually engaged in this fight has been that there has been way too much micromanagement of every step that they have taken. And a lot of micromanagement went not just to Tampa, but to the NSC. And so just to backtrack for

a second, it's pretty astounding if you go back and read some of the things that Secretary Gates, Secretary Panetta, Secretary Hagel have said openly about their frustration with that sort of micromanagement down to the tactical level.

So that has been a hindrance in our fight against ISIS, when you've got to call back to Tampa or Washington and say may I drop a bomb on these folks? Meanwhile, they are no longer around.

So is moving the decision-making process down to the level closer to the battlefield a good thing? Absolutely.

I'm concerned that the President is still kind of slowly turning the dial, you know, with 200 people here and a little bit of flex--, all those things are going in the right direction. I still worry that he's trying to avoid a disaster rather than be successful in what he says he wants to do, to degrade and destroy ISIS. But they have been keeping us updated on some of the changes that have been going along, and I do think in general they're going in the right direction. I just think it's a slow turning of the dial with an enemy that is spreading and in some ways getting more dangerous as more pressure is put on him.

DWG: Can you expand a bit more on that more dangerous point? What actually is the danger here of this incrementalism? What would you like to see happen--?

Chairman Thornberry: I think one of the dangers is, and you're seeing it, ISIS is spreading to other places, other countries. So obviously from Libya and the Sinai, down of course in southern parts of Africa. You get folks like Boko Haram are now affiliated with them. But even in Afghanistan. So you see ISIS spreading. And as they get squeezed in Iraq and Syria, you see this out-flow of fighters, and I think most people expect as they get squeezed, the odds are there will be more terrorist attacks in Europe and elsewhere as a result of that.

Meanwhile, though, we, what was it, a year ago or before we were going to have Mosul by the end of the year. Well, it hasn't quite developed like that. And meanwhile, I also am not clear about where the ground force is going to come in Syria to really be effective against ISIS. So the longer they have the caliphate, the more they can continue to attract people.

And I guess that's the other way they're becoming even more dangerous. Their media operation, for lack of a better word, is incredibly sophisticated and we have still not yet, after 15 years of this, had an effective national strategy to engage in the battle of ideas against al-Qaida and now ISIS. So all of that continues apace as they learn from what we do and adjust faster than we're adjusting.

DWG: I want to go back to your numbers on --

Chairman Thornberry: Okay.

DWG: -- the markups the subcommittees have already done, Sea Power [inaudible] Forces added \$2 billion to shipbuilding alone. I don't know numbers really on what they did for the aircraft that they're buying. Personnel buildup, MILPERS, those sorts of things. Those are millions of dollars. Are you really providing enough money to pay for all the things that, and the pay raise itself is another billion dollars over, are you really providing enough to cover all of that?

Chairman Thornberry: Yes, sir. And as a matter of fact we will have for you when the mark is released from markup a list just to compare what was in the administration request and what we have in our mark. And it's the difference in keeping the budget agreement last year or not, and that \$18 billion can get you, can prevent the Army from being cut anymore, can do the full pay raise, can put back into the program the planes and ships and stuff that was taken out. And I ought to emphasize, every, as far as the weapons and equipment, I believe everything we have put in there has been on the unfunded requirements list. It's not stuff we're inventing. And by and large it was things they said last year they're going to buy this year. But when the President did not ask for the money that was expected from the budget agreement, then they had to cut out all of that stuff and reduce the pay raise and so forth.

So you'll see where all the money goes and that's the difference it makes.

DWG: It's not in your bailiwick, but you've got members of your caucus that don't want to adhere to the last year's agreement. Do you expect with your number, the agreement level, it will pass the house?

Chairman Thornberry: I do. Remember, our top line is still the same as the President's top line. And the challenges that most all of the members of our caucus had were not about the defense number. As a matter of fact, they were happy to go higher on that. But just trying to take into account the Senate, take into account the President, we decided to stay at the President's overall request, but make sure that if we're going to send people out to do missions that they are going to be adequately supported. That's what the 574 gets you. Actually it doesn't get you adequate support, it helps turn the corner for these readiness problems that I was talking about, personnel training, maintenance, facilities, et cetera.

DWG: On DoD requirements, what is your expectation on how long it's going to take the Pentagon to implement the provisions in your bill? They're telling us now that they're still implementing FY13 NDAA positions. So three years, four years, is that too long for you? Or do you think that we need to maybe expedite it in some ways?

