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# U.S. DEPARTMENT OF DEFENSE'S FISCAL YEAR 2022 BUDGET

## HEARING

BEFORE THE

## COMMITTEE ON THE BUDGET
## HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, D.C., JUNE 24, 2021

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# CONTENTS


| | Page |
|---|---|
| Hearing held in Washington, D.C., June 24, 2021 | 1 |
| Hon. John A. Yarmuth, Chairman, Committee on the Budget | 1 |
| Prepared statement of | 4 |
| Hon. Jason Smith, Ranking Member, Committee on the Budget | 6 |
| Prepared statement of | 8 |
| Hon. Michael J. Mccord, Under Secretary of Defense Comptroller/Chief Financial Officer, U.S. Department of Defense | 11 |
| Prepared statement of | 13 |
| Vice Admiral Ronald A. Boxall, Director of Force Structure, Resources and Assessment (J8), The Joint Staff, U.S. Department of Defense | 17 |
| Prepared statement of | 19 |
| Hon. Lauren Boebert, Member, Committee on the Budget, report submitted for the record | 50 |
| Hon. Sheila Jackson Lee, Member, Committee on the Budget, statement submitted for the record | 75 |
| Questions submitted for the record | 80 |
| Answers submitted for the record | 85 |

# U.S. DEPARTMENT OF DEFENSE'S FISCAL YEAR 2022 BUDGET

**THURSDAY, JUNE 24, 2021**

HOUSE OF REPRESENTATIVES
COMMITTEE ON THE BUDGET
*Washington, D.C.*

The Committee met, pursuant to notice, at 10:30 a.m., at 210 Cannon House Office Building and via Zoom, Hon. John A. Yarmuth [Chairman of the Committee] presiding.

Present: Representatives Yarmuth, Higgins, Doggett, Schakowsky, Kildee, Horsford, Lee, Chu, Plaskett, Wexton, Jackson Lee, Cooper, Peters, Moulton; Smith, Kelly, McClintock, Grothman, Smucker, Jacobs, Carter, Cline, Boebert, Donalds, Feenstra, Good, Hinson, and Obernolte.

Chairman YARMUTH. The hearing will come to order. Good morning and welcome to the Budget Committee's hearing on the Department of Defense's Fiscal Year 2022 Budget.

At the outset I ask unanimous consent that the Chair be authorized to declare a recess at any time.

Without objection, so ordered.

We are holding this hybrid hearing in compliance with the regulations for committee proceedings pursuant to House Resolution 965 carried over to the 117th Congress via House Resolution 8. Members and witnesses may participate remotely or in person.

I would like to remind Members that we have established an email inbox for submitting documents before and during committee proceedings and we have distributed that email address to your staff.

For individuals who are participating remotely, consistent with regulations, the Chair or staff designated by the Chair may mute a participant's microphone when the participant is not under recognition for the purpose of eliminating inadvertent background noise. Members participating remotely are responsible for unmuting themselves when they seek recognition. We are not permitted to unmute Members unless they explicitly request assistance. If I notice that you have not unmuted yourself, I will ask you if you would like to have staff unmute you. If you indicate approval by nodding, staff will unmute your microphone. They will not unmute your microphone under any other conditions. Members participating remotely must have their cameras on and be visible on screen in order to be recognized. Members may not participate in more than one committee proceeding simultaneously.

Finally, in light of the Attending Physician's new guidance, individuals physically present in the hearing room who are fully vac-

cinated do not need to wear a mask or socially distance, though they may choose to do so. Individuals who are not fully vaccinated must continue to wear a mask unless they are speaking under recognition and must continue to socially distance.

Now, I want to introduce our witnesses. This morning we will be hearing from the Honorable Michael J. McCord, Under Secretary of Defense Comptroller and Chief Financial officer of the U.S. Department of Defense, and Vice Admiral Ronald A. Boxall, Director of Force Structure, Resources and Assessment, the Joint Staff, U.S. Department of Defense.

We welcome both of you.

I now yield myself five minutes for an opening statement.

I would like to welcome Vice Admiral Ronald A. Boxall. Thank you for your service and for joining us today to testify on the Department of Defense's Fiscal Year 2022 budget. Your expertise and insights will be enormously valuable to our hearing today.

And I would like to congratulate The Honorable Michael J. McCord, on his recent confirmation and on being the first person to hold the Comptroller position at DoD a second time. I would also like to welcome you back to the Hill, specifically to the Budget Committee. In addition to being a long-time professional staff member of the Senate Armed Services Committee, Under Secretary McCord also served on the staff of the House Budget Committee. And I also want to thank you for your service.

As we begin this hearing, I believe you both would agree that we all share a responsibility to provide the necessary resources to defend our country, and that includes maintaining a military that is second to none. I also believe you would agree our national security depends on more than just military might. It requires a whole-of-government approach, strong diplomacy, effective homeland security activities, aggressive mitigation of the destabilizing effects of climate change, readied pandemic defenses, robust veterans' programs, and an economy poised to compete and win, which underpins our national strength.

The President's budget recognizes the undeniable connection between these goals and invests in a comprehensive plan for our national security.

This commitment starts with our service members, who step up and put their lives on the line. As a nation, we should do everything we can to avoid conflict and call on them only when absolutely necessary, but we should also take care of them every step of the way.

That is why the President's budget proposes a 2.7 percent pay raise for service members as well as $113.1 billion in funding for the Department of Veterans Affairs, which includes $97.5 billion for healthcare programs. On top of that, the budget proposes the largest increase in recent history to advance the VA's understanding of traumatic brain injuries, the effects of toxic exposure on long-term health outcomes, and the needs of disabled veterans. It is a budget that truly recognizes the invaluable service and the extraordinary sacrifices of our men and women in uniform.

But the best way we can protect members of our Armed Forces is to keep them out of harm's way, to resolve conflicts through di-

plomacy and only turn to military action when there is no other option.

As former Secretary of Defense Jim Mattis, famously said, if you don't fully fund the State Department then I need to buy more ammunition. That is why it is so important that President Biden's budget for 2022 fully funds diplomatic and foreign assistance operations by providing an 11 percent increase above the 2021 enacted level.

The President's budget includes other strategic investments that will broadly strengthen our national security, increase our readiness, and ensure the Unites States remains a global leader. This includes the largest research and development investment ever requested, with investments in hypersonics, artificial intelligence, micro-electronics, 5G technology, and cyber capabilities. The reality is that our competitors and adversaries, including China, are already investing heavily in state-of-the-art defense technologies and we cannot risk falling behind.

We also cannot ignore the risk that climate change poses to our military bases and mission-readiness. Already declared a national security threat, impacts of the climate crisis are directly threatening roughly two-thirds of the 79 mission assurance priority installations operated by DoD. That is two out of three of some of our military's most important bases and facilities. The President's budget addresses this threat head-on, making critical investments to enhance resilience and readiness while reducing the Department of Defense's climate impact.

And finally, the President's plan restores accountability to the Department of Defense budget. The American people deserve to know how their tax dollars are spent, but for too long, the Overseas Contingency Operations, also known as OCO designation, has been exploited to skirt budget caps. The President's budget restores accountability by eliminating this loophole and funding all operations from within the base budget. This will provide more predictable funding streams, increased transparency, and better management of resources. Above all, it makes the budget more honest.

Once again, I appreciate both of you coming today and I look forward to your testimony.

With that, I would like to yield five minutes to the Ranking Member, Mr. Smith, for his opening statement.

[The prepared statement of Chairman Yarmuth follows:]

**Chairman John A. Yarmuth**
**Hearing on Department of Defense's FY 2022 Budget**
**Opening Statement**
**June 24, 2021**

I would like to welcome Vice Admiral Ronald A. Boxall – thank you for your service and for joining us today to testify on the Department of Defense's Fiscal Year 2022 budget. Your expertise and insights will be enormously valuable to our hearing today.

And I would like to congratulate The Honorable Michael J. McCord, on his recent confirmation and on being the first person to hold the Comptroller position at DoD a second time. I'd also like to welcome you back to the Hill, specifically to the Budget Committee. In addition to being a long-time professional staff member of the Senate Armed Services Committee, Under Secretary McCord also served on the staff of the House Budget Committee – and I also want to thank you for your service.

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The President's budget recognizes the undeniable connection between these goals and invests in a comprehensive plan for our national security.

This commitment starts with our servicemembers, who step up and put their lives on the line. As a nation, we should do everything we can to avoid conflict and call on them only when absolutely necessary, but we should also take care of them every step of the way.

That is why the President's budget proposes a 2.7 percent pay raise for servicemembers as well as $113.1 billion in funding for the Department of Veterans Affairs, which includes $97.5 billion for health care programs. On top of that, the budget proposes the largest increase in recent history to advance the VA's understanding of traumatic brain injuries, the effects of toxic exposure on long-term health outcomes, and the needs of disabled veterans. It is a budget that truly recognizes the invaluable service and the extraordinary sacrifices of our men and women in uniform.

But the best way we can protect members of our Armed Forces is to keep them out of harm's way. To resolve conflicts through diplomacy and only turn to military action when there is no other option.

As former Secretary of Defense, Jim Mattis, famously said, if you don't fully fund the State Department then I need to buy more ammunition. That is why it is so important that President Biden's budget for 2022 fully funds diplomatic and foreign assistance operations by providing an 11 percent increase above the 2021 enacted level.

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We also cannot ignore the risk that climate change poses to our military bases and mission-readiness. Already declared a national security threat, impacts of the climate crisis are directly threatening roughly two-thirds of the 79 mission assurance priority installations operated by DoD. That's two out of three of some of our military's most important bases and facilities. The President's budget addresses this threat head-on, making critical investments to enhance resilience and readiness while reducing the Department of Defense's climate impact.

And finally, the President's plan restores accountability to the Department of Defense budget. The American people deserve to know how their tax dollars are spent. But for too long, the Overseas Contingency Operations – or OCO – designation has been exploited to skirt budget caps. The President's budget restores accountability by eliminating this loophole and funding all operations from within the base budget. This will provide more predictable funding streams, increased transparency, and better management of resources. Above all, it makes the budget more honest.

Once again, I appreciate both of you coming today and I look forward to your testimony.

Mr. SMITH. Thank you, Mr. Chairman. Welcome, Under Secretary McCord and Vice Admiral Boxall. Thank you for being here.

President Biden and Washington Democrats are leading the effort in this budget to defund our men and women in uniform, but that is just part of a larger effort to defund the safety and security of the American people, whether it is at our border or in our local communities. And it layers billions in funding to satisfy the priorities of their wealthy friends, supporters, and political cronies. This is nonsense, or what we in Missouri call hogwash. This budget shows me there is very little concern for the safety and security of our troops and the American people. They serve bravely to protect. It shows an unwillingness to stand strong with our allies and will embolden our enemies. I have to say, I don't envy the position you're in right now.

While President Biden is proposing to effectively flatline your budget, some of my colleagues on the other side and in this chamber are actually fighting about whether that is still too generous.

If you will recall, just last year Senator Sanders and his progressive friends voted to slash your budget by 10 percent. And even some in this chamber are calling to cut more than 50 percent from your budget, $350 billion dollars. Many of us are all deeply concerned about the effects on our military if they get their way.

Our number one job is to keep Americans and their families safe at home. Blind cuts to America's military would be a disaster and take away important resources from our men and women in uniform, resources they need to stay safe and meet the challenges facing our nation, including the rise of China. Unfortunately, this budget falls short.

The President is pushing a massive spending and tax plan, $17 trillion dollars to our debt, increases taxes up to $55 trillion dollars. In fact, the President breaks his promise not to raise taxes on low-income and the working class and he does it in this budget.

The Administration wants to give non-defense agencies a 16 percent raise on average on top of the billions Congress has already provided in response to the pandemic. But, for your Department, it would reduce spending to the lowest level in over 80 years. The lowest level in over 80 years. By that time, under this budget Americans will pay more to settle the interest on our national debt that President Biden has run up than we will spend on our entire national defense budget.

On top of that this budget request fails to keep up with inflation. The rising prices Americans are already seeing at the pump and in the checkout line are a direct result of this Administration's reckless spending.

Continuing these policies will only make it worse and drive up procurement costs, the cost of the very equipment and tools our military members need to do their jobs safely.

Many of my colleagues, myself included, are deeply concerned about the cuts inflation would force you to make because of this radical budget and the strategic advantage it will give America's enemies. But even the meager amount of funding this budget offers your Department, it fails to fully prioritize America's military defense. In fact, when I read this budget, I notice significant cuts to

critical programs and a lot of that money will instead be used to impose Green New Deal policies on our military.

President Biden's budget would repurpose $617 million dollars in funding toward climate resilience and energy efficiencies. These changes will undoubtedly require cuts in other areas, like equipment, for our military men and women, Navy warships, Air Force fighter craft, and reduce overall military procurement and resources for our troops.

To put it simply, this budget cuts America's defense and gives massive raises to Washington bureaucrats by overspending and taxing the American people. It is clear President Biden and his Administration are out of touch with the working class.

Last month at the Naval Academy Vice President Harris joked that service members would prefer to carry solar panels than batteries. Even though solar panels also require batteries to store energy. This budget for our military is a solution in search of a problem. There will always be areas in need of improvement in our federal agencies, but blindly cutting military spending is not the way to do it and just like the Vice President's joke, this budget does not land well with the American people.

I yield back.

[The prepared statement of Jason Smith follows:]

**Smith Opening Statement: House Budget Committee Hearing on President Biden's FY22 DOD Budget**

June 24, 2021
*As Prepared for Delivery*

Thank you, Mr. Chairman. Welcome, Undersecretary McCord and Vice Admiral Boxall. Thank you for being here.

President Biden and Washington Democrats are leading the effort in this budget to defund our men and women in uniform – but that's just part of a larger effort to defund the safety and security of the American people whether its at our border or in our local communities. And it layers billions in funding to satisfy the priorities of their wealthy friends and supporters.

This is nonsense or what we in Missouri call "hogwash." This budget shows me there's very little concern for the safety and security of our troops and the American people they serve bravely to protect. It shows an unwillingness to stand strong with our allies and will embolden our enemies.

I have to say, I don't envy the position you're in right now. While President Biden is proposing to effectively flatline your budget, some of my colleagues on the other side are actually fighting about whether that is still too generous. If you'll recall, just last year Senator Sanders and his progressive allies voted to slash your budget by 10 percent; and even some in this Chamber are calling for a cut of more than 50

percent! Many of us are deeply concerned about the effects on our military if they get their way.

Our number one job is to keep Americans and their families safe at home. Blind cuts to America's military would be a disaster and take away important resources from our men and women in uniform. Resources they need to stay safe and meet the challenges facing our nation, including the rise of China. Unfortunately, this budget falls short.

The President is pushing a massive spending and tax plan. $17 trillion in new debt. Taxes on Americans to the tune of $55 trillion. In fact, the President breaks his pledge NOT to raise taxes on American families earning under $400,000 just to pay for his liberal priorities.

The Administration wants to give non-defense agencies a 16 percent raise on average, on top of the billions Congress has provided in response to the pandemic. But for your Department, it would reduce spending to its lowest level in over 80 years.

By that time, under this budget, America will pay more to settle the interest on our national debt – that President Biden has run up – than we will spend on our entire national defense.

On top of that, this budget request fails to keep up with inflation. The rising prices Americans are already seeing at the pump and in the checkout line are a direct result of this Administration's reckless spending. Continuing these policies will only make it worse and drive up procurement costs – the cost of the very equipment and tools our military members need to do their jobs safely.

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But even the meager amount of funding this budget offers your Department fails to fully prioritize America's military defense. In fact, when I read this budget, I noticed significant cuts to critical programs. And a lot of that money will instead be used to impose Green New Deal policies on our military.

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This budget for our military is a solution in search of a problem. There will always be areas in need of improvement in our federal agencies. But blindly cutting military spending is not the way to do it. And just like the Vice President's joke, this budget does not land well with the American people.

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Chairman YARMUTH. I thank the Ranking Member.

In the interest of time I ask that any other Members who wish to make a statement submit their written statements for the record to the email inbox we established for receiving documents before and during committee proceedings. We have distributed that email address to your staff. I will hold the record open until the end of the day to accommodate those Members who may not yet have prepared written statements.

Once again I would like to thank our witnesses for being here this morning. The Committee has received your written statements and they will be made part of the formal hearing record. You will each have five minutes to give your oral remarks.

Under Secretary McCord, you may begin when you are ready.

**STATEMENT OF THE HON. MICHAEL J. MCCORD, UNDER SECRETARY OF DEFENSE COMPTROLLER/CHIEF FINANCIAL OFFICER, U.S. DEPARTMENT OF DEFENSE**

Mr. MCCORD. Thank you, Chairman.

Chairman Yarmuth and Ranking Member Smith, distinguished Members of the Committee, thank you for this opportunity to testify on the President's Fiscal Year budget request for the Department of Defense. It is a pleasure to appear today, along with Admiral Ron Boxall, who is a senior advisor to the Chairman of the Joint Chiefs on all military resourcing issues and played a key role in developing the budget.

As the Chairman noted, nearly 20 years ago I served on the staff of this Committee and I appreciate the role you play in the difficult task of setting priorities as Congress exercises its power of the purse to address our nation's needs.

Last month, as you note, President Biden released his Fiscal Year budget request, which includes $753 billion in discretionary spending for our national defense, of which there is $715 billion for the Department of Defense that we are here to discuss today. This represents a 1.6 percent increase and is focused on meeting the national security challenges of both today and tomorrow.

The request makes smart and disciplined investments in national defense. It is guided by the President's interim national security strategic guidance, which came out in March, which aligns national security economics and domestic policies and outlines a balanced approach among our diplomatic, military, and other tools. The budget helps us maintain the capability and global posture we need to back up the hard work of our diplomats and our allies and partners.

This budget supports the President's priorities, from fighting COVID–19 pandemic, which is so important to getting the economy back on track, to preparing us to better address the effects of climate change. For DoD this includes investments in energy saving platforms, resilient installations, and more efficient and diverse power sources.

This budget is also guided by Secretary Austin's message to the Force, which lays out his three priorities for the Department, which are defend the nation first, take care of our people, and succeed through teamwork. So this request fulfills Secretary's Austin's di-

rection to match our resources to our strategy and our strategy to our policy.

The Department requests funds that makes up capabilities that are needed to most defend the nation. Our detailed budget materials have been provided to the Congress, so I am not going to read you a long list of what is in the budget, but I will just focus on a few main points if I could.

With China identified as the pacing challenge for us, you will see $5 billion for the Pacific Deterrence Initiative that Congress created last year and broader investments to bolster deterrence and maintain our competitive advantage in the Indo-Pacific Region. The budget also addresses persistent threats from Russia, Iran, North Korea, and other transnational and non-state actors.

Our draw down on our military forces from Afghanistan remains on pace and the Fiscal Year budget shows that the Department is engaged in a deliberate orderly draw down from Afghanistan. In conjunction with the end of that military mission in Afghanistan, the President's Budget terminates the Overseas Contingency Operations funding category, as the Chairman noted.

To give us the traits based to focus on the future, the Fiscal Year budget proposes some tough choices to divest about $2.8 billion of older and less capable platforms that we do not believe are suited to help us fight and win in the future. As Secretary Austin has testified, we need to fight and win the next war and not the last one. To that end, the President's budget request for research and development funding is the largest ever at $112 billion. This includes investments in both the key enabling technologies that are crucial to the global competition that is already underway, such as artificial intelligence, micro-electronics, and 5G technology, as well as investments in the key military specific technologies and capabilities, which is hypersonics, long-range fire, space based systems, ship building, and nuclear modernization.

Of course, the President's budget also invests in our troops and their families. As Secretary Austin noted in his message to the Force, taking care of our people is one of his top priorities. The budget request includes a 2.7 percent pay raise for both the military and civilian personnel and funds our healthcare, child care, and other programs for our people.

Finally, I just want to close with a couple of comments related to the financial management of the Department, which is the other half of my responsibilities. The Department's leaders take very seriously the importance of being good stewards of taxpayer dollars and ensuring the transparency for the money that Congress provides us. On that front, while our journey down the path to a clean audit for the entire Department is going to longer than we would like, the Department is working hard to address our audit findings, and I am encouraged by the progress that has been made in recent years. I want to assure you this progress will continue.