Chairman Thornberry: It's a good point. I think, and I've said before, we're going to have to keep working on acquisition reform constantly. And I do not pretend that we are solving it with this bill. We don't really deal with service contracts. There's a whole list of things that I want to get into. So there's a lot more work to do.

But one of the things back to the adjustments we made is we extended the implement date to 2019 because I realize some of the changes that we're talking about are going to

take time because they've got to do their job every day while these changes are taking place. So we extend that out. That also gives us a chance to make adjustments. We asked DoD to come back with us with some information on how they're going to implement the changes that we prescribe in acquisition.

So I try to be sensitive to the fact that some of these changes do take time and so sometimes I have people ask me okay, how much money are you going to save doing this? Well, I can't tell you a dollar amount. But what I can tell you is we have got to do better than we are at getting top technology into the hands of our warfighter faster. So we'll keep working at that.

DWG: So getting technology to the warfighter, so what is your expectation on when that's going to happen?

Chairman Thornberry: Well I hope it starts to happen right away. Again, the emphasis here is to try to develop components, and this prototyping fund, okay, test it out, make sure it works. A requirement that you have open interfaces, so you just plug this in and you immediately have whatever added capability that component brings into the hands of the warfighter without waiting for a whole new platform. So that's, I hope that can happen quickly.

The other benefit that has is that increases the defense industrial base because it's not just the big providers of airplanes, to take an example that you have. People who make little black boxes that increase the capability of that airplane. It could be a small mid-sized company, a lot of them are, then they can bid directly and get that faster into the hands of the warfighter.

Secretary Carter talks a lot about Silicone Valley and bringing that innovation in. Well, another way to bring innovation in is to broaden the aperture and let more small, mid-sized companies compete and bring their wares and capability to the table. And if you have this open architecture you can be assured that you can plug it in and the warfighter can benefit. That's what we're trying to get to.

DWG: Mr. Chairman, I'd like to go back to the war on ISIS. Andy Bacevich, the retired Army colonel, and military scholar said this week that what he sees the Obama administration doing over there is basically creeping incrementalism, that reminds him a lot of Vietnam, and he's afraid it's going to end up the same place. And I believe you too have grumbled about the dearth of U.S. force in that neck of the woods for that fight.

How much of that criticism is valid given, if you listen to folks at the Pentagon and CENTCOM, you know, they've got to fight the Central Iraqi government every step of the way to boost up the U.S. troop presence. Is that a fig leaf? Or is that a real issue?

Chairman Thornberry: The challenge of having an inclusive Iraqi government is a real issue. No question. And if you'll remember, in last year's bill one of the things we did is to say unless the Secretary could certify there is an inclusive Iraqi central government, then the administration is authorized to provide arms and other support

directly to the Kurds, directly to the Sunni tribes and other groups because there's got to be a fighting force against ISIS there somewhere and it will not be effective if the Iraqi central government excludes the Sunnis and tries to do this with Shia militia guided by Iran. So of course that's an issue.

Syria has deteriorated to the point, as I mentioned while ago, it's hard for me to see clearly now where the ground force is. And you've got to have the ground force. You can't just do this from the air. But where's the ground force in Syria that is going to really move ISIS out?? There's some Kurds that we're working with there. There's some hope but it's not clear to me that that exists.

So back to your original point. I think the description of creeping, what did you say, creeping incrementalism, is exactly right. That's what I less articulately tried to describe while ago, and slowly turning up the dial. And when you do that, that gives a chance, particularly in this case, for the enemy to adjust, for their narrative to continue to expand, and it makes it harder to ultimately be successful. And it dispirits your allies.

That's one of the things we've seen in this fight against ISIS. There have been those who are willing to be with us more aggressively, but if they don't see U.S. leadership they're not going to lead. They don't have the capability to lead or the willingness to lead. Without U.S. leadership it doesn't happen. I think that's what we're seeing around the world, including in the fight against ISIS.

DWG: So how many troops would be in Iraq now under President Thornberry?

Chairman Thornberry: [Laughter]. I don't know. And fortunately, you don't have that contingency to worry about.

DWG: As Secretary of Defense.

Chairman Thornberry: I don't think that's any more likely. But I do think we're getting at some of the keys, and that is you need to talk to the military about what they believe it takes to be successful, rather than tying their hands. So that is important.