With that, thank you for the opportunity to speak with you today. I look forward to your questions.

[The prepared statement of Michael J. McCord follows:]

**UNDERSECRETARY OF DEFENSE/CHIEF FINANCIAL OFFICER**
**MICHAEL J. MCCORD**
**PREPARED REMARKS BEFORE THE**
**HOUSE BUDGET COMMITTEE**
**JUNE 24, 2021**

## Introduction

Chairman Yarmuth, Ranking Member Smith, and Distinguished Members of the Committee, thank you for this opportunity to testify before you on the President's Fiscal Year (FY) 2022 budget request for the Department of Defense.

It is a pleasure to appear before you today along with Vice Admiral Ron Boxall, the Department's Director of Force Structure, Resources, and Assessment on the Joint Staff. Nearly twenty years ago, I served on the staff of this committee, and I appreciate the key role you play in exercising the congressional power of the purse in a way that addresses our nation's priorities

## The President's Fiscal Year (FY) 2022 Budget for the Department of Defense (DoD)

Last month, President Biden released his FY 2022 budget request, which includes $715 billion for the Department of Defense, a 1.6 percent increase over the FY 2021 enacted level. DoD's budget request is focused on meeting the national security challenges of today and tomorrow.

The FY 2022 budget request makes smart and disciplined investments in national defense. It is aligned to the President's *Interim National Security Strategic Guidance,* which places greater emphasis on aligning national security, economic, and domestic policies and moving away from traditional distinctions between foreign and domestic policy. President Biden believes that domestic renewal will be key to bolstering the Department's ability to defend the country and compete on the global stage.

This budget is also guided by Secretary Austin's *Message to the Force*, which lays out three priority areas for the Department, which are to:

- defend the nation,
- take care of our people, and
- succeed through teamwork.

The budget request fulfills Secretary Austin's direction to match resources to strategy, strategy to policy, and policy to the will of the American people.

For example, an immediate challenge to the defense of our nation is COVID-19. This budget provides funding to continue DoD's supporting role to national efforts in countering this pandemic. Defending the nation also means addressing the damaging effects of climate change, which, for DoD, includes investments in energy-saving platforms, resilient installations, and more efficient and diverse power sources.

This request funds the right mix of capabilities that are needed most to defend this nation now and in the future. This budget invests in hypersonic weapons, artificial intelligence, micro-electronics, 5G technology, space-based systems, shipbuilding, and nuclear modernization… to name a few.

This budget reflects our focus on the pacing challenge that the Department clearly sees from the People's Republic of China, to include more than five billion dollars for the Pacific Deterrence Initiative and DoD investments more broadly. These investments bolster deterrence and maintain our competitive advantage in the Indo-Pacific region. The budget also addresses advanced and persistent threats emanating from Russia, Iran, North Korea, and other transnational and non-state actors.

The budget funds troop presence and counter-terrorism capabilities in the Middle East and South Asia to meet threats posed not only by Iran, but also by terrorist networks including ISIS, al Qaeda, and, in Africa, al Shabaab. The budget helps us maintain the integrated deterrent capability and global posture necessary to back up the hard work of our diplomats, allies and partners.

Our drawdown of military forces from Afghanistan remains on pace and the FY 2022 budget reflects that the Department is engaged in a deliberate, safe, and orderly drawdown from Afghanistan. Secretary Austin updated NATO Allies when he was in Brussels earlier this month and was encouraged by their continued support for the new direction being undertaken.

DoD has accomplished the mission for which our troops were sent to Afghanistan 20 years ago. The Department's leadership is profoundly grateful to the nation's uniformed service members and their families, and to the DoD civilian workforce, who have served and sacrificed so much through combat deployments in the defense of our nation since the attacks on the United States on September 11, 2001.

The Department is transitioning to a new bilateral relationship with its Afghan partners that includes plans to continue security assistance to Afghan security forces and will help them meet their responsibilities to their citizens, but will not require a U.S. footprint larger than what is necessary to protect our diplomats. Moving forward, DoD will serve in a supporting role to our government's full range of diplomatic and economic tools.

DoD will also deter aggression. The President's budget request ensures that the Department maintains its credible deterrent by sustaining readiness and protecting investments in critical capabilities.

This year, in conjunction with the President's decision to end the military mission in Afghanistan, the President's budget terminates the Overseas Contingency Operations funding category. All enduring costs of our presence in the Central Command region are now consolidated back into the base budget. This was a major effort by our entire financial management community, and one we are quite proud of.

The FY2022 budget documents tough choices made by the Department by divesting $2.8 billion of older and less-capable platforms and programs such as the A-10, KC-10, KC-135, and other aircraft, ships and intelligence, surveillance and reconnaissance platforms, to address the dynamic threat landscape. As Secretary Austin has testified, we need to fight and win the next war and not the last one. This allows us to reallocate resources to fund research and development in enabling technologies such as cyber, artificial intelligence, and quantum.

The President's FY 2022 request for Research, Development, Test, and Evaluation funding at DoD is the largest ever, at $112 billion dollars, which includes $14.7 billion for science and technology. This includes investments in long-range-fires; advancements in hypersonic systems, including defensive systems, and the domestic design and production of microelectronics, which is part of our focus on key enabling technologies.

Looking to the future, the Secretary has directed a series of strategic reviews in the Department to ensure that DoD's global force posture and its nuclear and missile defense capabilities will match the challenges our Nation faces.

The President's budget also makes investments in our people and their well-being. As Secretary Austin noted in his *Message to the Force*, taking care of our people is one of his top priorities. The Department is committed to providing a competitive compensation package for its personnel, which includes providing a 2.7% pay raise for both military and civilian personnel in the FY 2022 budget

The budget request reaffirms the Department's commitment to ensuring that both privatized and government housing are safe, high-quality, and well-maintained. DoD continues to focus on implementing actions to improve the quality of both privatized and government-owned family housing.

The budget makes investments in the military health system and provides $8.6 billion for military family support programs. The budget also provides funding to strengthen DoD's ability to identify and address insider threats and extremism in the ranks.

**FINANCIAL MANAGEMENT**

I want to close with a couple of comments related to the financial management of the Department: The Department's leaders all take very seriously the importance of being good stewards of taxpayer dollars and ensuring transparency for the money provided to us by Congress and the American taxpayer.

While our journey down the path to a clean audit opinion for the entire Department will never be swift enough for us, the Congress, or the American public, the Department is working to address and redress audit findings quickly, effectively, and permanently. I am encouraged by the progress that has been made since I was last part of the Department and want to let you know that this progress continues. Achieving a clean audit is a priority, not only for Secretary Austin and Deputy Secretary Hicks, but also for the entire civilian and military leadership of the Department of Defense.

Not only do audit-driven changes help the Department's financial operations, those changes also contribute to forward momentum in DoD business reform. As the Secretary recently said, business reform is not just about finding and reapplying savings to higher priorities, it is about improving organizational performance and efficiency.

With that, thank you for the opportunity to speak with you today. I look forward to your questions.

Chairman YARMUTH. Thank you, Mr. McCord.

I now yield five minutes to Vice Admiral Boxall.

**STATEMENT OF VICE ADMIRAL RONALD A. BOXALL, DIRECTOR OF FORCE STRUCTURE, RESOURCES AND ASSESSMENT (J8), THE JOINT STAFF, U.S. DEPARTMENT OF DEFENSE**

Admiral BOXALL. Thank you, Chairman.

Chairman Yarmuth, Ranking Member Smith, and distinguished Members of the Committee, I appreciate the opportunity to testify to you today and I am honored to represent the soldiers, the sailors, airmen, marines, and guardians of the United States Joint Force, the most capable in the world.

We are in an era of increased strategic competition. The strategic landscape is rapidly changing and we are witnessing a fundamental shift in the character of war. In particular, China is increasing its military capability at an aggressive rate. We must ensure that we retain our competitive and technological edge against this pacing threat.

The Fiscal Year Budget develops, procures, and modernizes space, cyber, air, naval, and ground forces that will project greater power at longer ranges and with higher speeds than ever before. Further, it enhances our nuclear triad, missile defense, and long-range fire systems, laying the foundation for a Joint Force capable of dominating in a future multi-domain conflict.

The Fiscal Year budget prioritizes nuclear modernization that will ensure a safe, secure, and effective future nuclear deterrent. Strategic deterrence is foundational to every mission the United States and our allies and partners execute. A strong nuclear deterrence enables U.S. diplomacy, reassures allies, deters adversaries, and leads to peaceful resolution of international disputes.

However, key systems within the U.S. nuclear triad are beyond their original designed lives. The Fiscal Year budget invests over $27 billion to recapitalize cold war-era strategic deterrence systems.

Adversary investment in ballistic, cruise, and hypersonic missile technologies elevate the threat of strategic attack on the U.S. homeland. This budget invests over $20 billion to enhance our missile defeat and defense capabilities. It also continues development of the next generation interceptor to defend the nation from missile attack. Additionally, this budget strengthens regional missile defense by fielding improved Patriot missiles, developing a new Terminal High Altitude Defense Interceptor and deploying four U.S. Army short-range air defense battalions.

As China and Russia are fielding long-range and hypersonic weapons with the capability to threaten our allies, partners, and U.S. forces, the budget equips the Joint Force to counter these threats with $6.6 billion investment that transforms our multi-domain long-range fires capability. We will field new hypersonic weapons on air, land, and sea platforms and also procure and modernize subsonic offensive missiles.

Our investments in new and modernized long-range fires will deliver a diverse portfolio capable of holding adversaries at risk in operationally relevant ranges at speed.

China and Russia are also challenging U.S. advantage in space by fielding weapons to deny or destroy our space capabilities. Lasers, electronic warfare, grappling systems, and direct action projectiles are a few technologies our adversaries have fielded or are developing to blind, jam, or destroy U.S. space systems. The Fiscal Year budget invests $20.6 billion to modernize U.S. space capabilities that will enhance joint warfighting operations while improving the resilience of these systems.

As in space, U.S. prosperity and military success depend on defending our cyber networks while deterring our adversaries and non-state actors with offensive cyber capability. The recent wave of ransomware and events involving critical American infrastructure demonstrate the need for a robust, modern, and ready cyber force. The Fiscal Year budget invests over $10 billion in programs designed to defend the homeland, compete with adversaries, and prepare for future conflicts with improved offensive and defensive cyber.

In the air domain we are investing $52 billion to modernize and build capacity in fourth and fifth generation aircraft, while devoting $1.5 billion to develop next generation air dominance systems. It also recapitalizes the aging air mobility fleet.

In the maritime domain, Fiscal Year budget invests $34.6 billion to research, develop, and procure warships and submarines with credible combat to China. It also ensures on time delivery of the Columbia class nuclear ballistic missile submarine.

In land domain the budget invests over $12 billion in next generation combat vehicles to increase Joint Force speed, firepower, and survivability while enhancing soldier lethality with improved squad weapons.

In addition to modernization, the budget will enhance military readiness to ensure our service men and women remain the best trained and the best equipped in the world. The Fiscal Year budget requests $122 billion for military readiness. From ranges to flying hours, we are looking at addressing readiness differently than in past years by improving maintenance data analytics and parts availability, which will enable maintainers to repair ships, aircraft, and brigades in shipyards, hangars, and depots with greater agility.

We will also work with Congress to divest legacy platforms that overburden military readiness accounts. Without divestments, we cannot afford to modernize to meet the rapidly changing environment.

Finally, our budget reflects the President's decision to withdraw from Afghanistan, and as the Joint Force conducts a safe, responsible, and deliberate strategic retrograde from Afghanistan, this reposturing will enable fiscal savings that will be realized toward our modernization efforts outlined above.

I look forward to your questions.

[The prepared statement of Vice Admiral Ronald A. Boxall follows:]

DIRECTOR, FORCE STRUCTURE, RESOURCES, AND ASSESSMENT
VICE ADMIRAL RONALD A. BOXALL
PREPARED REMARKS BEFORE THE
HOUSE BUDGET COMMITTEE
JUNE 24, 2021

Chairman Yarmuth, Ranking Member Smith, and distinguished Members of the Committee, I appreciate the opportunity to testify before you today. I'm honored to represent the Soldiers, Sailors, Airmen, Marines, and Guardians of the United States Joint Force--the most capable in the world.

We are in an era of increased strategic competition. The strategic landscape is rapidly changing, and we are witnessing a fundamental shift in the character of war. In particular, China is increasing its military capability at an aggressive rate. We must ensure that we retain our competitive and technological edge against this pacing threat.

The FY22 budget develops, procures, and modernizes space, cyber, air, naval, and ground forces that will project greater power, at longer ranges, and with higher speed than ever before. Furthermore, this budget enhances our nuclear, missile defense, and long range fires systems, laying the foundation for a Joint Force capable of dominating in future multi-domain conflict.

The FY22 budget prioritizes nuclear modernization that will ensure a safe, secure, and effective future nuclear deterrent. Strategic deterrence is foundational to every mission the U.S. and our Allies and Partners

execute. A strong nuclear deterrent enables U.S. diplomacy, reassures allies, deters adversaries, and leads to peaceful resolution of international disputes. However, key systems within the U.S. Nuclear Triad are beyond their original design lives. The FY22 budget invests over $27B to recapitalize Cold War-era strategic deterrent systems.

Adversary investment in ballistic, cruise, and hypersonic missile technologies elevates the threat of strategic attack on the U.S. homeland. The FY22 budget invests over $20B to enhance our missile defeat and defense capabilities. It also continues development of a Next Generation Interceptor to defend the nation from missile attack. Additionally, this budget strengthens regional missile defense by fielding improved Patriot missiles, developing a new Terminal High-Altitude Area Defense interceptor, and deploying four U.S. Army SHOrt Range Air Defense battalions.

Just as China and Russia are fielding long range and hypersonic weapons with the capability to threaten our Allies, Partners, and U.S. forces, this budget equips the Joint Force to counter these threats with a $6.6 billion investment that transforms our multi-domain, long-range fires capabilities. The FY22 budget will field new hypersonic weapons on air, land, and sea platforms and also procure and modernize subsonic, offensive missiles. Our investments in new and modernized long range fires will deliver a diverse portfolio capable of holding adversaries at risk at operationally relevant ranges, with speed.

China and Russia are challenging U.S. advantage in space by fielding weapons to deny or destroy our space capabilities. Lasers, electronic warfare, grappling systems, and direct action projectiles are a few technologies our adversaries have fielded or are developing to blind, jam, or destroy U.S. space systems. The FY22 budget invests $20.6B to modernize U.S. space capabilities that will enhance joint warfighting operations, while improving the resilience of these systems.

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In the maritime domain, the FY22 budget invests $34.6 billion to research, develop, and procure warships and submarines with credible combat power to deter China. It also ensures the on-time delivery of the Columbia class nuclear ballistic missile submarine.

In the land domain, this budget invests over $12 billion in next generation combat vehicles to increase Joint Force speed, firepower, and survivability. It also enhances soldier lethality with improved squad weapons, sensors, body armor, and training to enable decision overmatch at the tactical level.

In addition to modernization, this budget will enhance military readiness to ensure our service men and women remain the best trained and the best equipped in the world. The FY22 budget requests $122 billion for military readiness. From ranges to flying hours, we are looking at readiness differently than in past years. For example, we are improving maintenance data analytics and parts availability, which will enable maintainers to repair ships, aircraft, and brigades in shipyards, hangars, and depots with greater agility.

We will also work with congress to divest legacy platforms that overburden military readiness accounts. Without divestments, we cannot afford to modernize to meet the rapidly evolving threat environment.

Finally, our budget reflects the president's decision to withdraw from Afghanistan. As the Joint Force conducts a safe, responsible, and deliberate strategic retrograde from Afghanistan, this reposturing will enable fiscal savings that will be realized toward our modernization efforts outlined above. The FY22 budget is the down payment on investments toward an advanced, agile, and lethal force that can

dominate the future operating environment and compete, deter, and win across all warfighting domains and against any adversary.

I look forward to your questions.

Chairman YARMUTH. Thank you very much, Vice Admiral.

We will now begin our question and answer session.

As a reminder, Members may submit written questions to be answered later in writing. Those questions and responses will be made part of the formal hearing record. Any Members who wish to submit questions for the record may do so by sending the electronically to the email inbox we have established within seven days of the hearing.

I now recognize the gentleman from New York, Mr. Higgins, for five minutes.

Mr. HIGGINS. Thank you very much, Mr. Chairman.

Under Secretary McCord, under this budget it says that there is a request to eliminate the Overseas Contingency Operations Fund. Can you explain what that is?

Mr. MCCORD. Yes, Congressman. Thank you.

The Overseas Contingency Operations account was created about 10 or 12 years ago as an alternative to the practice that had preceded it for expenses in Iraq and Afghanistan to—of using supplementals only that came in partway through year were not included in the President's budget. It was intended as an improvement actually to increase at the time transparency by putting those costs in the budget and giving more oversight to the Armed Services Committee. In time it got to be—I would say, outlived its usefulness, so that account, which in recent years had primarily been related to expenses in Afghanistan, now that the President is withdrawing forces from Afghanistan, it seems timely to us to terminate that account and any remaining expenses that go to the larger overhead costs, if you will, of operating in a Central Command region are now going to be folded into the regular budget as they are with other combatant commands around the world.

Mr. HIGGINS. So the Overseas Contingency Account was deficit financed?

Mr. MCCORD. It was—it was—in terms of the deficit it was no different than any other spending. Yes, because we ran deficits you could argue that it was part of that. It certainly contributed to the deficits, and it was outside the Budget Control Act caps.

But it was a conscious decision of those that wrote the Budget Control Act I would say. OCO spending, as it was called, existed at the time the Budget Control Act created, and it existed every time the Budget Control Act was amended. The system was left in place where that spending was over and above the base budget for defense, which I think got to be an issue and got to be a problem that was subject to abuse in some cases.

And so that is part of the reasoning for the termination of it, is no Budget Control Act and the mission in Afghanistan winding down. There are, I think, two reasons that both—either one separately, and certainly both combined argue that this is the right time to move away from that construct.

Mr. HIGGINS. Is the Taliban stronger in Afghanistan today than it was 20 years ago?

Mr. MCCORD. Congressman, I am not in a position to assess that personally, but the Taliban, you know, has—is endemic to Afghanistan and certainly I think nobody is surprised that they remain a player both politically and in terms of the security situation there.

Mr. HIGGINS. So after 9/11 we took out the Taliban and now we are negotiating for peace with the Taliban.

Mr. MCCORD. Congressman, I would say that the goal after 9/11 was to deal with Al Qaeda and threats to the United States. I don't know that we ever had the goal of removing the Taliban as an influence in the country of Afghanistan. I think that would be an extremely difficult task.

Mr. HIGGINS. Well, who did we take out in 2001 in Afghanistan? The Taliban government that was in control, correct?

Mr. MCCORD. In terms of governing the country, yes, but removing them from the country, which I thought was your question, the answer would be no.

Mr. HIGGINS. But they were in control, and they seem to be, you know, on the ascent today relative to controlling the country post American withdrawal.

Mr. MCCORD. I would, again, as the CFO that is a little bit outside my area, but I would say it is too soon to make that judgment. They have influence in some provinces, not in others. I couldn't assess whether they are in any—you know, what is the likelihood that at some point they might regain political control writ large of the country. That is not where they are today.

Mr. HIGGINS. What would estimate the total American cost in actually three wars in the Middle East over the past 20 years?

Mr. MCCORD. I would say of the last two over the last 20 years, about $1.7 trillion I believe, roughly, equaled Iraq and Afghanistan and related Syria. Going back 30 years to Desert Storm, if we are including that too, that was under $100 billion, so it would still be in the neighborhood of about $1.7, I think, $1.75 trillion.

Mr. HIGGINS. And where does that estimate come from?

Mr. MCCORD. Those would be the obligations that we track separately as the cost of those wars. That is something that Congress has asked us to do, and we have done—the Department has done since Desert Storm. It is increment—keeping track of the incremental costs of those operations and reporting them on a quarterly basis.

Mr. HIGGINS. Are you aware of studies that cite that the number is much higher, like between $4 trillion and $6.5 trillion?

Mr. MCCORD. I am. I am aware of those studies that project future healthcare costs and things of that nature, yes.