Secondly, and I don't want to get off on this too much, but these artificial troop caps that the President has imposed that also hinder the effectiveness of the people we are there.

DWG: But they say they're doing that in coordination with Baghdad. That it's a joint number.

Chairman Thornberry: There may be some fig leaves that they go back, but what I care more about is whether or not, and I asked this question I think maybe of General Dunford at an open hearing. Because you can only have so many people in the country at a certain amount of time, does that mean the force protection that we would otherwise have is not going in there to support these guys who are out in these bases all around Northern Iraq? I'm concerned that we place artificial political constraints not only on their ability to succeed in their mission, but in their ability to defend themselves.

So these people who go in and out 30 days, just to make sure we stay under the troop caps, and it's happening in Afghanistan as well, is part of the problem here.

If anybody asks me my advice, it is figure out with the military talking to the central government in Baghdad of course, what it takes to be successful and then go do it, rather than all these artificial constraints that have made it harder and harder and dispirited the people who want to be with us and encouraged the people that we don't want to be there.

DWG: I wanted to get clarification on the OCO amount. Are you putting nothing in there right now?

Chairman Thornberry: No, no, no. We're keeping the budget agreement 574, and that means some OCO will be used to meet base requirements. That will be spelled out dollar for dollar just like we do the rest of the base. Then we will stay under the 610 level that the President has requested, and that will be enough OCO to pay for the activities the President has asked for through roughly April of next year.

Remember, he quadrupled the European Reassurance Initiative. We've got more people in Afghanistan longer than expected. We're slowly creeping incrementally, increasing in Iraq. These activities. So we fund those fully as he requested, but there's not enough to go for the whole fiscal year. It goes to April. That gives the new President the chance to say okay, maybe we don't want to quadruple the European Reassurance Initiative. So the new President can make adjustments or ask for a supplemental or whatever.

DWG: A separate question. The Orbital ATK has floated this idea of using old ICBM rocket motors and putting them on the commercial market. Right now there's a restriction and it's only government uses, they want to use them commercially. Do you support that?

Chairman Thornberry: We had that provision in last year's House bill. It did not survive conference. So I don't know for sure how that will come out this year, but we thought it made sense last year and the Senate opposed so it did not survive.

DWG: Mr. Chairman, I want to shift gears a bit and ask you about NATO and upcoming NATO Summit in Warsaw.

This is probably not an issue that you're directly involved in, but judging from what we are hearing from the administration, what can we expect in Warsaw? Will NATO formally announce a deterrence strategy vis-à-vis Russia? Will it formally call Russia its adversary or some such thing? That's part one.

Part two, missile defense. Do you think NATO will announce what they call an initial operation capability of the BMD in Warsaw?

Chairman Thornberry: I do not know what will be announced at the NATO Summit. The administration has not told me so I don't know.

I hope that all the NATO countries can come together, and I think they have, on Russia's aggressive action in Crimea; on Russia's aggressive action in Ukraine; and some of their snap military exercises that threaten the Baltics. So there is a lot of concern in NATO and I think you're seeing defense budget start to go up as a result. So I hope that that trend is not only continued, but accelerated.

On the missile defense we've seen Iran explicitly violate some of the promises they made to the UN on missile launch. So I think there is certainly concern about that, regardless of how one feels about the nuclear deal. So the importance of some sort of missile defense is pretty high among all the NATO allies. And I think we're making some decent progress on the sites that are being installed. I don't know what the IOC date is off the top of my head, but it's good.

DWG: Several years ago we went through this whole debate over the F-22 and whether or not to retire it. The committee's asking for a study. Can you talk about one, how many F-22s do you see necessary and limitations that have been presented by the current [inaudible], and why the F-22 is the answer as opposed to the F-35?

Chairman Thornberry: I don't know that it is the answer, but in my town hall meetings I get asked about this. In the population out there, there is the feeling that the F-22, superior air-to-air capability, that we intended to buy and I don't remember the numbers, you probably do. 400 or something of them and ended up at 187 or whatever it was. So I get asked are you going to reopen the line? I think enough members were getting the question that a decision was made okay, let's see what DoD says about that.

The other thing is, remember, the world has changed. I believe it was 2009 when Secretary Gates said okay, we're going to cut this line off. Just think about what's happened with Russian aggression and other things since then. China. Since that time. So maybe 187 is not enough to meet the needs given the way the world is changing. So those are questions.