Mr. HIGGINS. I see. What about Iraq? We have a situation where we went in there and took out, you know, a bad Sunni by the name of Saddam Hussein, put in a bad Shia by the name of Nuri al-Maliki, and it seems as though the Iran and the Shia militias are controlling Iraq today. Is that an accurate characterization?

Mr. MCCORD. Again, Congressman, I am not in a position to assess the politics of other nations, but I would just say that given the large Shia population in both countries, I mean the idea that there would be no Iranian influence in Iraq is probably not realistic. I wouldn't assess them as controlling the country.

Mr. HIGGINS. Would you——

Chairman YARMUTH. The gentleman's time has expired.

I now yield 10 minutes to the Ranking Member.

Mr. SMITH. Thank you, Mr. Chairman.

Under Secretary McCord, thank you for appearing before our Committee today. As you know, this request will provide $753 billion for the total national defense budget, a 1.6 percent increase. That does not even keep up with inflation. In the final five years of the budget, defense spending increases by a measly 1 percent a year. This budget would harm the military's ability to carry out its job effectively, keep our men and women in uniform safe, and defend and protect American families.

The 2018 Bipartisan National Defense Strategy Commission made it very clear that the DoD budget requires 3 to 5 percent growth above inflation. However, when asked if this budget helps build a larger and more capable fleet during a House Armed Service Committee hearing, Admiral Michael Gilday said "no, sir, it does not."

Mr. McCord, how does a budget that proposes to reduce defense spending as a percentage of the economy to the lowest level in 80 years give us the ability to protect our men and women serving our country while also maintaining our primary mission of keeping America safe?

Mr. MCCORD. Thank you, Congressman.

I would say that the chairman and the Secretary have testified before all four oversight committees in the last week or two. They have said at every committee, which I would agree with, that this budget gives us the resources we need to do the job. The percentage increase from last year I know is one valid yardstick. There are certainly others. The defense budget has grown about 20 percent in real terms—the base budget has over the last four or five years. So looking over a longer time period, this budget has had a pretty healthy increase. Certainly from when I last held this position, it is significantly larger. So——

Mr. SMITH. So would you commit that today the DoD will not cut or reduce spending on programs designed to protect, defend, and secure our country and the American people?

Mr. MCCORD. Well, I would say this budget funds what we need to do the job. And I think that is the——

Mr. SMITH. So there is no chance that you are going to cut programs that would fall into that?

Mr. MCCORD. I am not sure if I understand your question. The——

Mr. SMITH. I just want to make sure that you won't be reducing spending on programs designed to protect, defend, and secure our country and the American people.

Mr. MCCORD. No, we——

Mr. SMITH. If you can just say yes, we won't, that is what I want to hear.

Mr. MCCORD. The budget adequately funds those programs.

Mr. SMITH. OK.

Next, I want to ask about recent efforts from some of my colleagues actually in this Committee to cut the defense budget by $350 billion per year. This means that the President's current budget, which flatlines military spending, would be cut further by 54 percent.

I have right here a plan by Democrats that—that plan will use funds cut to keep our nation and our people safer.

Under Secretary McCord, would a $350 billion dollar cut to defense "keep our nation and our people safer"?

Mr. MCCORD. No, Congressman. That would be just an extremely chaotic and disruptive cut to our budget.

Mr. SMITH. How would you prioritize those cuts if you were forced by Congress to cut $350 billion dollars?

Mr. MCCORD. We would always want to try and take care of our people first and then not—you know, not force people out into the economy with no notice. So if we were trying to protect our people, we would—it would have to be, you know, a massive disruption to our program.

Mr. SMITH. It is very—it would be a huge disruption.

So to date, how much money has DoD spent litigating and settling border wall contract disputes? And how many contracts has DoD canceled since Biden became President?

Mr. MCCORD. I would have to get that for the record for you. I am not sure that any litigation we are involved in has gotten to the point of settling and, you know incurring legal expenses. But I anticipate that there will be litigation with both private landowners and others pursuant to these changes in policies.

Mr. SMITH. Do you know how many contracts have been canceled?

Mr. MCCORD. I don't know the number, but we could certainly get that for you.

Mr. SMITH. I would definitely like that. I appreciate that.

You know, every Member on this dais has had to assist members of our military or veterans get access to care for illnesses or injuries sustained in service. A good example is Agent Orange, where DoD and VA denied a link between the use of Agent Orange and serious illnesses like cancer. Veterans had to fight hard to get treatment for that cancer and compensation for their families. I voted just last Congress for the Blue Water Vietnam . . .

[Inaudible]

Chairman YARMUTH. If the gentleman will suspend and the witness will. I have been informed that the sound on the live stream is not working. House rules require that we suspend the hearing until it is back up. So we will pause momentarily. Members and witnesses should maintain their connection to the platform as the hearing will continue as soon as the live stream is back up.

Thank you.

[Recess]

Chairman YARMUTH. All right, everyone, the sound on the live stream is back up. We will continue where we left off. The Ranking Member will have seven minutes for questioning.

Mr. SMITH. Thank you, Mr. Chairman.

As you could imagine, the American people probably share my concern that we have a system wide outage when I am asking questions about UFOs, and whether it is the Chinese or the Russians or it is actually people in other places. So, let us try to ask this UFO question again and see if the systems will hold up.

Under Secretary McCord, there has been a lot of discussion recently regarding unidentified aerial phenomena, UAPs, harassing U.S. Navy pilots and exhibiting technological advancements far beyond our current capabilities.

The Senate Intelligence Committee voted to require U.S. intelligence agencies and DoD to compile a detailed public analysis of all information collected on UAPs. Additionally, a former top Pentagon intelligence official said the report could range from revealing an unknown threat or military vulnerability to there have been probes visiting our planet, or anything in between. Another top Pentagon official said that dozens of UFOs appeared to have carried out some kind of reconnaissance or surveillance of our nuclear technology and weapons.

The UAP Task Force at DoD has stated its intention to release an unclassified report on this matter by Friday. Will the report provide the American people with answers on how we plan to continue investigating and counter these phenomena?

Mr. MCCORD. I am familiar with the issue, and I understand that the report is, as you describe, imminent. My colleague, the Under Secretary for Intelligence and Security I know is going to be reviewing—or has reviewed or is reviewing that report this week. And so if the Committee does not receive that report or is not—receive that information, we commit on behalf of the Department to get that to you.

Again, I am not personally going to be chopping on that report as the CFO, but I am aware that it is moving and it has been discussed with DoD officials that are in the intelligence area.

Mr. SMITH. Do you believe this report will reveal any serious national security threats that the American people should be aware of?

Mr. MCCORD. I can't say at this time. I have not been briefed on the report myself. But I do understand that in the intelligence channels, both the Director of National Intelligence and then in the intelligence—Under Secretary of Defense Department, it has been—it is being reviewed and is expected to be released very soon, as you describe.

Mr. SMITH. There is a lot of interest, and even more interest as the days get closer.

I will go back to my question on Israel since it was cut out during the feed as well.

But, Under Secretary McCord, Israel is one of America's most important allies and the only democracy in the Middle East. Recently we have heard from people on the far left—in fact in the House chambers—who reject our support for Israel and even falsely equated Israel with terrorist groups operating in the region.

As attacks on people of the Jewish faith rise around the globe, it's never been more important for us to support Israel. Wouldn't you agree?

Mr. MCCORD. Yes, Congressman. Secretary Austin recently met with the Israeli defense minister, and they discussed the most specific current ask on the table or issue on the table, which is their request for assistance from the United States to replenish their inventories of the iron dome system that they have used to respond to the rocket attacks. And we in the Department are supportive of that request, we are evaluating that request to get information to the Congress on it. And that is I think the most near-term and concrete evidence of our existing strong relationship and support for Israel.

Mr. SMITH. Do you have an idea how this budget or the additional cuts proposed by some members will affect this funding?

Mr. MCCORD. Well, the funding and the budget that was released a month ago, you know, was prepared over some months and did not anticipate and was not incorporating any—you know, the recent rocket exchange or recent attacks on Israel. So it wasn't built with that in mind. The funding that we are evaluating was a request from Israel on top of what is in our budget and on top of what Israel might have planned. So it is going to be probably some sort of supplemental type approach that we would—that Congress would have to consider to address that. It is not—our budget was built on more of a steady state support for iron dome and other Israeli cooperative programs.

Mr. SMITH. OK. That is unfortunate.

The U.S. economy is experiencing the biggest surge in inflation in nearly 13 years. Last month the consumer price index rose by 5 percent from a year ago. Producer prices have climbed over 6 percent in the last 12 months, the fastest increase on record.

With prices rising for consumers and producers, can you explain what areas of our defense budget are impacted the most by these increases?

Mr. MCCORD. Probably the thing that we notice the most rapidly in the Defense Department is when fuel prices change because we are such a large consumer of fuel. And we have—there are sort of two aspects to this. Between now and the end of the Fiscal Year we have the appropriations, we have discretionary appropriations. As you know, the dollar amount is the dollar amount. So if we have—see inflation tick up between now and September 30, that is a management problem that I have with the rest of the financial management team to manage us through that. Starting in the new fiscal year, then we have a little more space and it is something that could be discussed between Congress and the President for Fiscal Year 2. In the future, for the budget that we will build the rest of this fall into the end of this calendar year that will be presented to you next February, then of course you have more options to look at—get updated economic forecasts and look at whether the top lines should be adjusted because of inflation.

But obviously as you walk back from that to the near-term, you don't have really a lot of flexibility and you have to take more—it is more in the realm of management action. But we are certainly aware, as you say, that inflation concerns are out there and fuel is probably our most volatile issue in the near-term and perhaps other energy prices that derive from that.

Mr. SMITH. But this budget is focused on a 10-year window and it does not have the inflation concerns that all the economic statistics are showing. And so I am glad that you acknowledge that we need to look at that.

So thank you, sir.

Chairman YARMUTH. The gentleman's time has expired.

I now recognize the gentleman from Texas, Mr. Doggett, for five minutes.

Mr. DOGGETT. Well, thank you, Mr. Chairman, and thank you, gentlemen, for your service to our country.

You know, I have met with enough gold star families, enough disabled veterans to appreciate how important it is for President Biden to be focused on the use of diplomacy first and our military as a firm, powerful but final line of defense only when our vital national interests are involved and there is not another alternative.

It was recognized by General Milley in his testimony yesterday that many of the threats to our families are not from abroad but from within when he asked the question, what is it that caused thousands of people to assault this building and try to overturn the Constitution of the United States of America. Sadly, so many of our Republican colleagues, including those who are near hysterical this morning, want to disregard that. One Republican colleague has even suggested that this serious internal threat might have just been mistaken for tourists.

There are a number of provisions in your budget that I applaud, beginning with the removal of this budget gimmick of the Overseas Contingency Operations account, or OCO. It is good to see that your budget includes a pay raise for both our service members and the civilian employees that are so important to our defense. And since I represent much of San Antonio, proudly known as "military city", I am pleased to see the restoration of funds for Camp Bullis and other defense establishments that were wrongly eliminated by President Trump as he defunded our defense for our worthless border wall.

And I am pleased at the continued investment that you make in the best military medicine in the world, at BAMC in San Antonio. Healthcare that not only meets the needs of our military but has broad benefits for the civilian population.

In my own hometown of Austin I am pleased to see in the budget recognition of the important role of the Army Futures Command as it has a growing presence and an increased investment in this budget. The engagement of the tech community in Austin and across the country is very important to our national security, and I salute the work of the Army Futures Command in preparing us for future threats.

Regarding the nonsense that we have heard this morning that—in attacking the budget of President Trump on defense—President Biden on defense, that he is somehow weaker than President Trump, one need only look at the last few months of this Administration to recognize how much safer we are today than in the disastrous four years of the Trump Administration. We longer have a president who tells us because of a few love letters that we don't face a threat from North Korea, we don't have a president who is abandoning suddenly our allies, as President Trump did with the Kurds, and fortunately, unlike President Bush, he is not contemplating a totally unjustified invasion of another country at a likely cost of more than a trillion and the loss of so many precious lives.

There can be no doubt that American families are safer today than they were a year ago when President Trump devoted his effort to attacking our military allies and appeasing our adversaries.

You know, with the changes in our deployments overseas, one might expect that we would have a peace dividend reflected in this budget, but that never seems to happen.

Mr. McCord, let me just ask you, isn't it true that over the last couple of decades the Defense Department budget has soared by over 50 percent?

Mr. MCCORD. Congressman, thank you for your question. And I just want to also commend you and agree with you that Brooke Army Medical Center is, you know, just an important national asset for us.

The defense budget, if you want to take—probably the most notable delineation is pre 9/11, post 9/11. It was about $300 billion pre 9/11, so just in purely nominal terms, you are correct, it has more than doubled in 20 years. Of course inflation—you know, after—with taking inflation into account, the increase would be much less.

Mr. DOGGETT. How does it compare—how does our defense budget compare with that of Russia and China.

Mr. MCCORD. It is larger than either of theirs. As other have noted in other hearings, there are some real comparability problems because we have a high quality Force, volunteers that we compensate at market rates, and they do not. But——

Mr. DOGGETT. Our budget overwhelms the budget of both our adversaries, Russia and China, and almost all the countries of the world already right now, doesn't it?

Mr. MCCORD. We certainly have the largest defense budget in the world as measured, given that there are comparability discussions as we have discussed.

Mr. DOGGETT. Thank you very much.

Chairman YARMUTH. The gentleman's time has expired.

I now recognize the gentleman from Mississippi, Mr. Kelly, for five minutes.

Mr. KELLY. Thank you, Mr. Chairman. And thank you witnesses for being here.

First of all, I want to talk just a little bit about those comparability problems. When they have a whole of government and communist or socialist form of governments, they have lots of other things that go into a defense budget, whether it be cyber or other things that are not included in ours that are completely separate. So it is really hard to compare apples and oranges. Agreed?

Mr. MCCORD. That is correct. And I think you touched on another important point that I think was central to both the national defense strategy and our national security strategy, is that we are playing—we are in a competition——

Mr. KELLY. Yes.

Mr. KELLY [continuing]. with China and Russia——

Mr. KELLY. Let me get to my next question.

Mr. MCCORD [continuing]. using whole of government tools, not just military tools.

Mr. KELLY. In the 1930's we had similarly situated folks, we had a rise in Germany, a rise in Japan, we had similarly situated folks in the United States who were advocating to cut our defense budget because we didn't need it, we didn't need to be able to project power, we didn't need to show strength through a strong military. And that resulted in 1941, December 7 in an attack on Pearl Harbor that drug us into a world war.

I believe in peace through strength. I do not believe in war. And although I have chosen to defend this nation, I believe that is what we should be, a defense. But peace through strength.

Fox Conner, Major General Fox Conner, chief of staff to General Pershing in World War I, warned Congress then that it was looming that if we did not invest in our military that the result would be another World War. And that is what we got. I don't want that. That is why we must be. So in this budget, although we are calling it an increase, I would argue that it is a modest 1.3 percent increase against the Commission's recommendation, bipartisan, that said we should be 3 to 5 percent real growth every year. We are cutting $2.8 billion in old equipment—or in equipment, with the majority coming from the Navy and Air Force. We are supposed to be redirecting on China and Russia, which requires Navy and strategic air, yet we are cutting those programs.

Understand this in this budget, it is a cut. We are doing away with OCO. You can call it what you want. There is $617 million that are going into green stuff. The last time we got promised a green fleet by President Obama that said it would be completely done by 2020, and it still doesn't exist, and we have no idea how much it cost America to do something that didn't produce anything.

Not being prepared, just so you understand, creates a huge cost in both lives and treasure of the United States of America. With that being said, tell me how we are impacting our industrial base by cutting DDGs that should be built. The last time we did that, it cost us $2 billion to build a ship that was $1 billion before we delayed it a year.

Tell us what the cost to the industrial base and to our defense, how much more is it going to cost us because we are delaying these budgets to buy new equipment?

Mr. MCCORD. Congressman, let me briefly respond and then toss it to the Admiral, who can give you more detail on this, but the understanding in the Department is that the industrial base is backlogged on the DDG in particular to the point that we could have the ship in the budget this year or next year, it would deliver at the same time. And so the impact was not assessed to be significant.

But let me ask him to give more detail.

Admiral BOXALL. Yes, I would just add that we—you know, as we look at the fleet we have now and the fleet that, you know, we are trying to get to kind of get to a more hybrid fleet, the make up of that fleet is going to take a little time to get to. As we look this year in particular, in 1922, I believe we have—you know, we are bringing in 17 ships. We are taking a few out, as you already said, but clearly one of the things we have to get at is how do we get to a more distributed connected fleet that can, you know, make it—the adversaries——

Mr. KELLY. Taking my time back. I just—I want you to understand, taking that DDG is part of the integral air defense against missile systems that we need, yet we are taking one off the table, which is—with the Aegis System and other things is really important.

The final thing I just ask you guys to do, and I brought this up with Chairman Milley and Defense Secretary Austin yesterday,

please make sure we reimburse our Guard and Reserve. Our men and women have given too much to the nation over the last year to have their guard drills canceled at the end of this calendar year because we don't have the money to pay them for their COVID response, hurricane response, wildfire response, border response. I have got 155 BCT right now in the desert in California training. We owe them the $500 million we used to defend this Capitol.

Thank you and I yield back.

Mr. MCCORD. Chairman? If I could——

Chairman YARMUTH. Yes, go ahead.

Mr. MCCORD. If I could respond and comment.

Yes, I agree with that. The Department has—the Department supports the supplemental that the House passed for the $520 million. We do need those funds. Although the Defense Department budget is much larger than Guard's it is not—they cannot accommodate those Capitol security guards. And within weeks of this hearing, they are going to have to start notifying people they are canceling drills in the fourth quarter if we don't have a clear way ahead on reimbursing those costs. So we support the House for moving on that and certainly would urge the Senate to follow in your footsteps.

Chairman YARMUTH. Thank you for that response. The gentleman's time has expired.

I now recognize the gentlewoman from Illinois, Ms. Schakowsky, for five minutes.

Ms. SCHAKOWSKY. Thank you, Mr. Chairman. And thank you to the witnesses. Really appreciate your being here and your service.

Pretty much since I have been in Congress, which is quite—22 years, I have raised concerns about the costs of private military contractors. A 2017 report by the Department's own Cost Assessment and Program Evaluation Office found that these contractors often cost far more than DoD civilian employees. An additional study that was done by the Sustainable Defense Task Force estimated that currently—that curtailing the contractors work force by even 15 percent could save over $20 billion a year.

Unfortunately, the data that DoD used to manage the labor costs is deteriorating. A February GAO report tells us that the DoD new system for collecting the data about the employees does not include what was in the previous system, including direct labor costs associated with contractor work force. And this data is essential for analyzing the right work force mix of military, civilian, and contractors.

So, Under Secretary McCord, what are you doing to improve labor cost data collection and how do you plan to use the data to control the cost of private military contractors?

Mr. MCCORD. Thank you, Congresswoman.

There are two issues, I think. There is the policy issue of when there are cuts imposed as there have been in defense authorization bills, on headquarters staff in particular, there is an impetus to move to contractors because you are told to cut your government staff, whether military or civilian. So there is that. That is a policy problem we struggle with. That is where you have flexibility, so that is the direction people go. And then, as you say, then that brings you—but to the cost issue, have you really saved any money

when you squeeze the government work force but the contractor work force is sort of considered separately.

The data issue, I would have to get back to you for the record on which system you are talking about and what are the ways ahead on that. But it has been a struggle, both counting service contractor costs more generally, as well as the—you know, the cost compared to government civilians. But I will have to take for the record what are the deliverables that we might owe you.

Ms. SCHAKOWSKY. I mean there has certainly been problems in just figuring out what the defense budget is. Have you been passing audits?

Mr. MCCORD. The Department entered into a full move as I was leaving and moving into the last Administration and now coming back from audits of the Army, Navy, Air Force separately, different components separately to a full Department audit. We have not gotten a clean opinion, as I am sure you are aware on that audit. But we are in the full audit regime, but we have not gotten a clean opinion yet.

Ms. SCHAKOWSKY. I wanted to ask about climate change. Many national security experts and members of the military have stated that climate change is a "threat multiplier", yet we still see the Department of Defense as the world's largest institutional user of petroleum and the world's single largest institutional producer of greenhouse gases.

What are we doing about that?

Mr. MCCORD. Well, as you say, we are the world's preeminent global power, so we do operate in a global way in which no other military does. We do consumer more energy to accomplish that. There are initiatives under way on both the installation side of the energy that is consumed at fixed places at bases and shipyards and such. And then there is the energy in motion, as you describe it. There are initiatives primarily at this point I think more on the vehicle side, which is the easiest place to make progress. On the air side, which is where most of the energy is consumed, that is going to be the harder challenge.

Ms. SCHAKOWSKY. OK. I am just a little concerned that what you are saying is that addressing the issue of our carbon footprint is simply really not a priority and I think it is really important that we look for ways not to diminish our power, that is as a nation, but to reduce our use of carbon emissions.

So I yield back.

Mr. MCCORD. Congresswoman, I would just say if I made the impression it is not a priority, that is not what I—I misspoke. I am just saying it is technically harder to address the jet fuel issue than it is to address vehicles.

Ms. SCHAKOWSKY. I hear that. Thank you.

Chairman YARMUTH. The gentlewoman's time has expired.

And now I recognize the gentleman from California, Mr. McClintock, for five minutes

Mr. MCCLINTOCK. Thank you, Mr. Chairman.

Admiral Boxall, there is growing alarm by the military community in my district over what appears to be the military's fixation on social engineering, personal pronouns, critical race theory, gen-

der reassignment surgery, maternity flight suits, and the private political beliefs of our soldiers and sailors.

I asked one retired Navy captain what would he suggest I ask you. I had three questions. What are you doing to restore the discipline of seamanship so our ships don't collide? What are you doing to restore mission and fighting purpose so that whether confronted by Iranian gun boats or the Coronavirus, the first impulse of our commanders is not to surrender? What are you doing to assure the American taxpayer that every dollar is devoted to a Navy that is ready and willing to fight?

Admiral BOXALL. Thank you, Congressman.

First I can tell you, on the first question, what are we doing to restore discipline, I mean I believe we have incredibly strong discipline in the military writ large. I mean the recent deployments we had——

Mr. MCCLINTOCK. When an Iranian gun boat—when our forces surrender when a shot is fired across your bow by an Iranian gun boat, I hardly think that statement is accurate.

Admiral BOXALL. Well, with all due respect, sir, I think, you know, again this was some time ago. There are going to be——

Mr. MCCLINTOCK. When an aircraft carrier commander has an outbreak of COVID on his ship and sends through non-secure channels that he can't engage in combat because he has some COVID cases, again, that statement doesn't ring true to me.

Admiral BOXALL. Sir, again, I am just going to tell you that my experience I can speak to is as both a carrier strike commander, as a ship captain in two different cases, and my day to day involvement for 37 years almost with our Forces, is that I believe we that have a very strong discipline. I——

Mr. MCCLINTOCK. That is an opinion. What metrics do you use to determine readiness and lethality?

Admiral BOXALL. We actually use a lot of different readiness. We have short-term, near-term readiness metrics that we use. We evaluate——

Mr. MCCLINTOCK. What about——

Admiral BOXALL. Well, we look at ships readiness rates, we look at aircraft readiness rates, we look at—we have——

Mr. MCCLINTOCK. And how are we doing?

Admiral BOXALL. Well, generally most have been improving very steadily in different areas, as is usually the case.

Mr. MCCLINTOCK. I have heard reports that we have a large percentage of aircraft and ships that are simply not combat ready, particularly aircraft.

Admiral BOXALL. Sir, we have actually made incredible progress with aircraft specifically.

Mr. MCCLINTOCK. What is incredible progress?

Admiral BOXALL. Well, the commander of the Naval Air Force is specific, for example, has recently instituted an implementation plan for readiness of his aircraft and has——

Mr. MCCLINTOCK. I would like to get the figures for aircraft readiness and for ship readiness now, five years ago, and 10 years ago.

Admiral BOXALL. I will——

Mr. MCCLINTOCK. Can you get that for me?

Admiral BOXALL. Those are very broad statistics. We have series of different readiness metrics, but we will be—work with your office to get you exactly what you——

Mr. MCCLINTOCK. What do you think is the greatest threat facing our country?

Admiral BOXALL. As a military person, obviously we are concerned about the growth of the adversaries, China, Russia, the rise of North Korea. I mean these are——

Mr. MCCLINTOCK. I am glad to hear that. I was afraid you were going to say climate change. That is what the President told us he was being advised.

Mr. McCord, the Chinese military is growing very rapidly relative to ours, yet we are spending three times more for our military than China is for its military. That sounds like a catastrophic management failure.

How do you explain spending three times more than China while China is gaining ground on us at such an alarming rate? You said in response to Mr. Kelly that well it is because we take better care of our people. Well, if our people end up in a war against an enemy that is vastly better equipped and prepared, it is going to end very badly for our people and for our country.

Mr. MCCORD. I agree that is the place we don't want to end up. Our military—their military is not vastly superior to ours. Ours is superior to theirs.

Mr. MCCLINTOCK. But they are making rapid gains on us. I don't think there is any question about that.

Mr. MCCORD. That is correct. I am just saying they are not—they don't have a better military than we do.

Mr. MCCLINTOCK. And it will only be a few years until we are there at the current rate, and yet we are spending three times more for our military than they are for theirs.

Mr. MCCORD. We do spend more——

Mr. MCCLINTOCK. There is a bang for the buck problem there that is pretty frightening.

Mr. MCCORD. Well, there is—as I said, one reason, as we described, is that because we have higher quality people, and we compensate them.

Mr. MCCLINTOCK. Well, let me——

Mr. MCCORD. The other is that we are a global power, China is not—is not—project power in Europe——

Mr. MCCLINTOCK. Well, let me ask you this——

Mr. MCCORD [continuing]. and other places where we——

Mr. MCCLINTOCK [continuing]. how much do you spend for your green energy programs?

Mr. MCCORD. There are about $600 million in the budget out of $700 billion for climate programs.

Mr. MCCLINTOCK. What does a gallon of synthetic fuel for our jets cost?

Mr. MCCORD. I would have to get that for the record.

Mr. MCCLINTOCK. Can you give me a rough estimate?

Mr. MCCORD. No, I can't.

Mr. MCCLINTOCK. OK, well let me ask you this, how much does a gallon of convention fuel cost?

Mr. McCORD. I don't have the figures in front of me. We don't buy, of course, conventional fuel for our jets.

Mr. McCLINTOCK. Is the magnitude about three or four times?

Mr. McCORD. I would have to get that for the record for you.

Chairman YARMUTH. The gentleman's time has expired.

I now recognize the gentleman from Michigan, Mr. Kildee, for five minutes.

Mr. KILDEE. Thank you, Mr. Chairman, and for our witnesses, thank you for being here.

I represent—rather proudly represent a small community in Northern Michigan called Oscoda. It was for a long time the home to B52s at the Wurtsmith Air Force Base, which closed a couple of decades ago, 30 years—nearly 30 years ago. The residents of that small community continue to live with some of the consequences of the Air Force presence there and it is in the form of toxic PFAS chemicals. I am sure this is a subject that you have heard a lot about. These chemicals have been linked to cancer, to thyroid disease, and it has been in the drinking water, in the groundwater in Oscoda because the use of AFFF in training and in fires at that base.

The community has organized itself. There is an organization called Need Our Water. They deserve an awful lot of credit for bringing this subject to the attention of policymakers. They were talking about PFAS before anybody could even spell it. And their desire is to hold polluters accountable. Of course, that is something we all believe in.

In Congress I have been working on this subject for a few years since it was brought to my attention. I co-chair a bipartisan task force, The congressional PFAS Task Force, along with Congressman Brian Fitzpatrick of Pennsylvania, and we have brought Democrats and Republicans together on this issue and we have been able to address it. But, you know, as we know, this town that I represent, Oscoda, it is not alone. Our Task Force has about 60 members because they are hearing from their residents about PFAS contamination. And we know that a lot of the PFAS contamination is traceable to DoD installations. About 300 DoD installations have confirmed PFAS in the groundwater.

So this is an issue that is only going to get more serious and only going to require more attention. Just this week, the GAO issued a report that concluded the DoD will have to significantly increase spending to clean up current and former DoD installations that are contaminated with PFAS.

So, Mr. McCord, in light of this report, I am curious as to why the DoD request this year is for less money for environmental remediation this year than for last year, given the fact that this issue along is one that is going to be demand significantly more investment and cleanup.

Mr. McCORD. Congressman, I agree. The Department recognizes this is a serious issue and a long-term issue that we are probably closer to the beginning than the end. My understanding is we have about a $2 billion liability on our books right now for the future cost of this, but we understand that figure is probably going to increase.

The budget request for this year is intended to fully fund what we are able to do this year. I believe it is less than what Congress appropriated last year, although not less I think than what we have been requesting.

The phase that we are in, as I understand it, is that we have to continue characterizing it—I believe there is over 600 bases, of which yours is one, that have to be characterized under CERCLA. And so that is a process. We have to sort of follow the process. And when we get better characterization of the problems, then the remediation phase will ramp up more significantly.

But we certainly do understand that both for communities where service members still are working as well as BRAC facilities, as you are describing, this is an important issue that I think the Department is committed to.

Mr. KILDEE. Well, I appreciate that. And I would just point out that I do think maybe down the chain there is not full communication up the chain, because in the case of Oscoda—and I am only talking about Oscoda, but I am going to operate on the assumption that this is the case in other facilities and Oscoda being a BRAC site—one of the constraints we have had as we have been able to get more money for cleanup is this tension between additional study and spending money to do the cleanup. We have a plan to clean up Oscoda. It needs to be expanded and accelerated.

And so I would only take an issue with the notion that what is being requested is intended to be a reflection of what we can do, because at least in the case of Oscoda, I know with certainly that with more resources we can do much more much more quickly. And the issue for any community dealing with this is to get it cleaned up as fast as possible. The health implications continue, the economic impact on these communities are severe, and we need I think to be much more aggressive and accelerate our work in this space.

So if you can work with us on that I would certainly appreciate it.

Mr. MCCORD. We will.

Mr. KILDEE. Thank you.

Chairman YARMUTH. The gentleman's time has expired.

I now recognize the gentleman from Pennsylvania, Mr. Smucker, for five minutes.

Mr. SMUCKER. Thank you, Mr. Chairman. Thank you, Mr. McCord and Vice Admiral Boxall, for being here. Thank you both for your service as well.

Mr. McCord, we have briefly touched on the idea of investing ensuring that state Department and Diplomacy is fully funded to, you know, result in maybe less funding for DoD. There is also—I want to ask you, in your testimony you introduce I think a new emphasis or concept by the Administration linking foreign and domestic policy and spending. You say the Administration is moving away from traditional distinctions between foreign and domestic policy, you say President Biden believes that domestic renewal will be key to bolstering the Department's ability to defend the country. Does that mean—do you believe that means that funds that had traditionally been allocated for DoD were now diverted to domestic programs instead?

Mr. MCCORD. Thank you.

No, my point was more that the President has—believes, and I agree, that we need a strong economy to underwrite everything that we do, diplomacy and military strength. So that is the definition to think of security, economic strength.

And then I would say the second aspect of that is issues—COVID has really highlighted this—supply chain issues that affect military, affect non military issues, micro electronics. You know, the issue, for example, of car makers not being able to get chips because they are only made in one place are across defense and nondefense issues. So those issues I think are—he views those as increasing insignificance.

Mr. SMUCKER. Yes. Talking about domestic policy, do you believe that open borders pose a threat to our domestic security, our national security?

Mr. MCCORD. I think borders are a security issue, yes.

Mr. SMUCKER. Are you concerned about the individuals from dozens of countries, over 60 countries, including some of those countries on the terrorist watch list, have come across the border and have been apprehended, and we don't know who else is coming? Does that concern you?

Mr. MCCORD. I would agree that who crosses our border is an issue for our—every country should have visibility over what is happening and——

Mr. SMUCKER. So are you—so do you have any concerns that the Administration's open border policies can be exploited by foreign terrorists currently today?

Mr. MCCORD. I can't speak to, you know, how well the Department of Homeland Security is carrying out its missions under current policies, but that is their role and the Department of Defense is a more limited supporting role.

Mr. SMUCKER. But that would be a concern to you?

Mr. MCCORD. If the Department of Homeland Security is not meeting their mission, that would be, but that is——

Mr. SMUCKER. Do you——

Mr. MCCORD. That would be an issue again of rebalancing as to whether or not, you know, different agencies have what they need.

Mr. SMUCKER. Yes. There are many of us who believe that the Administration has not properly identified the crisis at the border. Vice President Harris has now said she will be visiting the border tomorrow, 92 days after being appointed as the Border Czar. Do you think that will result in better border policy that will protect the nation's security?

Mr. MCCORD. I believe that the—you know, the border and immigration issues, which have been, you know, combined I think as a large problem that Congress and presidents have wrestled with for decades, remain, you know, a difficult issue for us as a nation.

Mr. SMUCKER. Well, sir, it has been made much more difficult by this Administration's policies.

I want to just touch on another one. I was interested to note the Chairman mentioned in his opening statement that two out of three of our bases are threatened by climate change. And I wondered if you would agree with that and how would you come to that position?

Mr. MCCORD. I think the main reason that we have an issue—one of the main reasons we have particular sensitivity to climate change in the military is that after World War II our military, which was distributed differently prior to then, moved to the coast to a large extent along, you know, the south and the west in particular from——

Mr. SMUCKER. So do you think that two out of three are threatened by climate change?

Mr. MCCORD. I couldn't give you the exact number because it depends on whether you count every Guard recruiting station as an installation.

Mr. SMUCKER. OK. So—and I am sorry to cut you off, but I would like—would you rank that compared to the threat from China or Russia? Or just rank it compared to our top 10 threats.

Mr. MCCORD. Climate change is an important—is important because it affects the environment we operate in as well as it acts on us as military people in terms of, you know, the health of our bases and the billions of dollars of damage that we have had.

China is a different aspect in terms of its global—a global competitor to us, both inside and outside the defense realm.

So both of these are global challenges that cross the defense/nondefense into the broader definition of national security.

Mr. SMUCKER. So do you think it is a smart investment to redirect funds from addressing immediate threats like cyber attacks, like confronting China to combatting climate change?

Mr. MCCORD. I would not characterize our budget as picking one of the other. We have the funding to do both.

Chairman YARMUTH. The gentleman's time has expired.

I now recognize the gentleman from Nevada, Mr. Horsford, for five minutes.

Mr. HORSFORD. Thank you, Mr. Chairman. Thank you to our witnesses for your service and for your testimony today. Last week, I asked General Brown about the Air Force's plans to end procurement of the MQ–9 Reaper. As I am sure you know, the MQ–9 plays a critical role in my district. Creech Air Force Base is the hub for global ISR and unmanned Hunter-Killer operations in support of combat commanders.

The airmen of Creech Air Force Base play an increasingly important role in protecting the Homeland as we shift to exclusively over-the-horizon operations in Afghanistan.

For the second year in a row, General McKenzie's number one request was for an additional $53 million in funding for the MQ–9. He said that the planned Air Force MQ–9's reductions, "greatly increases risk to deployed and redeploying forces." He went on to say that combined with our much smaller ground force presence in Afghanistan, Iraq, and Syria, MQ–9 reductions would, "substantially reduce CENTCOM's ability to combat ISIS, Al-Qaeda, and other terrorist groups." I am concerned by this clear disconnect between the clearly articulated needs of the combatant commander and the Air Force's planned reductions. In response to my question last week, General Brown indicated that continued procurement of the MQ–9 platform, even at the modest Fiscal Year 2021 enacted level, would risk the development of next-generation ISR capabilities.

In the context of the entire Fiscal Year 2022 budget request, the $53 million that is requested by General McKenzie or even the enacted level of Fiscal Year 2021 MQ–9 procurement of $343 million seems like a small price to pay for assured over-the-horizon access in Afghanistan. Given the savings the Department will realize due to the Afghanistan withdrawal, I don't understand why we shouldn't make this investment in maintaining our over-the-horizon access in the near to mid-term. Under Secretary McCord, does the Department of Defense support General McKenzie's request for additional MQ–9 funding?

Mr. MCCORD. As with many other programs, what is in the budget represents our highest priorities, and commanders are invited to identify lower priorities that did not make the budget that they still think are worthy of consideration, and Congress requests that those be provided, and they are. I would say that—I will ask Admiral Boxall to speak about this in more detail because he has greater expertise, but over-the-horizon is going to be a challenge, I think, no matter how many assets you have just because of the distances——

Mr. HORSFORD. I will repeat my——

Mr. MCCORD [continuing]. as we leave Afghanistan.

Mr. HORSFORD. It was a pretty simple yes or no response. Do you believe that the continued MQ–9 procurement necessary to meet CENTCOM's over-the-horizon requirements would endanger ongoing efforts to develop and build next generation ISR capabilities?

Mr. MCCORD. I think the overarching issue that you are getting at, which the chief of staff probably was addressing with you, is that these are not—these are not the assets most suited to the near-peer competition that we are looking at in the future, and therefore, you have to at some point move away from things that may work well in relatively uncontested environments that are not more survivable in a higher-end threat.

Admiral BOXALL. Sir, we have about almost 300 MQ–9s in inventory right now. The driver for the lines that we are using in the Middle East right now really have more to do with the 150 or so people per line that it takes to operate those. General McKenzie's concerns are very valid, and we certainly respect those. But we can meet those needs as the commander requests through their allocation requests through the global force management process. So, we feel very confident that this, while you know we have to make difficult choices along the way, we need something that will get after the ISR needs for the future higher threat environments that we are going to face.

MQ–9s will be part of that in some way as we transition. But again, this will be something that we will have to continually monitor and look to how better to use those MQ–9s with a less manpower intensive and perhaps a more AI driven ability through our ISR information gathering.

Mr. HORSFORD. I will come back to this question both here and on the House Arms Services Committee. So, please, I look forward to working with your team and the Air Force to ensure CENTCOM has the resources that they need given our reduced ground presence in the region. Thank you, Mr. Chairman, and I yield back.

Chairman YARMUTH. The gentleman's time has expired. I now recognize the gentleman from Virginia, Mr. Cline, for five minutes.

Mr. CLINE. Thank you, Mr. Chairman. I want to thank our witnesses for being here. Mr. Under Secretary McCord and Vice Admiral Boxall, thank you for joining the Budget Committee today to review the DoD's proposed budget, and thank you for your service as well.

One of the issues that I am most concerned with is our readiness to complete with our adversaries. And I am particularly concerned with whether this budget proposal does prepare us to meet these challenges. Mr. Under Secretary, I will start with you. What is the percentage increase in defense spending in the President's budget?

Mr. MCCORD. As I think we have described, the percentage increase is about 1.6 percent from last year. In real terms, it is about 20 percent over the last four or five years.

Mr. CLINE. Right. Is it true that this is one of the smallest increases of any federal department and does not even keep up with inflation?

Mr. MCCORD. It is a smaller increase in some departments if you look just compared to last year. But compared over a longer period, defense had basically already got its baseline increase prior to this year.

Mr. CLINE. We recognize the accomplishments of the last Administration in boosting defense spending. The Fiscal Year 2022 request for national defense of 753 billion is only 1.6 percent higher than last fiscal year's enacted level. As you stated, this growth increase is less than what the CBO projected for inflation. Vice Admiral, can the Department of Defense execute the requirements set forth by the most recent national defense strategy at this funding level?

Admiral BOXALL. Thank you, Congressman. The Chairman has been very clear that we have the resources we need to defend this country and to continue to make those investments. The challenge for us is always going to be one of risk. At any funding level, we have to kind of make difficult trades. And so, this budget we believe, and he also has communicated, that we are moving into the capability sets that we need. So, we are kind of in a transition to the change in the character of war. And the Chairman believes that we are making those significant investments. You heard about the RDT&E, the long-range fires, hypersonics, AI, space. A lot of these new capabilities are going to be needed. So, the answer is yes.

Mr. CLINE. Well, in addition to changes in technology and the like, would this funding level require the DoD to rethink and potentially change the national defense strategy?