I don't know the answers. The F-35 was designed, as you know, as a multi-role aircraft with some terrific capabilities, and the answer may well come back that it doesn't make sense. I don't know. But we'll ask the question.

DWG: Good morning, Chairman. I wanted to ask about Russian aggression. Obviously it's been in the news a lot lately with the incident last week in the Baltic Sea. I'm wondering specifically what's in the NDAA related to Russia either with the European Reassurance Initiative or anything else? Or maybe what amendments you're expecting in that area.

Chairman Thornberry: I don't know about amendments yet. As far as committee consideration, people can file amendments through Monday or even bring them up at the last minute.

I mentioned the President has requested a quadrupling of the European Reassurance Initiative and so we support that at least as far as the time will allow. Not, as I say, not for the whole year, but as long as the OCO is there.

I think a lot of the key in dealing with Russian and Chinese aggression, as well as Iranians and others, is we've got to get new capability into the hands of the warfighter faster. So rather than reduce the number of F-35s or whatever we're going to buy. That's part of the benefit of putting those systems back in there. But it's also true that it is very tempting in tight budget times to cut research and development, and that would be a mistake in my view because the Russians and the Chinese are working on capabilities that they believe hurts us particularly. And so we have to have a robust research and development effort. And then, as I was talking about on acquisition reform, get that capability into the hands of the warfighter faster. It doesn't do any good if you just keep it in the laboratory. You've got to get it into the field. That's what acquisition reform as well as the R&D are trying to do.

DWG: I wanted to ask you, you mentioned at the outset that you [inaudible] million in funding for base budget priorities. It gives your bill the best chance of being signed into law. But last year there was a lot of pushback from the White House and the bill ultimately got vetoed amidst many concerns about having more funds.

I'm wondering if you're concerned about a veto of the bill if it proceeded in this way.

Chairman Thornberry: I think every year President Obama's been in office he has threatened to veto the NDAA. So do I expect there to be a veto threat? Of course. If it's not that, it's something else.

But remember, last year was about adding OCO Funding above the level, so that the top line was above what the President requested. So the President and the Democrat answer was well, if you're going to increase defense you've got to increase domestic dollar for dollar, so that's what ultimately got resolved in the fall.

We're not doing that this year. We are staying exactly the same top line as the President requested, but within that top line we are keeping to the budget agreement for the 570, to meet base requirements, and just to be Johnny One Note for a second, it is, I believe it is absolutely wrong to ask people to go on missions, and the President has increased the number of missions that he has asked our military to perform. It is wrong to ask them to do that without adequate preparation and support. And when you are, I saw an airplane that was going to be deployed in a few weeks without its wings. And talked to pilots who are getting less training hours than the potential adversaries they are going to be flying against. So we have to turn that around. And the imperative of doing that is I think the strongest reason to say this is not enough money for defense, but at least it starts to turn around personnel shortfalls, the training, the depot maintenance, other sorts of maintenance, the facilities. That's what this \$18 billion gets us. And I think it's wrong to send people, expect people to go out and perform missions without that adequate support.

DWG: I imagine they're going to get some pushback from Democrats on the committee who will probably counter that it's wrong to only fund the war at a six to seven-month level.

Chairman Thornberry: I expect, and I've been talking obviously these various options with Adam Smith all along the way as we looked at increasing the top line, or you know, a variety of other things. And it's certainly not preferable, in my view. It would be better if the President had asked for enough money to pay for these OCO activities for the full fiscal year. Of course that would be preferable.

But if it comes to a choice, just think about this. So you're going to ask people to go perform missions for which they're not adequately trained; or you're going to reduce the number of missions that you ask them to do.

I think the highest priority here is to make sure that whatever you ask these men and women to do, they are fully prepared and supported to do. And if you can't fully support them in doing it, they shouldn't go do it because you are risking their lives.

We had one of the service chiefs testify that the price of inadequate readiness is increased death. Now that's, so you're weighing lots of bad options here, or less than ideal options. But you start thinking about what the priorities are of what matters with the men and women who are risking their lives to defend the country, and that's just what comes out on top for me, and I think for most of our people.

DWG: We haven't seen the funding tables yet, of course, but a lot of the numbers that we've seen mention more money for shipbuilding, more money for planes, more money for personnel. How much more money are you putting into space budget O&M then? Because what we've seen so far is more procurement related. Not exactly what you're talking about.