Admiral BOXALL. Obviously, defense strategy is a function of the policy of the Secretary. We certainly believe that we always have to look at the changes of strategy. We have already—are in the process of redoing the strategy right now. We think that is a correct follow-on to the 2018 national defense strategy. So,——

Mr. CLINE. The answer is yes.

Admiral BOXALL. Yes.

Mr. CLINE. OK.

Mr. MCCORD. I would just add, Congressman, the Secretary is required by law to do his own strategy assessment and the law is sort of structured that every new administration will be required to do so and that is underway.

Mr. CLINE. But that this funding reduction would require a shift and a change. And that was the question that I asked and was answered. Thank you.

Mr. MCCORD. That is not necessary the case, no.

Mr. CLINE. OK. It is good to know you can do more with less. Last week, President Biden met with President Vladimir Putin on the world stage. Biden said he handed Putin a list of 16 sectors of critical infrastructure, which are "off limits" for cyber attacks. We believe that everything should be off limits from attacks of any kind from the Kremlin. Given that the President did not make this clear, it is even more important to invest in safeguarding our DoD networks and information systems. How does this budget build on the progress made in the military's cyber operations?

Mr. MCCORD. This budget continues to invest in a very effective cyber command, which we already have. As I think you are aware, the most recent vulnerabilities have been on the non-defense side. And that stretches into the Homeland Security and even the private sector's areas of responsibility. That is probably where our greatest challenges lie. Our networks have been pretty good with respect to Solar Winds and any number of recent attacks have not really been a problem for DoD as they have been so much for other actors.

Mr. CLINE. OK. The single biggest reduction in proposed year over year cyber funding request appears to be in overseas Hunt Forward cyber ops with a $284.4 million cut to down to 147.2 million in Fiscal Year 2022 versus a requested $431 million last year. What is Hunt Forward and why is it no longer important?

Admiral BOXALL. Sir, I would say that Hunt Forward operations is the ability of the cyber teams to go forward with the permission of our allies to find threats to our networks abroad before they in fact invade our own networks. The money you are seeing here, I don't know the specific dollar amount, but what we also have added is four cyber mission teams that will assist in further improving. We actually did a $400 million increase in cyber funding from 10 billion up to 10.4 specifically to get after some of the issues you have there. Hunt Forward operations specifically because they are, you know, at the request of another government, is something that, you know, obviously we will continue to fund out of those teams that we help to perform those missions.

Mr. CLINE. Thank you.

Chairman YARMUTH. The gentleman's time has expired. I now recognize the gentlewoman from California, Ms. Lee, for five minutes.

Ms. LEE. Thank you very much, Mr. Chairman. Thank you, Under Secretary McCord, for being with us today. A couple things. First of all, for those who have made comments regarding the so-called far left in terms of spending reduction, I just want to say a couple of things with regard to our support for our troops and support for our national security and our readiness. In no way have we presented any cuts that would tamper with any of our national

security needs, especially as it relates to our troops. And in fact, we want to make sure that our troops are fully supported which we have not done in the past. So, I wanted to clarify that for the record. I am the daughter of a military officer, 25 years served in two wars. And there is no way that I would even think of going into trying to reduce defense spending that would hurt or harm our national security or our troops.

For three decades now though the federal agencies have been required to pass financial audits, Under Secretary McCord. Now, last year we heard that—we were told that an audit would be ready from the Defense Department by 2027. Now, we are hearing the goal is 2028. And I want to know how we justified these increases in spending pouring into the financial system that cannot pass an audit or that won't conduct an audit per required by law?

Second, I would like to just ask you with regard to the 2016 study by the Defense Business Board, which identified $125 billion in administrative waste at the Pentagon. The report was then shelved. And I wanted to find out and ask you, do you intend to revisit any of the findings of this study to look for savings, and do you plan to make these public?

And finally, let me just ask you this. Now, we know that the Department continues to overpay for spare parts. Past overcharges have included $2,286 for landing gear that should have cost $10. Paying $71 for a pen that should have cost less than a nickel. And paying $8,124 for a beveled gear that should have cost $445. All of this was during the previous Administration. The Department tried to prevent—I know under the Obama Administration, tried to prevent these overcharges in seeking a revision to the definition of commercial terms. So, is there something that you consider submitting and supporting again to prevent taxpayer, quite frankly, rip-offs? And there again, we are talking about savings as it relates to waste, fraud, and abuse.

Mr. MCCORD. Thank you. Let me address your three questions in order. On the audit, shortly before I was confirmed, I believe, the senior career officials testified before the House Armed Services Committee with the date of the 2027 date that you mentioned. I have not had a chance in my brief time in office here to confer with them and understand the rationale for those dates and whether I think it is just whether it is accurate, whether it could be faster, or whether it would be slower. So, I need to get back, work with my team and then get back to the Congress on whether or not there should be—that date should be reassessed. I certainly understand, you know, the frustration. The Department has, given our scope and our size, has had such a struggle with this issue, but we are committed to getting it right.

On the Defense Business Board study, I am familiar with that. I believe we are talking about the same study. The problem that the Department had at the time with it was it was at such a generic level that you should be able to save money on functions like human resources and information technology without any specific actionable recommendations, I think, is the reason that Deputy Secretary Work at the time felt that it was not a useful report for us. That doesn't mean that we are not looking at the individual aspects of that for savings. Of course, we are.

Finally, on the spare parts, the Defense Contract Audit Agency, which reports to me, has a particular mission to focus on non-commercial items. You know, and the more military unique things, that is where the Defense Contract Audit Agency focus goes. If something is a commercial item, that is a different challenge for us if something was maybe mischaracterized or was improperly priced as a commercial item. But we focus on the higher value military unique contracts. That is our first priority in terms of contract auditing for fair pricing.

Ms. LEE. OK, thank you, Mr. Under Secretary. And I just wanted to close by saying that we know that, and it is unfortunate that the Pentagon has never been able to not only put forth an audit but pass an audit. The billions of dollars in waste, fraud, and abuse are very clear. They have been documented by very credible organizations, which know and follow defense spending. And so, for those who think that reasonable reductions in defense spending are just considerations of the far left, I want you to know that there are billions of dollars in waste, fraud, and abuse in the Pentagon, which definitely could be positioned or reprogrammed for our troops and for other areas in terms of domestic spending that this country desperately needs. And so, thank you again very much for your responses.

Chairman YARMUTH. The gentlewoman's time has expired.

Mr. MCCORD. Thank you.

Chairman YARMUTH. I now recognize the gentleman from Georgia, Mr. Carter, for five minutes.

Mr. CARTER. Thank you, Mr. Chairman. And thank both of you for being here on this extremely important discussion, and we appreciate your participation. Gentlemen, Colin Powell has said the military was the only institution in America where, and I quote, "The only thing that counted was courage where the color of your guts and the color of your blood was more important than the color of your skin." With that in mind, do teachings like critical race theory that is incredibly divisive and propose, and I quote again, "The only remedy to past discrimination is present discrimination. The only remedy to present discrimination is future discrimination."

Look, I am all for reading and considering opposing views. And I think we all agree with that, as the Chairman of the Joint Chiefs has said. But this is intentionally divisive. And my question, Mr. Under Secretary, for you is, how do you expect a soldier or a sailor to fight for this country when they are being taught that it is not worth fighting for?

Mr. MCCORD. Thank you. My understanding is that we are not teaching people critical race theory. As you describe, things are being, you know, offered up to consider, but not being imposed on people as official department policy to think a certain way.

Mr. CARTER. Are we funding that in any way at all?

Mr. MCCORD. Not that I am aware of.

Mr. CARTER. It is my understanding that this is on recommended reading and it is even being taught in some classes at some of our institutions, some of our military institutions.

Mr. MCCORD. It is quite possible that books are on reading lists, yes. That doesn't mean that we are—that it is department policy to make people believe a certain way.

Mr. CARTER. I understand that, but is it being taught? That is my question. And is it being financed to be taught?

Mr. MCCORD. I would have to get back to you for the record on what is being taught. I am not in charge——

Mr. CARTER. Can you do that for me, please?

Mr. MCCORD [continuing]. of professional military——

Mr. CARTER. Can you get back to me——

Mr. MCCORD [continuing]. education.

Mr. CARTER [continuing]. on the record for that?

Mr. MCCORD. Certainly.

Mr. CARTER. I would appreciate that very much. If, indeed, Mr. Under Secretary, this is the case, how would that affect our future recruitment of an all-volunteer force if this teaches, if this type of teaching to our children to hate America and it is not worth fighting for? What impact do you think that would have?

Mr. MCCORD. I am sorry. Are you asking about if it is taught in the military or if it is taught elsewhere?

Mr. CARTER. If this is the type of reading that we are recommending, that our military is recommending, if this is being taught and you are going to find that out and you are going to respond to me in writing if it is or if it isn't. But if it is being taught, do you think this would have an impact on us trying to recruit future volunteers?

Mr. MCCORD. I believe that Secretary Austin's priority is to make sure that the force is inclusive and that the leadership of the force reflects the diversity that is already in the force. So, I think that we are actually moving in a good direction on this. I don't know that the issue you are describing will move the needle one way or the other on who chooses to join the force. It is a complex issue, as you know, recruiting and retention is a specialized field. And we compete with private sector. The services compete with each other, so it is certainly a complex challenge.

Mr. CARTER. So, we certainly should be concerned about what is being taught in our military institutions and what is being taught in our military and what is being recommended for them to read. Would you agree with that if recruiting as you indicate is so very important?

Mr. MCCORD. Again, I don't know that what is being taught at West Point or some other place is——

Mr. CARTER. But my question is this——

Mr. MCCORD [continuing]. is crucial to this issue.

Mr. CARTER. My question is, wouldn't it be important for us to make sure that we are not including things such as this in our recommended reading? Wouldn't it be very important for us in the future recruitment of volunteers to make sure that we are making it clear that this country is worth fighting for and that we are not, indeed, proposing divisive material like critical race theory?

Mr. MCCORD. I certainly agree this country is worth fighting for and I don't believe the Department teaches otherwise.

Mr. CARTER. OK. It is my understanding that according to a September 2020 memo, executive agencies spent millions of dollars on training claiming that there was racism imbedded in the belief that America is the land of opportunity or the belief that the most qualified person should receive a job and other tenets of what is known

as critical race theory. Do you know how much the Department of Defense has spent on this type of teaching or if they have at all?

Mr. MCCORD. I would have to get back to you for the record on whether there is, you know, on particular costs and particular type of training or reading.

Mr. CARTER. OK. I appreciate your willingness to get back with me, Mr. Under Secretary. And I appreciate your willingness to answer these questions. And I look forward with great anticipation to your written response to this. Thank you, sir, and I yield back.

Chairman YARMUTH. The gentleman's time has expired. I now recognize the gentlewoman from California, Ms. Chu, for five minutes.

Ms. CHU. Under Secretary McCord, I am concerned that in the 150-page overview of the defense budget for Fiscal Year 2022, the word hazing does not appear anywhere. This is troubling because we know that hazing has been a persistent problem in the ranks, which I know first-hand. In 2011, my nephew, Marine Lance Corporal Harry Lew was a victim of hazing while stationed in Afghanistan. Under the guise of corrective action, other marines kicked, punched, and nearly smothered him with sand for several hours until he took his own life. At the same time this happened, Army Private Danny Chen was subject to weeks of abuse from his superiors who tortured him with physical abuse while yelling racial slurs and insults such as gook, chink, and dragon lady. He took his own life.

After Harry's death, I heard from countless service members and their families who reached out to describe truly terrible acts of hazing. I also was able to get amendments in the NDAA for everything from GAO reports to directives for tracking and prevention measures of hazing. But still despite these directives, little progress has been made. From Fiscal Year 2018 to 2020, the Army, Navy, and Air Force have not shown any improvements at tracking incidents. The vast majority of reported and substantiated hazing incidents have been reported by the Marine Corps each year.

While the Marines have at least a system in place to report and track these incidents, it is clear that other branches have not followed suit. And, of course, hazing is not 50 times more prevalent in the Marines, which is the smallest service branch than in the Army, which is the largest. The problem instead is that up until now, there hasn't been urgency or accountability when it comes to addressing racism and hazing. So, could you please talk about the resources in this budget request that will be used to address racism and military hazing? And talk more broadly about how fighting racism and hazing fits into the Department's strategy in Fiscal Year 2022.

Mr. MCCORD. The first thing I would say, Congresswoman, is I am certainly, on behalf of the Department, sorry for the loss in your family of your nephew. I understand you have spoken to the Deputy Secretary directly about that case and about our efforts in this area.

Secretary Austin, taking care of the people, is one of his core tenets and I think everyone is aware that he has made a big effort to address diversity, equity, and inclusion. And then he has a separate task force on sexual assault. Suicide, and hazing are part of

this larger effort. They don't get the publicity, I think, that the sexual assault, which has kind of dominated the headlines especially after the Secretary's recent statement, but I know it is part of the effort writ large in the personnel community. As the CFO, I don't have direct involvement in the training or setting up the programs, but I can certainly get any information for you for the record that you need.

Ms. CHU. Thank you for that. And Under Secretary McCord, I see that throughout the budget that the Administration is turning our national security focus toward countering China. I understand the necessity of protecting our national security. But I also want to ensure that the rights and liberties of Chinese Americans are protected. The Trump Administration launched the China Initiative that put immense pressure on the Department of Defense to scrutinize and target Asian Americans, especially those of Chinese descent based solely on their ethnicity, which has had numerous consequences including having security clearances denied or revoked.

In one instance, a 61-year-old founder of a machinery design company sought a security clearance to work on defense contracts. He immigrated to the U.S. in 1985, earned a doctorate degree, and became a citizen, had two daughters born in the U.S. However, because he was sending money to his 90-year-old father in China, his clearance was denied and his appeal was denied, despite the fact that he was never approached for sensitive information from the Chinese Government.

So, as we view this budget and seek proposals to counter the influence of China, can you speak broadly about the importance of protecting the civil liberties of American citizens of Asian and Chinese descent while also protecting American national interests?

Mr. MCCORD. Congresswoman, I would agree with you that central to what America is about is equal treatment under the law and equal treatment of people whether they are our employees, most especially, but also our contractor partners. So, I would agree with you it is important that we give people equal treatment and equal justice regardless of their race or ethnicity.

Chairman YARMUTH. The gentlewoman's time——

Ms. CHU. Thank you.

Chairman YARMUTH. The gentlewoman's time has expired. I now recognize the gentlewoman from Colorado, Mrs. Boebert, for five minutes.

Mrs. BOEBERT. Thank you, Mr. Chairman, and thank you Ranking Member Jason Smith for holding this hearing. Thank you Vice Admiral Boxall and Under Secretary McCord for serving our country and taking time today to talk about the Biden Administration's defense proposal. The Biden agenda spends big on everything except our national defense. In our Ranking Member's opening remarks, he mentioned that this Administration seeks to defund our military, defund our police, which weakens our safety, our security, and emboldens our enemies.

Whether this is at our southern border or to support our men in women in uniform, Biden's budget is light. Under Biden's budget, defense spending is essentially flatlined. Biden's budget would spend more on non-defense discretionary spending than defense

discretionary spending. This Administration states that climate change is the biggest threat to our national security. I disagree. I would argue Biden's budget is a greater threat to our national security. It distracts from real national security threats like China, Russia, and the southern border being wide open to folks from all over the world pouring into our country illegally.

Instead, this budget prioritizes a radical agenda through increasing funding for pandemic preparedness, climate change adaption, and bringing critical race theory ideologies into our military. Mr. Chairman, I ask unanimous consent to submit a report by General Ed Eberhart and Lieutenant General Ed Anderson on the discussion to move U.S. space command into the record.

Chairman YARMUTH. Without objection.

[Report submitted for the record follows:]

**USSPACECOM Remaining at Peterson AFB is Best for American Taxpayers**

by

General (Retired) Ed Eberhart, US Air Force

Lieutenant General (Retired) Ed Anderson, US Army

The Trump Administration's January 13th, 2021 decision to move U.S. Space Command from Colorado Springs, CO to Huntsville, AL lacked evidence that the cost was a priority. Issues with the process and criteria used during decision making have been exposed, leading the Department of Defense (DOD) Inspector General and the Government Accountability Office (GAO) to investigate the last-minute decision to base U.S. Space Command at Redstone Arsenal. Others have raised concerns about the move as a major distraction to mission readiness during this moment in time when our adversaries are moving forward quickly. Congress and the taxpayer are owed a complete assessment of cost during this pause for investigation and review.

A full assessment of the cost of the project should include the potential cost savings of keeping the headquarters in its current facility, Building 1 at Peterson AFB. Since the Air Force began the initial basing process for U.S. Space Command in 2019, there have been changes to the scope of the basing requirements. Since the stand-up of the provisional headquarters at Peterson AFB, the Air Force has reduced the number of needed personnel from 1,800 to 1,387, and they are considering a reduction to 1,100.

The establishment of a provisional headquarters at Peterson AFB offers the Air Force an opportunity to look at the benefits of keeping U.S. Space Command in Building 1 over the costs of

relocating the headquarters. This analysis was not done in the basing process, resulting in a highly competitive option being left off the table.

**Costs of Remaining at Peterson AFB**

Building 1 is currently meeting the needs of 1,600 personnel. Building 1 could serve as a permanent headquarters for U.S. Space Command, with current personnel projections between 1,100 and 1,400. The Air Force is investing over $27 million at Peterson AFB now, to establish the provisional headquarters for the next six years. This includes investing in a newly completed joint operations center, additional classified facilities, and renovations to the leadership quarters.

Additional renovations would be required for U.S. Space Command to remain in Building 1 for the next 25 years; however, the costs of these renovations is lower than building new considering the investment that has already taken place at Peterson AFB. The additional improvements include uninterruptible power generation which would cost approximately $5 million, and approximately $20 million in HVAC, and other upgrades. Colorado Springs Utilities provides power to Peterson AFB. Conversations began in February 2019 to explore siting power generation on, or near, Peterson AFB to provide reliability and resiliency. The generation planning process is evolving, and Colorado Springs Utilities is committed to working with Peterson and U.S. Space Command to provide the appropriate service connections to meet their reliability and resiliency needs in a manner that is cost neutral for the project.

The U.S. Space Force's Space Operations Command (SPOC) currently shares Building 1 with U.S. Space Command provisional headquarters, and the Department of the Air Force plans for the SPOC to use Building 1 long term, so the re-location of its personnel must be considered in total cost of Space Command. A commercial building outside Peterson AFB perimeter has long been considered a possible addition to the installation. It has the necessary square footage for the SPOC at a purchase and

renovation price of $35 million. The table below provides a summary of the costs needed to enable U.S. Space Command to remain in Building 1. Table 1:

| Aditional Costs for U.S. Space Command to Remain in Building 1, Peterson AFB | |
|---|---|
| **Descripton** | **Cost** |
| Uninterruptible power generator | $ 5,000,000.00 |
| HVAC upgrades | $ 20,000,000.00 |
| Purchase building for SPOC | $ 20,000,000.00 |
| Renovations to SPOC building | $ 15,000,000.00 |
| **Total Costs** | $ 60,000,000.00 |

**Additional Savings to remaining at Peterson AFB**

**Mission Readiness:** The most recent Combatant Command to complete a new headquarters facility was U.S. Strategic Command at Offutt AFB in Omaha, NE. Completed in 2019, the project was completed in 7 years and cost $1.3 billion. Using this as an estimate for the potential cost of constructing a new U.S. Space Command headquarter in Huntsville, AL, allowing Space Command to remain in Building 1 saves taxpayers $1.24 billion dollars. In addition to the cost savings, Space Command could reach full mission capability up to 7 years faster. Those seven years are vital for a critical national security mission.

**Communications Networks:** The saving estimates do not include the costs of replicating, in Huntsville, the survivable communication infrastructure already existing in the Pikes Peak region. If our nation's adversaries create a conflict in the space domain, U.S. Space Command requires HEMP (high altitude electromagnetic pulse) survivable communications. This infrastructure was not considered in the basing process, yet, GEN Dickinson, the Commander of U.S. Space Command, said in testimony to the House Armed Services Committee (HASC) on April 21, 2021, that a survivable communications system would have to be built in Alabama. A survivable fiber network already exists in Colorado, enabling all vital space assets to communicate through any conflict. Furthermore, retired commanders of AFSPC have stated if they were the commander of U.S. Space Command their preferred warfighting command

center would be either the National Space Defense Center at Schriever AFB or Cheyenne Mountain AFS, which are 15 and 30-minute drives from Peterson AFB, respectively. Reproducing the benefits provided by mission partners in Colorado Springs is impossible and building out the required communication infrastructure is a significant cost.

**Workforce Costs:** Loss of civilian and contractor personnel with a move to Huntsville degrades readiness and adds to the cost. Reports indicate 75-80% of personnel declined to move when the Missile Defense Agency moved from Virginia to Alabama. A report by the Government Accountability Office (GAO-21-279) on April 7, 2021, states that military readiness is degraded following years of high operations tempo supporting multiple contingency operations. The DOD should be looking at every opportunity to enhance readiness, rather than add risk to the mission thru personnel losses.

In testimony to the Senate Armed Services Committee on April 20, 2021, and the HASC on April 21, 2021, GEN Dickinson expressed the vital importance of U.S. Space Command's workforce. He responded to a question from Senator Tuberville by saying that civilians "are absolutely the bedrock of the command today and in the future," and he responded to Senator Shaheen saying that "we will do everything we can to incentivize them to make the move." Despite the Combatant Commander's strong desire to maximize civilian retention during a potential move, Air Force personnel informed Colorado Lieutenant Governor Diana Primavera and Colorado Springs Mayor John Suthers on February 25, 2021, that the cost of moving civilians was not considered. This means that the true cost savings would exceed the estimated $1.2 billion savings taxpayers achieve by keeping U.S. Space Command at Peterson AFB, as relocation incentives were not factored.

**Conclusion**

Both Congress and the Biden Administration need to review the U.S. Space Command basing process to ensure it adequately accounted for all costs and options. Such a review will conclude that U.S.

Space Command is already renovating its current location and remaining there will save over $1.2 billion, while achieving full mission capability up to seven years faster. Further savings will accrue from use of existing infrastructure and eliminating personnel moves, which have the added benefit of enhancing mission performance. U.S. Space Command was re-established due to the criticality of its mission. Making a location decision without fully evaluating cost and time to achieve full mission capability has resulted in a decision that makes America vulnerable. Ultimately, it is up to Congress and the Biden administration to place national security over politics and ensure that the final home for U.S. Space Command is one that makes America safe and saves taxpayers money.

Mrs. BOEBERT. Thank you. Admiral, thank you for being here today. Keeping in mind the context that I just laid out, I want to now turn to a study by a retired commander of Air Force Space Command and NORAD NORTHCOM and a retired lieutenant general. This study says that the decision to move the U.S. Space Command from Colorado Springs, Colorado to Huntsville, Alabama lacked evidence that cost was a priority. It says that leaving the Space Command in Colorado will save taxpayers more than $1.2 billion and get the Command to full mission capability seven years faster. Those numbers don't even include the costs of building survivable communications in Alabama or incentivizing civilians to move there. Given that the Biden Administration did not see fit to increase the defense budget at the rate of inflation, why would we waste $1.2 billion on a project that will delay mission capabilities seven years in the newest warfighting domain of space?

Admiral BOXALL. Thank you, Congresswoman. I have not read that study. I don't know the details of it or how those numbers were calculated. What I do know is that the Air Force is giving due diligence to the question. I don't know where it stands right now. I think it is—I have not been aware of any of those numbers that are used. So, until I have that, I wouldn't be able to comment.

Mrs. BOEBERT. Thank you, Admiral. Since the DoD IG and GAO are both investigating the decisions to move Space Command, will DoD also conduct a complete reassessment of the cost during this pause for the investigation?

Admiral BOXALL. Again, I am not familiar on the DoD portion. But I will say that cost is one aspect of it. There are a lot of things that go into those studies. Cost is certainly very important. Capability is critically important.

Mrs. BOEBERT. Yes, sir.

Admiral BOXALL. So, all those areas——

Mrs. BOEBERT. Thank you, Admiral. I don't mean to cut you short. I am sorry. My time is short. I do appreciate that, and I think the American people would be served best by a complete reassessment that includes costs and mission readiness.

Now, with the time that I have left, I do want to turn to this budget's proposed increase for unconscious bias diversity training by $68 million. So, there are taxpayer dollars going to this critical race theory-based training. I have major concerns about spending taxpayer dollars to teach an ideology that undermines the principles of the Constitution our service members have taken an oath to defend. I have written the Secretary of the Navy to stop attempts through Task Force One Navy to insert this ideology into training regime for sailors in the U.S. Navy. And I also wrote to the Secretary of the Air Force regarding the removal of Lieutenant Colonel Lohmeier from his command due to the developing politicized environment in the DoD. This indoctrination and mandatory trainings have been taken too far. My time is up.

Chairman YARMUTH. The gentlewoman's time has expired. I now recognize the gentlewoman from the U.S. Virgin Islands, Ms. Plaskett, for five minutes.

Ms. PLASKETT. Thank you so much, Mr. Chairman, and thank you for the opportunity to question the witness. And thank you, Under Secretary, for being with us this morning. I wanted to ask

you several questions. Many of my colleagues on the other side of the aisle are criticizing this budget proposal for only providing a 1.6 percent—I am sorry. Is there someone else on the line off? Mr. Chairman, if you would——

Mr. MCCORD. I don't believe so.

Ms. PLASKETT [continuing]. you reclaim the time? I am hearing—OK. Providing a 1.6 percent increase for the military. But the Department of Defense is an enormous operation. So, I think it is important to look deeper than just the topline funding levels. For example, the budget requests a 3.1 percent increase in military personnel, a 5.2 percent increase for research and development, and a 2.7 percent increase for military pay, while decreasing procurement by 5.7 percent. So, my question is to our witness. In your opinion, how should we review the adequacy of the Department's request? What do you hope we would look at when we determine the overall funding levels for defense?

Mr. MCCORD. I know I would speak for both the Secretary and the Deputy Secretary that the most important thing for Congress to assess is what we are proposing, the details. What we are proposing to spend the money on rather than what it adds up to.

Ms. PLASKETT. I am sorry. The witness is on mute.

Mr. MCCORD. I am sorry. Can you not hear me, Congresswoman?

Chairman YARMUTH. Ms. Plaskett, are you able to hear? Yes, we will have to pause.

Mr. MCCORD. Congresswoman, I had started to answer your question, but I am concerned you may not be able to hear me?

Chairman YARMUTH. We ought to pause for just a minute, please. Yes, the hearing will be in recess until further notice.

[Recess]

Chairman YARMUTH. Ms. Plaskett, can you hear us now in the hearing room?

Ms. PLASKETT. Yes, I can.

Chairman YARMUTH. All right. Well, then we will resume the hearing. The hearing is now back in order. And, Ms. Plaskett, you can continue your questioning.

Ms. PLASKETT. Thank you. I believe the witness was responding to my question as to how should Members of this Committee review the adequacy of the Department's requests and how would you hope we would then look to determine the overall funding levels for defense?

Mr. MCCORD. Understanding that the Budget Committee has a somewhat different role than the Arms Services and Appropriations Committee, I understand that you would look at the topline as part of your assessment here and possibly in comparison to the other priorities. I would point out just on that front, that we have—our discretionary request is basically equal to every other agency's combined. So, I feel like we have the resources that we need to do our job. I am not concerned whether we have a little more or a little less than some other agency. But I understand that that is part of the assessment you must make about whether you feel the balance is appropriate.

Within our topline is where we really feel like we would like the Congress to focus. As you look at what we are doing, do you think we are on the right path? Do you think we are pursuing the right

priorities? If you believe—if you agree with us on the assessment of what the priorities are such as concerned about the global competition with China, do you think that our programs are moving us in that direction? We think we have a good program and a good story on that. But I think that is where the focus should be.

Ms. PLASKETT. Thank you.

Admiral BOXALL. I would echo that we would hope that we look at that right balance of readiness, modernization, and procurement. Certainly, those are the criteria that we use to measure the difficult choices that we had to make inside this or any budget. So, we would hope that the Committee would review that we got those parts of it right. That we believe, you know, we need to modernize the force. We need to get after more important capabilities and restore the readiness that we have kind of had issues with that are continuing to improve, but we need to keep that going with personnel as well. Thank you.

Ms. PLASKETT. Thank you. And with that readiness and ensuring that our troops are, in fact, educated and mindful in the same way that you would teach them about the doctrine of communism or socialism or those individuals that we are working against. You would, in turn, also teach them about those principles and support the American people such as the Constitution and such as, as my colleague does not seem to understand, critical race theory is a legal doctrine, not one that is put forth in schools. And so, having sensitive and those troops who understand and are able to adequately support their fellow officers whether it is in the field, battlefield, or on the ships, or anywhere else, would be something that I am sure our troops are happy to have.

One of the last questions I wanted to ask you was that an issue that I have concern about in my district is housing allowance for members of the active Guard Reserve in the Virgin Islands. As you know, members of the Guard on duty in the 50 states currently receive the basic allowance for housing. But members on duty in the Virgin Islands only receive the overseas housing allowance, which is reimbursable allowance and offers less flexibility for members to find housing options that meet their needs. I understand, however, that Hawaii and Alaska are currently considered to be overseas locations, while still receiving the basic allowance for housing. As you may be aware, the Virgin Islands National Guard, members of the Guard, its leadership, our Governor, have all requested to extend the basic allowance for housing to Guard members serving in the Virgin Islands, as has my office. Does the Department of Defense plan to take any actions including under its available statutory authority to extend this to guardsmen working in the Virgin Islands? Thank you.

Mr. MCCORD. Congresswoman, I am not familiar with the request, if it is on the table with the Department to consider how we treat the so-called OHA in the Virgin Islands compared to how Alaska or Hawaii are treated. But we will certainly get back to you.

Ms. PLASKETT. I would appreciate that. Thank you very much, Mr. Chairman. I yield back.

Chairman YARMUTH. The gentlewoman yields back. I now recognize the gentlewoman from Iowa, Mrs. Hinson, for five minutes.

Mrs. HINSON. Thank you, Mr. Chairman, for holding this hearing today. I really appreciate the opportunity. Under Secretary McCord and Vice Admiral Boxall, thank you for your patience in taking all of our questions and being here today. Most importantly, I also want to thank you on behalf of Iowans for your service to our country. You are in a very tough role, and I know that. And I understand what you are doing to help protect everyday American families and Iowa families, and I appreciate that.

I do have to start off by saying today that I was disappointed in the President's budget request. I believe it is a disservice to you and all the men and women who commit their lives to defending our freedoms. I feel the Department of Defense has been hit time after time since January. First, the announcement to remove the troops from Afghanistan without a clear plan in place to prevent a worsening situation. We have had questions today about the Taliban. We have heard about human rights violations in that country in the worsening situation. And then just recently on the floors of the House of Representatives, a move to repeal the 2002 AUMF without a replacement plan. These moves would leave our troops in nearby positions unguarded and vulnerable, and that is unacceptable.

Then, of course, I think the most recent blow and we have heard about it today, is the President's decision to increase the budget by only a mere 1.6 percent. Which we have also heard about today after inflation, is actually a budget cut. So, in real world dollars, the Department of Defense will have less money in its Fiscal Year 2022 budget than in its Fiscal Year 2021 budget. But again, before I begin my questions, I want you both to know I am here to support you. We want to make sure we can defend our country. The work that you carry out at the Department of Defense with taxpayers' resources is absolutely critical to protecting Iowa families. The safety and security of our country is paramount.

So, my first question today, Vice Admiral Boxall, you mentioned a little bit earlier your concern about China and its threat developing specific weapons, space capabilities, those areas of concern. Can you elaborate a little bit on some of those areas of concern for people in the room today?

Admiral BOXALL. Sure, Congresswoman, thank you. Certainly, my experience over many years of being in the Pacific and also in the building, I have seen the trend, as we all have, of China in both space, hypersonics, missiles, growth, and so we worry a lot about that. I mean, that is kind of the trend that we were concerned about and why this budget gets after a lot of those concerns. This is the first one where we go after some hypersonics, some procurement. And it is also going to require new ways of thinking and fighting against that adversary. So, that is one particular. The cyber vulnerabilities of our force is concerning and you see those.

So, while we look at, you know, whatever the number is, clearly inside those priorities from a military standpoint, we are looking for the joint force to get after those capabilities that we feel will shift from, you know, the wars that we have seen in the Middle East to the Pacific and to be able to keep up with a rising China.

Mrs. HINSON. And I would like to also point out, I just saw a news article as we were sitting here a little bit ago, Russia is pos-

turing quite dramatically as well against the West. So, that is a growing concern. As we look at the national defense strategy when it is recommending a 3 to 5 percent increase to keep up with that, I mean, I think everybody is concerned when we are hearing about this 1.6 percent increase that it is not going to jive with that recommendation. So, do you agree with the report? Do you think we need that 3 to 5 percent increase? Because that is a serious conversation we need to be having.

Admiral BOXALL. So, obviously we have seen the 3 to 5 percent for a while and, you know, our job is to try to get the best joint force we can for whatever the budget is. As far as 3 to 5 percent, that brings less risk the more money you have into the portfolio. So, at any funding level, you are going to incur some risk. I haven't been involved in one budget that I haven't had those difficult discussions. As the funding level is higher, you can get after more things more quickly. As you go lower, you have to divest and change more quickly. So, my concern at any budget level are those tradeoffs.

Mrs. HINSON. So, do you believe that with a higher level of funding, that we could be better equipped for our military to handle these ongoing threats that China is posing, that Russia is posing?

Admiral BOXALL. More money will lessen the risk, as I just stated.

Mrs. HINSON. OK. I am concerned about that risk at a 1.6 percent increase. Another area that I just wanted to touch on that I have heard some conversation about today. It is evident that this priority in this budget is not necessarily the protection of Americans and our interests, but instead, it seems really focused on accommodating climate change policies and the agenda of this Administration.

One thing being from Iowa that I would like to point out is that our biofuels industry stands ready to be a partner in this fight. Biofuels are readily available. They are a great alternative energy that would significantly reduce our carbon admissions while bolstering as well American jobs and reducing, again, those carbon emissions while helping our local economies. Have you had any considerations—either of you can answer this question—specifically about the impact of biofuel use perhaps on your carbon footprint at the DoD since you are such a large consumer of fuels?

Admiral BOXALL. I will say that I actually was the carrier strike group commander for the Great Green Fleet and we actually did get underway and operated completely with biofuels for both aircraft and ships. And we learned a lot from that activity. So, you know, we will continue to evolve those types of lessons as we look at other climate impacting decisions.

Chairman YARMUTH. The gentlewoman's time has expired.

Mrs. HINSON. Thank you.

Chairman YARMUTH. I now recognize the gentleman from California, Mr. Peters, for five minutes.

Mr. PETERS. Thank you, Mr. Chairman. Thank you, Mr. McCord and Admiral Boxall for appearing here today. I do support this budget request in terms of the topline. I think that given the bipartisan support that we have brought to increasing the budget over the last two years that this $715 billion is an appropriate amount.

As Mr. McCord noted in his prepared remarks, the interim national security guidance from the President clearly articulates the need to make smart and disciplined choices regarding our national defense, responsible use of our military. A lot of the conversations around the divestment of legacy platforms and realignment of resources allotted to procurement, operations, maintenance, basic research, development, tests, and evaluation, I want to first start by saying I share the concern that Mr. Horsford expressed earlier about MQ–9s and MQ–4s, which seem to me to be a much more cost-effective way to handle particularly the ISR issues than some of the other ways.

But I wanted to ask also about infrastructure and modernization of commands and infrastructure, particularly projects like the NAVWAR Redevelopment Effort in San Diego. I want to know if you could explain how the DoD and the services are going to prioritize modernization of infrastructure and what that would mean for something like NAVWAR?

Admiral BOXALL. So, I did get an opportunity to go out to San Diego and see some of those efforts first hand. I am not——

Mr. PETERS. Lucky you, by the way.

Admiral BOXALL. Say again?

Mr. PETERS. Lucky you. It is always good to go to San Diego.

Admiral BOXALL. Well, it is always good to get to San Diego. I was only there for a few hours, unfortunately, but I did get an opportunity to get out there and see some of the things that they are doing. We are excited about a lot of the things that are going on out there. But, again, I don't know specifically what the requests are on the infrastructure impacts. What I can say is that what we are learning from those types of efforts and get after our joint all domain command and control issues, which are key and critical to this change to a future Joint Force, an all domain force.

Mr. PETERS. Sure, and I guess, I mean, we are looking at a project over a long period of time. But obviously, you have got assets like NAVWAR that are really critical to the mission and are let's say underserved in terms of their own infrastructure and property utilization.

I also wanted to mention a follow-on to something that Ms. Schakowsky talked about, which was energy. You know, it is interesting that the military, and I agree with my colleague from Iowa, about innovation in the military and particularly the Navy has always been the big innovator in terms of energy. It went from sails to coal to nuclear. And you mentioned the Great Green Fleet, which I was happy to support when I was a member of the Armed Services Committee. These are changes that are made for operational and security reasons. They are not in any way because the Navy or the Marines are tree huggers.

MCAS Miramar in my district is a pioneer in energy microgrids that enhance the commands' energy resiliency and reduce the base's footprint. The operational and strategic utility of this project is clear. They reduce an electromagnetic footprint and mitigate the need to rely on supply chains that transport traditional energy sources. And that would be particularly useful overseas.

The developments increase the survivability the Joint Force needs to succeed in a future operating environment characterized

by the proliferation of anti-access area denial threats. And so, my question to you is how can Congress support DoD's efforts to address the climate crisis impact while at the same time, making the force stronger and more lethal?

Admiral BOXALL. Well, to be honest, I am not really an expert in the types of things. I know we are working very closely. We have a group together. A task force has been created with the Secretary and also with the Chairman. We have members on that task force to get after some of those things. My experience is with demand. Certainly, operationally if we can lessen demand for ships or aircraft at sea, or anywhere, then we can certainly, you know, allow them to operate more freely. And that certainly is an advantage operationally. So, but as far as other initiatives, it is not my forte. I am certain that the task force is looking more closely at that.

Mr. PETERS. Maybe, Mr. McCord, you have something to add?

Mr. MCCORD. I would just add that I think the important thing from my perspective is that we be allowed to experiment across a range of things. Fuel cells, for example, are something that allow you—energy is hard to store, right? Electricity, easy to produce but it has to be transmitted because it can't be stored easily. That is an important aspect. Fuels is another one. The efficiency of the vehicles that we use and as well as the thought process of looking at how climate change might change the problem sets.

Mr. PETERS. Right.

Mr. MCCORD. And I will just reiterate. I agree with you. You touched on an important one was the logistics footprint that comes with how you use energy is important especially as you go to a more remote place like Afghanistan——

Mr. PETERS. And one of the most dangerous——

Mr. MCCORD [continuing]. can be very costly.

Mr. PETERS. One of the most dangerous things we do is transport large amounts of petroleum across the desert and when those convoys are attacked, we lose——

Mr. MCCORD. Correct, I remember——

Mr. PETERS [continuing]. we are losing soldiers.

Mr. MCCORD [continuing]. I think the same case you are talking about from Iraq that we had to do special coding on fuel trucks because snipers were shooting at the fuel trucks.

Mr. PETERS. Well, let me just encourage—and, Mr. Chairman, my time has expired—but I would say it is possible that someone in a room like this a few decades ago would have said don't spend money on the internet. Don't spend money on GPS. That would have been very shortsighted. So, I encourage you to continue to innovate in support of the mission. And I yield back.

Chairman YARMUTH. The gentleman's time has expired. I now recognize the gentleman from California, Mr. Obernolte, for five minutes.

Mr. OBERNOLTE. Thank you very much, Mr. Chairman. And thank you to both our witnesses for being here on such an important topic. My first question is for Vice Admiral Boxall. You said in your testimony something that I thought was fascinating. You said that we were experiencing the most fundamental shift in the way that battles are fought in the entire history of warfare. Which I really think speaks volumes about what we need to do to ensure

that America remains competitive when it comes to our military. So, I think what you have heard from a large number of us today is some alarm at the fact that the proposal is to decrease defense spending in real dollars given the fact that the 1.6 percent projected increase in budget is less than the rate of inflation. So, in your opinion, you know, given the fact that we need to fundamentally transform our capabilities in that way, does this budget give you adequate resources to do that?