Chairman Thornberry: Just to emphasize, I don't care how many more people or money you put into maintenance, you're going to have a harder and harder time keeping that 1980s F-18A flying. So the real answer is to replace it with an F-35. And service by service, component by component. That's getting modern equipment. So that's the reason procurement is -- and I'll confess, my eyes have been opened a little bit, because I used to think readiness was a question of O&M funding, but it's deeper than that. It's people, because you can cut your end strength down to a level that you can never get ready. I talked about maintainers. You think about what's happened with our special operators. We had, I'm about to filibuster. I don't mean to. But USO recognized some of the top special operations folks as far as some of their big dinner this week and I got to meet all those people. We had a reception for them in Rayburn one night this week. Six deployments, seven deploy--, you just go on and on about what has been asked of our people.

So there is a point where you cut end strength, you can never get ready because our people can't recover. Their families can't recover. So end strength is related to readiness. Procurement is related to readiness because when you're -- well, one issue is

replacing the helicopters that help guard missile fields out west. The Air Force has let those helicopters get to where I think they're an average of 40-something years old.

Now we've got great maintainers who can help keep those aircraft flying, but at a certain point even Superman can't keep 40-year-old helicopters flying. The only answer is to get a new helicopter. Anyway, so that's my tangent.

Procurement is related to readiness. But to answer your question, I don't remember off the top of my head the exact numbers. We put more money into depot maintenance. We put more money into facilities because, as I mentioned, some of these hangars and things are condemned for part of it. So all of the O&M accounts get more money, as well as the people, as well as the procurement. And I'll have the, as I said, the difference between what we're looking at and what the President's budget is, dollar for dollar, lined out, so you can see all that.

DWG: Hi, Mr. Chairman. You must have had to make some tough choices, perhaps every [inaudible] tough choices. Can you give us an example of some of the toughest choices you've had to make in order to be able to put more money into procurement and make sure that there's readiness?

Chairman Thornberry: Well, you're right, but in a lot of respects what we do is we don't make the tough choices, the services do that. Because all of the procurement items, for example, that we are able to put back into the budget that the President took out are on the services' unfunded requirements list. So they really make those tough choices about what items to buy.

But I think where our tough balance is, is the procurement versus personnel versus readiness versus R&D. So I've had to cut, at least in the past, money on key capabilities that Deputy Secretary Work has identified as key for the third offset. Things like directed energy weapons and things that are going to be clearly part of the future. We have not been able to do everything that should be done in those areas. And so you do have this tension between adequately supporting the troops today and preparing them tomorrow. And it's a terrible sort of dilemma. It's kind of like you run up your credit cards to live the day, then that comes home to roost. And part of this readiness issue is that we did not, we spent a lot of money operationally in Iraq, Afghanistan, et cetera over the past few years, but we have not invested in getting new capability, and those chickens are coming home to roost. So we're still facing some of those, the results of some of the choices we made in the past. I'm just trying to turn the corner and not make it worse.

If we were to follow the President's budget we would make it worse, because again, eh asked for much more operational activities without the support for end strength and training and procurement and everything that's needed to support them. So I'm not going to make it worse.

DWG: A very quick follow-up. Do you have any assurances from [inaudible] that they will follow your pattern?

Chairman Thornberry: I don't want to --

DWG: -- when you know --

Chairman Thornberry: I don't want to speak for Rodney. You'll ambush him on the way in to votes or something. But obviously it's been a key priority for us to be in regular communication every step of the way, and we will continue to do that.

DWG: Bill Shane, then then Lalitja.

DWG: You said you're confident that you can pay for this this year in the way that you rearranged the budget. Especially with the end strength and the pay raise and some of the recurring cost, are you worried about creating a disaster the following year? Are we looking at a situation where if you plus-up the Army now and you manage to pay for it, you know, in '18 we're facing the same fiscal restrictions, we have to cut 30,000 from the Army in a year then?

Chairman Thornberry: Maybe I'm slightly naïve. I believe, however, that a new President, whoever he or she may be, will have a different view of, than President Obama has had on using our military as a political pawn.

So I can't guarantee next year or the next year's budget, but I think our job in the annual NDAA which we have passed every year for 53 straight years, is to try to meet the needs that we see today.

And just to clarify. We're not increasing the Army. We're just preventing it from being cut any more. And so, and there's some very small increases I think in Marines and Air Force. But we're not increasing the end strength of the Army. We're just trying to stop the cuts to give the next President at least a little better military capability to work with.

DWG: Thank you. The NDAA, what is the Afghanistan part? Is it the same [inaudible] and conditions on the [inaudible] to that?

Chairman Thornberry: On Afghanistan, we support funding at the level that retains the 9800 people that we have there now.

I'll have to check. I presume that the Pakistan language is the same that we have had I previous years. I don't know of any changes from previous years. But honestly, I'm going to have to check on that. I don't think there's been any changes from what we've had in the past.

DWG: Mr. Chairman, I just wanted to make sure that I understood you correctly. You said that you're going to pay for these 20,000 soldiers, the pay raise, et cetera, the \$18 billion that you had outlined through a short-term OCO that would only last four or five months? Is that correct?

Chairman Thornberry: To back track just a second, the total defense spending that we will authorize is the same that the President has asked for and that's a total of \$610 billion. The President included some OCO to meet base requirements in his proposal, but it was not the level that was agreed to in last year's budget agreement. So we keep last year's budget agreement. We also are consistent with what the House Budget Committee has passed, and that is to meet base requirements with a mixture of OCO and base funding at 574.

Now to stay within the 610 level, that means that there is not enough OCO left to pay for the activities that the President has asked for for the whole fiscal year. So that's why I say the new President has the opportunity to look at those activities. Maybe he or she does not want to have a quadrupling of the European Reassurance Initiative. Maybe he or she decides that it's hopeless against ISI or whatever it is and chooses to reduce those OCO funded activities. In which case, you don't need as much money. Maybe the new President says that President Obama got it just right. Maybe the new President says he's not doing enough. And in those cases then the new President can ask for a supplemental to finish out the rest of the fiscal year, at whatever level he or she thinks is appropriate.

The new President's going to do that anyway. So this gives us the chance to have some decent capability to hand off to the next administration without the cuts in the Army and so forth that we were talking about. And as they do that evaluation then they come to Congress and say okay, here's what I think ought to be done. Obviously I have no idea what that's going to be. I have no idea who the President's going to be.

DWG: Just a quick follow-up.

I guess we can set aside the issue of whether OCO has finally jumped the chart, whether it can become anything --

Chairman Thornberry: But it's a good point because clearly we've been above-board, OCO has been used to meet base requirements, and we authorize it just like we authorize the base. So is that a good way to budget going forward? It's not the best way and Tom Price and I have had conversations about wouldn't it be better to have a real base, you know, and I think it would be better. But that's not the situation we are presented with in this year.

DWG: My question is, are you getting a fiscal cliff in the war against ISIS?

Chairman Thornberry: Well, there is an opportunity for the new President to evaluate the way President Obama has conducted the war against ISIS and to make adjustments.

Now most every year that President Obama's been in office we've had some sort of CR for a limited period of time. I guess you can call that a fiscal cliff, too. It's not the best way to run a railroad, no question. But going back to what I was saying while ago. We've got two or three options, none of which are ideal, but if I'm going to err on the

side of somebody, I'm going to err on the side of the preparation and support of the people in the military.

And just think what OCO is. OCO is sending them out on missions. It's telling them go to Iraq, go to Afghanistan, go to these places around the world. And if you send them out there without the minimum amount of training that they're supposed to have for those missions, you send them anyway, that's wrong. And so looking at these less than ideal alternatives, trying to pick where your priorities are, that's why I'm so adamant that my priority is going to be whatever we ask them to do, they're going to be prepared for.

DWG: Thank you. A question about acquisition reform. The committee received a legislative proposal from DoD asking to change the way contractors would be able to protest. They would either have to choose an avenue with GAO or one with Federal Claims Court. At present, they can do both and DoD is asking you to authorize legislation that would put GAO beyond the same time frame as the court, so contractors have to choose. What is your thinking about how this would impact industry, how this would impact the contracting protest process? Do you support this? Do you oppose it?

Chairman Thornberry: I did not include it in my acquisition reform proposal, but I believe that we're going to talk about bid protests in the markup. Some members have come to me and talked about the idea of offering an amendment that would say if you protest a bid and lose, you've got to pay a penalty, for example.