Admiral BOXALL. I believe it does. I think we start the move from where we have been to where we are going in the future. There is a down payment on a lot of things here that are going to matter and they will matter more as time goes on. But certainly, as I described earlier to your colleague, we had, you know, we look at this as a function of risk. I mean, how quickly we move and how quickly we can change from the things we used to need to the things we need in the future is really a key in any budget future, but that is really kind of what we think about here from a military standpoint. And we are trying to get after inside the inside of the joint force a better way to characterize what those, you know, specific changes are going to be. We are throwing the rutter over, if you will, with the idea that will change into a different place and how we fight will be very different than how we have been fighting in the past.

Mr. OBERNOLTE. Thank you very much for that. And Under Secretary McCord, thank you for being here and recognizing it is a very difficult job that you have. I had a question about the deferred maintenance and infrastructure at our bases. I have the privilege of representing the district in which the 29 Palms Ground Air Marine Corps station is located. And so, I don't know a lot about our bases in other parts of the country and the world, but I know a lot about that one. And I know that in that base, they have been struggling with the issue of wastewater treatment, which seems like, you know, a very nonmilitary thing to be worried about. But they, you know, there is a real need there. There has been for many years.

The last Congress appropriated funding to build a new wastewater treatment plant for the base. Unfortunately, by the time the funding was appropriated, the cost of building it had risen and therefore, the money was insufficient, and now it is back on the unfunded priorities list. So, I find that very alarming. I hope that that is not the case with bases in other parts of the country. And I am wondering what the DoD's strategy is going to be to addressing the projects on the unfunded priorities list and making sure that we don't have situations like the one occurring in 29 Palms.

Mr. MCCORD. While I am not familiar with the particular project, I understand the problem that you are stating. It does happen from time to time. There is a range within which if you are close enough, you can go back to the committees and do what is called a cost variation. But when you get above a certain threshold, it gets, as perhaps in this case, just too hard to do.

Unfunded military construction project priorities are, you know, are something Congress looks at and something the Department looks at as it looks at each budget, the next budget. We have a little bit of a glut right now in that we had projects diverted for the

border wall, which are competing with all the other unfunded projects. So, I think there is maybe a little more of a demand signal on the military construction side than there is otherwise right now. But as we work our way through that backlog, if your wastewater treatment project gets to a life, safety, health of people working and living there, then that will probably put it in a higher priority situation for action.

Mr. OBERNOLTE. Thank you. I hope we can work together to try and get that particular problem solved. But also, I want to highlight the fact that we can't achieve military preparedness if we can't maintain our base facilities. Thank you very much for both of you for being here today. I will yield back, Mr. Chairman.

Chairman YARMUTH. The gentleman yields back the balance of his time. I now recognize the gentlewoman from Texas, Ms. Jackson Lee, for five minutes.

Ms. JACKSON LEE. Thank you very much, Mr. Chairman. I think the clock is not correct. Thank you very much. Let me acknowledge your service, Secretary McCord, and as well, the service of our Secretary of Defense. Please convey to him my best greetings and our appreciation for his historic service. It is enormously impactful here in this country and also with the new attitude. As you know, Secretary, we have just five minutes. And so, I am going to ask some yes or no questions and then maybe some that require a little bit more detail.

First of all, I want to applaud, as a member of the Military Families Caucus, I want to applaud the 3.1 percent increase for military personnel. Quickly I want to know whether or not that is going to result in improved housing for our families, the diminishing of food stamps that many young army families and other military families have to access, and what does it do for—so I will let you answer those very quickly, housing and the use of food stamps by Army personnel because of the lack of resources.

Mr. MCCORD. Thank you, Congresswoman. I would say that on the food stamps side, probably the biggest impact in the last year or so has been COVID and the impact it has had on people's outside employment, for example, military spouses. So, I think as the getting control of the pandemic, which allows us to grow the economy again is probably as important as anything we can do specifically within the defense budget. Housing——

Ms. JACKSON LEE. Well, is the increase in salary going to help with the diminishing of the food stamp assistance need?

Mr. MCCORD. Yes.

Ms. JACKSON LEE. OK. Let me just move on. What about funding for Army Reserves and Army National Guard? Is there a special concern and interest regarding them?

Mr. MCCORD. I think the——

Ms. JACKSON LEE. And when I say Army, all of the reserves, funding for them. And I need to go quickly because my time is moving.

Mr. MCCORD. The answer is yes. I would just say that on the Guard side in particular, it has been an historically busy year last year because of COVID and other issues where the Guard was deployed in record numbers. So, that is a unique challenge for the Guard.

Ms. JACKSON LEE. And so, your funding will focus on the resources that they have lost in all of that effort.

Mr. MCCORD. We can't necessarily make up for if someone's civilian employment as a guardsman was impacted by COVID if like many other Americans, they lost employment income. That is not—you know, our programs are not designed to address that. But we do recognize the historic year the Guard has had, and we are very focused on making sure that we can take——

Ms. JACKSON LEE. I am not——

Mr. MCCORD [continuing]. care of our people.

Ms. JACKSON LEE. Right. I am not talking about employment. I am talking about the overall resources for the Guard. But let me just quickly, there is absolutely no money for the border wall. Is that correct?

Mr. MCCORD. In the Department of Defense that is correct, yes.

Ms. JACKSON LEE. And there is no reimbursement money from the Department of Defense for the border wall.

Mr. MCCORD. That is correct.

Ms. JACKSON LEE. As it relates to Afghanistan and the draw down, I know that those were increased resources. But are using adequate resources to ensure even if military personnel are not there, that we are protecting the civilians during this transition period, and that is the Afghan civilians?

Mr. MCCORD. If you are referring to the special immigrant visa population, that is being worked between the Secretary of Defense and the Secretary of State. With respect to the larger population and the impact on Afghanistan or what the future of civilian safety is between the Government of Afghanistan and the Taliban, that is sort of beyond the Defense Department's ability to make an assurance on.

Ms. JACKSON LEE. Well, I would like to get back with you and I would rather have that in writing. In addition, I would like to raise the issue of the Ellington Base in the Houston area and would like a writing back on the plans for Ellington Field, which has been a great asset to the community. And I would like to get some understanding of the vitality of that.

I would also like to pursue the issue of the dealing with the sexual assaults and attacks on our young soldiers who really want to be part of the military. As I do that and ask you to give me that answer, I would clearly like to indicate the diversity teaching to our military is not critical race theory. It is relevant. It is America just like Juneteenth is and just like reparations, H.R. 40 is. But I would like you to answer the question on working on these cases that were like Vanessa Guillen. If you could give me that in terms of the strategic plan and funding to do that.

Mr. MCCORD. We will.

Ms. JACKSON LEE. I am sorry. I asked you what kind of funding plans you have for Vanessa Guillen? The attack on her and sexual assault training or different pathway for investigations. Do you have funding for that?

Mr. MCCORD. I wouldn't say we have funding for a specific case. We have funding for the effort. I thought you were asking, are you expecting a question for the record—a response for the record on the Secretary's larger vision?

Ms. JACKSON LEE. No. This one I would like—this one I would like you just to answer on the whole process of a new approach to those investigations. You would have to have funding for that. Is that being taken into consideration?

Mr. MCCORD. Congresswoman, I would say that as the Secretary is getting just this week more recommendations from his independent review commission, I would expect that some of those will require additional funding, and we will have to come back to the Congress for because they were developed after the budget was submitted.

Chairman YARMUTH. The gentlewoman's time has expired.

Ms. JACKSON LEE. Well, I would encourage you to do that. Thank you, Mr. Chairman. I yield back. Thank you.

Chairman YARMUTH. Thank you. I now recognize the gentleman from Florida, Mr. Donalds, for five minutes.

Mr. DONALDS. Thank you, Mr. Chairman, Vice Admiral—excuse me—and Mr. Under Secretary, thanks so much for being here. Well, let's just get into it. Obviously, the spending proposal from the President on DoD is roughly $753 billion. You talked earlier about comparability issues, comparing our military spending and apparatus to the Chinese military to the Russian military. Excluding personnel costs, healthcare, housing, things that actually deal specifically with the men in women in uniform, what is—how does this budget proposal for DoD compare to the Chinese military and the Russian military?

Mr. MCCORD. Ours would still be larger probably by more of a factor of 2 to 1, if we excluded the 40 percent of our budget that goes to paying benefits of our people.

Mr. DONALDS. OK, and following up on that, the rate of growth of our equipment, ships, planes, et cetera, anything associated with that, are we able to keep up with the rate of growth from the Chinese military with the current budget proposal?

Mr. MCCORD. I think that over a number of years in terms of counting numbers of aircraft or assets, China is increasing the size of their force faster than ours. Our quality is higher than theirs. And that gap is, the quality gap is particularly important for us to preserve given that they may have more numbers than us or may end up with more numbers than us in certain cases.

Mr. DONALDS. Answer me this, I mean, let's talk about the rate of modernization. What is the rate of their modernization of their military assets compared to ours?

Mr. MCCORD. We could get you information for the record. If you have questions on particular aspects to mean aircraft, ship, or what kind of assets in particular, we will ascertain to get that for you. Of course, these would be intelligence estimates.

Mr. DONALDS. OK, fair enough. Let me ask you a question. Based upon current spending levels outlined by the Biden Administration, if we were to play this out over several years, and I am quite sure, Mr. Under Secretary, you have the experience, you have been in the game for some time, about how many years would it take for the Chinese military to catch us?

Mr. MCCORD. Well, our goal is for them never to have a capability larger than ours. There are two factors here. There is their economic growth, which has been substantial in recent not just

years, but decades, that gives them a greater capability to, you know, to draw on to resource. And then there is the specific military technology, some of which has been developed, some of which has been relied on technology stolen from us. So, there is the whole cyber security aspect as well that we have to take into account. The goal is for the Chinese Government never to think they have an opportunity to overmatch us and, therefore, have that influence their thinking and have them take risk, you know, thinking that the risks are greater—or smaller, I am sorry—than we do.

Mr. DONALDS. No, I understand that. I am glad that you elaborated. I really wanted to hear from you on that. But I am going to ask it again. Based upon the spending levels in the President's proposal and the rate of spending that if we were to control it, essentially, if we were going to take the President's spending levels and maintain that for a decade, let's say, how long will it take for the Chinese military to achieve parity with us? I know the goal is for them never to achieve parity with us. But, you know, if this is what the spending levels are going to look like, how long would it take for them to catch parity with us?

Mr. MCCORD. I don't think it is purely a function of what we spend since it depends on their actions as well as ours. But we could try and get you an estimate for the record.

Mr. DONALDS. Let me ask you this question. And I know this is outside your purview looking at the entire federal proposal from the President, considering that we have inflation issues, considering that we could potentially have an issue where interest on the debt, Medicare, Social Security, also crowd out other federal spending. If our military spending capability is constrained by outside spending in other parts of the federal government, do you think that puts us in a competition issue with the Chinese military some time over the next decade?

Mr. MCCORD. I would agree that we have a fiscal risk, if you want to call it that, of interest on the debt, of inflation increases that could change the fiscal picture. We have enjoyed a period where we have had, you know, large increases in the debt since the financial crisis of 2008 that have seen very historically low interest rates that have not really blossomed into interest on the debt consuming an inordinate part of the federal budget. But that is something that could change, and I believe the Treasury Department and others are looking at that. So, yes——

Mr. DONALDS. Real quick question——

Mr. MCCORD [continuing]. there is a risk there for sure.

Mr. DONALDS [continuing]. because I have got 10 seconds. Quick question. Quick question, not to cut you off. If we don't get our fiscal house in order, does that hurt the military's mission long-term to protect our nation?

Mr. MCCORD. It does increase the risk, absolutely.

Mr. DONALDS. Thank you. I yield back.

Chairman YARMUTH. The gentleman's time has expired. I now recognize the gentleman from Wisconsin, Mr. Grothman, for five minutes.

Mr. GROTHAM. We will start out with the Vice Admiral. I am not an expert on military matters at all. I was never in the military. Nevertheless, when I read about the Battle of the Midway, you

know, there are people who say that the Battle of the Midway, four Japanese carriers going down so quickly, kind of show that aircraft carriers were highly overrated and maybe even obsolete 80 years ago. From what I have read, even though we spend a lot of money on ships protecting the aircraft carriers, modern missiles would provide a big problem for these aircraft carriers. First of all, how many military people on an aircraft carrier, one of the big ones, the Nimitz?

Admiral BOXALL. Well, if you think about the carrier itself and the crew and the air wing, it is roughly 5,000ish.

Mr. GROTHAM. OK. So, whenever I see us—what do we have 14, 15 aircraft carriers out there right now? I wonder in a real rock 'em sock 'em big war, how long they would last. And two, if other countries would be able to sink them quickly, you would have such a huge loss of life so quickly. Do you care to comment on the rather large number of—well, we have got to be number one in military in the world. I will say that no matter what. We have got to be number one. Which is why that kind of bothers me because when you think of 15 aircraft carriers like this and not stupid people will agree that in a real rock 'em sock 'em war with a really topflight country like China, like Russia, they might not last too long. Do you think we maybe have too many aircraft carrier—we are too aircraft carrier heavy out there?

Admiral BOXALL. Thank you, Congressman. By having been a carrier strike group commander, I had firsthand kind of knowledge of what the capability of the aircraft carrier is. Some of this question will get into the classified realm and we are happy to come speak to you. But broadly, I can tell you that one of the advantages of the U.S. way of war is the way we fight as a joint all domain force. All domain, of which the aircraft carrier is a critical part of that.

One of the things that concerns us, it is not just for the aircraft carrier, but with all capabilities, in the Pacific, is the advent of long-range missiles systems, the attacking, the space. All those things kind of contribute to a challenge for us in many domains. So, to your point, it is on us to figure out how we most effectively fight that force in the future given the change in threat and what we have to kind of get after that threat. So, today's 11 aircraft carriers are part of our plan. How that changes over time is something that we will continue to evaluate.

Mr. MCCORD. And I would just add, Congressman, that an important part from a Chinese perspective of trying to deter your enemy is to make us believe that our carriers are vulnerable and, therefore, make us think that we would not be wise to get our carriers close to where, you know, to the theatre there. And so, to put in our heads that it won't work, therefore I shouldn't use my carriers, and us countering that is equally important from our perspective.

Mr. GROTHAM. OK. My next question for Honorable Michael McCord is, you know, we have talked a little today about the importance of diversity and the importance of critical race theory. And I have talked to some people in the military who are bothered. As a matter of fact, some people went through our military academies and felt there was a little bit too much of emphasis on this

sort of thing. One of the concerns of spending a lot of time talking about this is that perhaps one may promote people or put positions of people in authority based on the boxes they check rather than the best person for the job. Are you confident that none of that is going on in today's military?

Mr. MCCORD. I think our military remains one of the most meritocratic institutions in the country. The Secretary's concern is that when you get to the top, although the force is very diverse, the top is still not as diverse as the force that they lead, and I think that is one of his focus areas as he tries to make the force better.

Mr. GROTHAM. Yes, I talked to somebody recently, and I don't even want to tell you which academy he was from. But they felt that—I can't remember if it was the top person or the No. 2 person there, some guy, was so diversity obsessed that perhaps some decisions were made that shouldn't be made, but you don't think that is happening?

Mr. MCCORD. I think that is not true writ large. Within the military promotion system, no, I think that it is a very much a capability and merit-based system.

Mr. GROTHAM. Do you want to comment on that, Mr. Vice Admiral?

Admiral BOXALL. I would agree. I mean, our system is designed to be as fair as we can possibly make it. And I think that is exactly what we—that expectation is put throughout our force in every level. I think we expect we are a meritocracy, and you should rise based on how you have performed, period. And I think that is the overarching desire.

Mr. GROTHAM. OK.

Admiral BOXALL. But you still have to, I think, address the fact that the statistics aren't great. And so, why does that happen? I think we don't know. And so, I think it is worthwhile for us to understand it.

Mr. GROTHAM. OK, thank you for the 5-minutes.

Chairman YARMUTH. The gentleman's time has expired. I now recognize—we are at the homestretch—one more Republican questioner and then me. So, I now recognize the gentleman from Virginia, Mr. Good, for five minutes.

Mr. GOOD. Thank you, Mr. Chairman. And thank you to both of our witnesses for being here today and also for your service. That is of such great importance to keeping our nation safe and secure. I am going to pose a few questions that will build on some of those from earlier today by my friend from Georgia, Mr. Carter.

As you both probably know, Admiral Michael Gilday, Chief of Naval Operations, has released a professional reading program list for the military that included Ibram Kendi's book titled, How to be an Anti-Racist. In his book, Mr. Kendi states, "The only remedy to racist discrimination is anti-racist discrimination. The only remedy to past discrimination is present discrimination. The only remedy to present discrimination is future discrimination." Secretary McCord, do you believe the American taxpayer should be forced to pay for this critical race theory training for our military?

Mr. MCCORD. Congressman, I am not sure that what you are describing involves any taxpayer funds if the CNO recommends that sailors read a book.

Mr. GOOD. So, the book would not be provided if selected by the military?

Mr. MCCORD. I don't have any information on how the Navy treats that, but we could get back to you on the record for that.

Mr. GOOD. I continue to hear anecdotally from members of the military that I know in my district about critical race theory being promoted in the military. How do you think critical race theory training would impact our military's preparedness and ability to face threats such as Communist China?

Mr. MCCORD. I am not aware that it is part of our training program. So, that is sort of hypothetical.

Mr. GOOD. Would you believe that critical race training—spending time, efforts, resources on critical race training theory in our military would be beneficial to helping our preparedness?

Mr. MCCORD. I think understanding diversity issues and training in that respect is probably useful. I don't think that that is part of our plan though is to—what you are describing is not part of the Secretary's initiative.

Mr. GOOD. It is sad to hear about it because I have long believed and I did not serve as you have, Admiral, but our military for years, decades, have admired being ahead of the curve on integration and merit-based opportunities and the military's been a model for that for decades in our history, thankfully. The Biden Administration though has shown, I think, weakness in the face of China, seemingly taking a penitent approach in response to China's criticism back in March when Secretary of State Blinken said, "We are not perfect. We make mistakes. We have reversals. We take steps back." Earlier this month, President Biden stated that, "According to the intelligence community, terrorism from white supremacy is the most lethal threat to the Homeland today, not ISIS, not Al-Qaeda, white supremacists."

Earlier this month, he also said, he told our troops that climate change, when he was overseas in the United Kingdom, climate change was the biggest threat to the country. And so, it concerns me that this Administration appears to be more focused on climate change and criticizing an undefined extremism in our own military in standing up to entities such as the most pressing threat, Communist China. Admiral Boxall, I won't ask you about the climate change, the supposed threat of that being such a great threat, but do you believe that extremism in the military is a more pressing threat than Communist China, for example?

Admiral BOXALL. I have stated already that I believe, again from my view as a military member, that threats from Russia and China are near the top. We are engaged in a strategy review that will validate, you know, what we believe as a department and what we recommend by the Chairman to the Secretary as they go through that review, will be part of that. And I think we will put those in the right perspectives. So, I feel confident that we will have those as they have been in 2018, we saw a national defense strategy review that, you know, a lot of that will remain valid as we move into the next few years.

Mr. GOOD. That is what I expected your answer to be, and it is reassuring to hear that, and I appreciate that, sir. The Department of Defense recently convened a Countering Extremism Working Group to, "better understand the scope of the problem of extremism in the military." Admiral Boxall, do you know what the definition of the extremism is that this working group plans to study?

Admiral BOXALL. I do not. But I can tell you that the Chairman, you may have heard him yesterday as he spoke, and I stand behind that 100 percent. You know, he like all of us in uniform wonder, you know, exactly what was driving some of the actions we all saw and were, you know, frankly, very concerned by on January 6. And, you know, we have to look at the facts and the data and they say that there was a military membership of that. And I think it causes us to force ourselves to look inward and determine, you know, how does that occur and is there something that we could do to ensure that we make sure that we have done everything we can to eliminate those things which are prejudicial to good order and discipline in our service.