So I don't know all the amendments that may be offered, but I do believe this concern about every award automatically getting protested, kind of expected to be a protest filed, is something that is concerning both to the department and to us.

I don't know what the outcome will be or all of the options, but it is an area of concern that I think we'll debate and maybe have some votes on.

DWG: You mentioned small increase in end strength for the Air Force. I was wondering, is that what was on the Air Force's unfunded priority list? Or --

Chairman Thornberry: I believe it was. I want to double check, but I believe both for -- I think for both the Marines and the Air Force the small increase in end strength was on their unfunded requirements list. I think.

DWG: Do you happen to know why you decided to, I mean because it was on the unfunded requirements list or was there a specific reason that you thought to increase Air Force end strength?

Chairman Thornberry: As I say, each of the services has their, this is what we need.

DWG: Right.

Chairman Thornberry: OMB takes a cut off of that and says you're not going to get it. So then we ask, I ask for them to say rank in order the priorities that you believe you need that OMB did not let you have. So I take seriously, and I think they take seriously these unfunded requirements lists. It's not just procurement. It is sometimes O&M and end strength and those other things. So I think that's a big deal.

I happen to know that the Air Force believes that they are short of maintainers for aircraft, but it takes a while to train them. You've got to bring people in, they've got to go through the basic training, the more advanced for -- well, they go through a general maintenance course and then for their particular aircraft. So that takes some time to get that through. But it does, maybe y'all were ahead of me on this, but my eyes are really being opened to the importance of these end strength issues and how they affect readiness, as well as the procurement and how it affects readiness. It's not just O&M funding. It's a broader problem and it takes dealing with all of those aspects, including the facilities to fix readiness. You can't just put more money in O&M and say okay, I've done it.

DWG: We do have a couple of last minutes, so we'll go to Richards for our conclusion.

DWG: Mr. Chairman, what will the NDAA, your version, say about base closure? Some in the Pentagon have been agitating for it for several years. Will you address it at all? Will you deny them their request for a round? Will you tell them we need more data but we'll consider it? What do you anticipate the bill saying specific to them?

Chairman Thornberry: It will say that we deny a round for this next fiscal year. But when we, but you are, you the Pentagon, is authorized to conduct studies to answer questions that we ask. Does that make sense?

Because we've had a prohibition in previous years and then we've asked questions and they say we can't really answer that question because you prohibit us from looking into it. So I'm trying to remove the excuse.

Last week they gave us this report that if you read the cover letter says it doesn't really meet the requirements of the law that I put in last year. And as a matter of fact CRS tells me it meets one out of the six parts that I asked for.

So we have not gotten the answers to the question that we asked I last year's NDAA, and I specifically asked them. Okay. You say you've got too much infrastructure. I need the rationale that gives, the data that leads you to believe that. Well, they haven't given it to us yet. Part of last year's bill says okay, once we get that data GAO has 30 days to review the methodology and then you know, we can take it a step at a time.

So we have not gotten it. Way past due. So my suggestion is, continue the prohibition this year but allow them, make it clear when we ask them questions we expect the answers. So I'll continue to try to get objective data. I'm not interested in sales brochures. I'm interested in objective data that leads them to think there's too much infrastructure.

Just a couple of quick points on what they sent last week. It compared 1989 to 2019, considering in 2019 the Army is much smaller, et cetera, all those end strength force structure reductions. That's not what we asked them to do.

So I really want them to give us, there's a whole lot of other things. Different services categorize the facilities in different ways. So I really want them to answer the question we asked. I'm willing to have a rational conversation about this, but we're not there this year.

DWG: And for clarification. The budget numbers you've been using, are those 050, 051? The intent is everything. What the administration requested, defense only, is 583.

Chairman Thornberry: That's why I said at the beginning the only numbers I can keep in my head are the numbers that we authorize to. And so that includes MILCON, it includes NNSA for the weapons complex that's in DOE, you know.

DWG: That's an 050.

Chairman Thornberry: Then that's what I'm --

DWG: I just want to be clear we have sort of apples to apples on the numbers.

Chairman Thornberry: And I get confused about 050 and 051. Our authorization levels is what I'm talking about. So the whole thing is 610. Base requirements, 574. That's what we'll point to.

DWG: Thank you, Mr. Chairman. It's been a pleasure, and we hope you get to rest up a little bit for your all-nighter.

Chairman Thornberry: Y'all too, by the way. Thanks.

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