Mr. GOOD. Thank you. I want to just express my views and I believe the views of most Americans that we are in great debt and gratitude to our military. Thank you everyday for what you do to keep us safe. And very concerned and disappointed with how the military has been disparaged by some in this Administration in this past six months. So, thank you very much for being with us today.

Chairman YARMUTH. The gentleman's time has expired. And apparently, I lied. Mr. Moulton from Massachusetts is entitled to his five minutes. So, I yield those to him now.

Mr. MOULTON. Thank you, Mr. Chairman. Can you hear me OK?

Chairman YARMUTH. We hear you. We hear you.

Mr. MOULTON. Unlike my colleague who just spoke, I am a veteran. And I am very proud of my service in the United States Marine Corps. I am very proud of all the troops who are out there serving today, and I am very proud of the Marine Corps in general. But I can tell you for certain that there is racism in our military today. It hurts our operational effectiveness. It makes us a less capable force. And I admire the leadership of our Department of Defense as our articulated so brilliantly by the Chairman of the Joint Chiefs of Staff, General Milley, yesterday in the hearing before our House Armed Services Committee that attacking this problem is time well spent.

But I think what is most shocking about this moment in American history is I cannot think of a better example of cancel culture than Republicans in Congress trying to tell our military academies what books you should read and what books you should not. There is nothing that sets us apart more from Communist China, no greater advantage that we have as Americans, as United States military than our ability to think critically. I thought we got past McCarthyism in the 1950's. This is the kind of discussion that you expect to have in Communist China where they do censor what their citizens read. They dictate how educational institutions are to be run and what is to be taught. It is unbelievably un-American and un-patriotic to be doing that here.

A budget, of course, is a statement of your values. And if you look at how this Administration is spending its budget, I have some critical questions. But clearly, they are prioritizing the fight against China. Clearly, they are prioritizing the threat of Russia. And they are trying to balance that with the other threats throughout the globe. Let's not forget that our previous President, Mr. Trump, disparaged the military almost every day. He called our troops suckers for volunteering. He called our killed-in-action losers for having died on the battlefield. So, I am pretty shocked that my colleague on this Committee would talk about the Biden Administration disparaging our troops. Where is the evidence for that? Yet, we saw it every single day from the Trump Administration.

I would also like to point out to Ranking Member Smith and other Republican Members harping on the topline that President Biden increased the DoD budget this year by $11 billion. A $715 billion topline up from $704 billion the year before. Do you remember what President Trump did to the budget in Fiscal Year 2021? He decreased it by $1 billion. It started with $705 billion in Fiscal Year 2020. He cut it down to $704 billion in Fiscal Year 2021. So, I think the Ranking Member might want to be careful about who is hog-washing whom here when attacking an administration for its budget plan.

Vice Admiral Boxall, earlier this year China's Premier announced that central government expenditures on basic research will increase by 10.6 percent. That is just basic research the increase for total R&D. The bipartisan Future of Defense Task Force has emphasized that we need to invest more in basic research to get a competitive edge in the future. But I am concerned about a detail of your budget, which is where you are cutting basic research. Right now, it says you have got $6.1 billion. It comes down from $6.4 to $6.7. Talk to me about that. Obviously later stage R&D is important, and you have increased funding for that. But one of the clear conclusions of our report is that we need funding for research to increase across the board if we are going to meet the technological threat of our adversaries.

Admiral BOXALL. Thank you, sir. I would say that this does have, as you already state, a much more focused effort in the later parts of the RDT&E network. The S&T part of it probably didn't get the same share. However, as you look toward having to get to field capability more quickly, and how you want to get after it, you kind of move from the research in the S&T, basic research, and push it into the more further right in the chain into prototyping and testing and development of capabilities that will actually field more quickly. So, it is, I think, a fair criticism for us to look and make sure that we are probably balanced between S&T and RDT&E. But, again, I think for what I have seen this year given that this is the largest budget increase ever in the history of RDT&E writ large, I feel good about that from a military perspective.

Mr. MOULTON. Thank you, Admiral. Thank you, Mr. Chairman.

Chairman YARMUTH. Great. The gentleman's time has expired. I now yield myself 10 minutes, which I will not use because you all have been patient enough and long enough.

Mr. Moulton began a part of a response that I was going to give, and I am working from a little bit different set of numbers than

he is. He was dealing with discretionary budget authority. But in terms of the function 050, national defense budget, are you familiar with that, Mr. McCord?

Mr. MCCORD. Yes.

Chairman YARMUTH. In President Trump's fiscal 2021 budget request, is it accurate to say that his request was for a .3 percent increase?

Mr. MCCORD. I don't have the percentage at my fingertips, Chairman, but I believe the percentage increase, the change was very small from 2020 to 2021, yes.

Chairman YARMUTH. Exactly, at far below 1.6 percent. And do you know whether in any of the 10-year budgets, 10 fiscal years that were projected in his budget, he got anywhere near a 3 to 5 percent increase in the defense budget?

Mr. MCCORD. There were in the Fiscal Year 2018–2019 timeframe a large increase, but not so in the future projections. One did occur a few years ago.

Chairman YARMUTH. And are you familiar with the fact that for Fiscal Year 2026, 2027, 2028, 2029, and 2030, that President Trump's budget request projected no increase?

Mr. MCCORD. In real terms, yes, that is correct.

Chairman YARMUTH. Exactly. And isn't it more accurate to say that the 1.6 percent increase is really if you take out the expenses, the costs related to Afghanistan and then applied the budget request to all of the other activities of the Department, minus that, that the percentage increase would be significantly larger than 1.6 percent in terms of the funding for the remaining activities?

Mr. MCCORD. I would agree that the decrease in Afghanistan is probably the biggest single year-to-year change that we see.

Chairman YARMUTH. The number we had is it is actually if you took out the Afghanistan funding, you reallocate that to the rest of the activities, and it would actually mean a 3.6 percent increase in the total budget request for the remaining activities.

Mr. MCCORD. I don't believe the Department thought about it that way, but I don't dispute your characterization.

Chairman YARMUTH. OK, thank you. You know, the number of my Republican colleagues have I wouldn't say ridiculed, but close to it, the allocation of $617 million to climate-related activities. What percentage, approximately, of the total Defense Department budget would that represent?

Mr. MCCORD. That would be approximately 1 percent.

Chairman YARMUTH. Would it be 1 percent or .1 percent?

Mr. MCCORD. .1 percent, I am sorry.

Chairman YARMUTH. .1 percent. Would you say that the threat posed by climate change represents more than .1 percent of all the threats that we face?

Mr. MCCORD. I would, especially if you think about society writ large, the impacts on agriculture and disruption, all those things, yes.

Chairman YARMUTH. I do want to clarify one thing. Mr. Smucker referred to my opening statement and questioned you as to whether you thought the threat of 2/3 of our installations was accurate? And you said it depends on what kind of installations we are talking about. And what I referenced was the 79 mission assurance pri-

ority installations. Would you say that that statement about 2/3 of those 79 priority installations was accurate being threatened by climate?

Mr. MCCORD. Yes, if you are looking at those larger installations it would tend to fall much closer to the coast.

Chairman YARMUTH. Thank you. And, finally, I told you before I wasn't going to ask about critical race theory and I am not going to ask about it. But I do have to pushback as Mr. Moulton did on a couple of things that were said, and primarily what we heard from Mr. Carter.

When he posed the question, do you really think it would—that the troops would feel it was worth fighting for a country that studied critical race theory? And I had to think, you know, was it worth—is it worth fighting for a country that keeps its citizens ignorant? Or would it be more worth to fight for a country that keeps its citizens informed, that wants its citizens to know its history, and wants it citizens to understand when there are flaws in that country? And it seems to me that we fought a country in World War II that made all sorts of efforts because basically their raison d'etre to keep their country—their citizens ignorant of the truth of the way their country acted.

And, finally, it seems to me that Mr. Carter basically insulted the troops, our troops. Because it implies that our troops couldn't handle that information. That our troops aren't smart enough to understand our history and think critically about it.

Mr. CARTER. Mr. Chairman, I object to that, that statement because that——

Chairman YARMUTH. You are out of order.

Mr. CARTER. That is——

Chairman YARMUTH. You had your time. You had your time.

Mr. CARTER. That is a violation of House rules, the motives of Members.

Chairman YARMUTH. I was not at all impugning his motives. I just said it seems to me that he is implying that our troops can't handle it. And I think that is——

Mr. CARTER. That he is insulting troops.

Chairman YARMUTH. That is not motivation. I am not going to respond.

Anyway, again, it seems to me that even though we are not, apparently, teaching critical race theory and I don't know of one school, one K through 12 school in the country that is teaching critical race theory, although legislatures all over the country now are passing legislation to prevent it. This is kind of like passing legislation to prevent non-existent election fraud. But this is something that is very disturbing because it is once again, it is a group of citizens stoked by forces in the country that only want to divide the country and find reasons for citizens to be afraid of non-existent threats. And that it almost, this movement, anti-CRT movement, is almost something that I think actually supports the premise of CRT that there is institutional racism in the country, and we ought to understand its sources and what we can do to combat it.

So, with that I will say thank you again for your testimony. Thanks for being so patient. I apologize for all the technical

glitches. And I thank you for your responsiveness and your service. And if there is no further business, this meeting is adjourned.

[Whereupon, at 1:46 p.m., the Committee was adjourned.]

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House of Representatives
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# CONGRESSWOMAN SHEILA JACKSON LEE OF TEXAS

## STATEMENT
## HYBRID HEARING:
## "PRESIDENT'S FY2022 BUDGET REQUEST FOR DEPARTMENT OF DEFENSE"

## COMMITTEE ON THE BUDGET
## THURSDAY, JUNE 24, 2021
## 210 CANNON & ZOOM
## 10:30 A.M. (EDT)

- Thank you Chairman Yarmuth and Ranking Member Smith for convening this hearing on the *"President's FY 2022 Budget Request for the Department of Defense."*

- Let me welcome our witnesses:

  The Hon. Michael J. McCord
  Under Secretary of Defense (Comptroller)/CFO
  U.S. Department of Defense

  Vice Admiral Ronald A. Boxall

Director of Force Structure, Resources and Assessments (J8)
Joint Chiefs of Staff

- At the outset, Mr. Chairman, let me say that it is a false and naïve assumption that military spending is the only source of national strength and security.

- Under your leadership, this Committee has held several hearings demonstrating this fact and exposing the folly of ignoring the critical components of national strength and greatness such as economic opportunity, vigorous diplomacy, international alliances, safe and healthy communities, an educated citizenry, shared prosperity, and equal justice for all Americans.

- As Michael Morell, the Former Acting Director and Deputy Director of the CIA, stated on February 28, 2016:

  > "the health of a nation's economy is the single most important determinant in its ability to protect itself, the single most important determinant in its ability to project power, the single most important determinant in its national security."

- With that said, contrary to the false claims are Republican colleagues, the Department of Defense is not underfunded in the President's Budget Request for FY 2022.

- The fact is that excluding direct war costs and enduring overseas costs, funding for regular defense activities is increased by 3.6 percent, which means that $12 billion that was previously going to those activities can now be used for readiness, including support for our troops, and modernization.

- This puts the lie to Republican claims that the President is risking our security because his budget does not provide 3 to 5 percent real growth as the bipartisan National Defense Strategy Commission recommended several years ago.

- It is also interesting to note that the immediately preceding president's budget for FY 2021 only provided a 0.3 percent but in last year's defense hearing the Budget Committee held, not a single Republican member made a similar criticism of that president's defense budget.

- The President's budget for the Department of Defense provides $753 billion for national defense, $715 billion is for the Department of Defense and $38 billion is for the nuclear weapons related activities of the Department of Energy and for various security activities at several other agencies.

- The budget eliminates the Overseas Contingency Operations (OCO) designation and funds all operations from within the base budget, which will ensure better management of resources by providing more predictable funding streams and eliminating a long-abused mechanism to circumvent regular budget processes to avoid making budget tradeoffs.

- The budget includes a 2.7 percent military pay increase and a similar 2.7 percent pay raise for civilian workers, which represent a significant share of the increase in the military personnel and O&M accounts.

- The Pentagon's $715 billion budget for 2022 includes a $5 billion, or 3.1 percent, increase for military personnel, $7 billion, or 2.5 percent, increase for operation and maintenance (O&M), and a $5.5 billion, or 5.2 percent, increase for RDT&E as compared to the 2021 enacted levels.

- Finally, Mr. Chairman, the President's budget shifts resources away from vulnerable platforms and weapons systems that the Department of Defense has determined to be ill-suited to advanced threats and reinvests them in cutting-edge technology capabilities like hypersonics, microelectronics, artificial intelligence, and 5G networking, that will determine our military and national security advantage in the future.

- Let me conclude by saying that we also cannot overlook the impact of January 6, 2021 on the importance of protecting our nation from all enemies, foreign and domestic.

- On that day, the U.S. Capitol, was attacked and breached by angry mob of insurrectionists, comprised of an inordinate number of white supremacists and white nationalists, intent on preventing the Congress from carrying out its constitutionally imposed responsibility of counting electoral votes and announcing the election of the President and Vice-President.

- This represents a dangerous escalation in the activities of what FBI Director Wray testified to Congress is the greatest domestic terror threat facing the nation.

- Equally disturbing is that troubling evidence continues to emerge that the military itself has servicemembers sympathetic to extreme views and white supremacist causes.

- The appointment of the first African American to lead the Department of Defense in the nation's history sends a powerful signal that racism, anti-Semitism, misogyny, homophobia, and other divisive, anti-social, and anti-American attitudes and actions have no place in the Armed Forces and will not be tolerated.

- The U.S. Intelligence Community has assessed that domestic terrorism, particularly white supremacy and white nationalist organizations, is the greatest and most imminent threat to our nation and democratic form of government.

- Mr. Chairman, I applaud the service and sacrifice of the men and women who serve the American people in the civilian and military sectors of government but it is appropriate that this Committee urge and recommend to Secretary Austin that he take decisive action to identify, isolate, and remove from service individuals whose actions on January 6, 2021 at the U.S. Capitol or whose

connections, actions, or affiliations with white nationalist organizations pose a threat to the security of the United States.

- Actions the Secretary should take include undertaking an immediate review of a clearance when a security clearance holder is reported to have engaged in violent acts against individuals, property, or public spaces based on the security clearance holder's association or sympathy with persons or organizations that advocate, threaten, or use force or violence, or any other illegal or unconstitutional means, in an effort to prevent others from exercising their rights under the Constitution or laws of the United States or of any State, based on factors including, at a minimum, race, religion, national origin, or disability.

- Mr. Chairman, I look forward to discussing this welcome budget request with DOD Under Secretary McCord and Vice-Admiral Boxall.

- Thank you; I yield the remainder of my time.

**The Honorable Jan Schakowsky**

***Questions for the Hon. Michael J. McCord***
*Under Secretary of Defense Comptroller/Chief Financial Officer*
*U.S. Department of Defense*

1. When it was first created, we were told by the Trump Administration the Space Force would have a $5 billion budget. Just a few years later and this year's budget request has already reached $22 billion, and requested an additional $832 million in its extra wish list it sent to Congress. The Space Force is duplicative of other services and creates an unnecessary bureaucracy. **What steps will this administration take to control the Space Force's already ballooning costs?**

2. In addition to the Department's work to keep American's safe from enemies domestic and abroad, one of the biggest national security threats the Department must combat is climate change. In September, the Department's new tool, the DoD Climate Assessment Tool, or DCAT, was released. According to DoD's press release, DCAT "enables personnel at all levels of the department…to understand each location's exposure to climate-related hazards using historical data and future climate projections." **Can you discuss this new tool and how it is being used to improve DoD resiliency and preparedness?**

**Representative Judy Chu**
**Question for the Record**

- **Under Secretary McCord**, I am concerned that in the 150-page DoD Budget Summary, the word "hazing" does not appear anywhere. Under the last Administration, despite direction from Congress, hazing response and prevention was not prioritized. From FY2018 to FY2020, the Army, Navy, and Air Force did not show any improvements at tracking incidents of hazing. The vast majority of reported and substantiated hazing incidents have been reported by the Marine Corps each year, which seems to be due to their more robust reporting and tracking system. While the Marines have at least a system in place to report and track these incidents, it is clear that other branches have not followed suit. Please elaborate which specific resources in this budget request will be used to address racism and military hazing in FY2022.

**Representative Stacey Plaskett**
**Question for the Record**

## For Under Secretary Michael J. McCord

I am concerned about the rate of housing allowance for members of the Active Guard Reserve (AGR) in the U.S. Virgin Islands. As you know, AGR members on duty in the 50 States and the District of Columbia currently receive the Basic Allowance for Housing (BAH), which is a flat-rate allowance and allows servicemembers to live off-base comparable to their civilian counterparts. By contrast, AGR members on duty in the Virgin Islands receive the Overseas Housing Allowance (OHA), which is a reimbursable allowance and offers less flexibility for members to find housing options that meets their needs in the territory.

I understand that Hawaii and Alaska are considered "overseas" for purposes of overseas Cost of Living Adjustment (COLA). Alaska and Hawaii AGR members get both BAH and Overseas COLA. It is the position of the Virgin Islands National Guard that AGR members in the Virgin Islands should be compared with AGR members serving in the 50 States and the District of Columbia. The majority of AGR members are from the States and DC where they entered the military just like Virgin Islanders. The Virgin Islands should not be considered an overseas duty station for AGR members. The above is an unfair and unreasonable comparison with active duty members who are not residents and are temporarily assigned to duty locations. I support this consideration as I feel an adjustment to BAH for these servicemembers will benefit these indispensable men and woman who serve and put their country first. Virgin Islands AGR members are experiencing unnecessary stress and financial hardship through the implementation and administration of the OHA program under the applicable regulations.

With this in mind, will the Department of Defense take administrative action—under its available statutory authorities—to extend the Basic Allowance for Housing to AGR members serving in the Virgin Islands, as has been requested by the Virgin Islands National Guard?

**Representative Michael C. Burgess**
**Questions For the Record**

**Under Secretary McCord**, for several years, I have introduced a bill with Rep. Barbara Lee to require a half-percent cut to Department of Defense agencies and departments that do not submit financial statements for an audit, as required by the Chief Financial Officers Act of 1990. We do include exceptions to protection our defense health programs and personnel accounts. I am encouraged that the DoD recently underwent an audit for the first time ever, even though the outcome showed many issues.

In your testimony you state that the DoD has made progress on achieving a clean audit and it remains a priority. During questioning from Representative Lee during the hearing, you stated that you have not had a chance to confer with appropriate DoD elements on whether the expected dates for a clean audit are accurate.

> **When can you provide an update to Congress on the anticipated timeline for the Department of Defense to achieve an unqualified audit opinion?**
>
> **What barriers exist for determining an accurate timeline of undergoing a full audit?**

**Committee on the Budget**
**Department of Defense Fiscal Year 2022 Budget**
**210 Cannon House Office Building**
**June 24, 2021 10:30AM EST**

**Hearing on**

*"Department of Defense Fiscal Year 2022 Budget"*

**Questions from Rep. McClintock** for Vice Admiral Ronald A. Boxall, Director of Force Structure, Resources and Assessment (J8), The Joint Staff, U.S. Department of Defense

For Admiral Boxall:

1. Admiral Boxall, there is growing alarm by the military community in my district over what appears to be the military's fixation on social engineering, personal pronouns, critical race theory, gender reassignment surgery, maternity flight suits, and the private political beliefs of our soldiers and sailors. I asked one retired Navy Captain what he would suggest I ask you. He had three questions, which I'd like to ask you:
    - What are you doing to restore the discipline of seamen ships, so our ships don't collide?
    - What are you doing to restore mission and fighting purpose so that whether confronted by Iranian gunboats or the corona virus, the first impulse of our commanders is not to surrender?
    - What are you doing to assure the American taxpayer that every dollar is devoted to a Navy that is ready and willing to fight?"
2. I have heard reports that we have a large percentage of aircraft and ships that are simply not combat ready. What metrics do you use to determine readiness and lethality of ships and aircraft? Please provide metrics and figures for aircraft and ship readiness of now, five years ago, and ten years ago.

For the Honorable Michael J. McCord, Under Secretary of Defense Comptroller/Chief Financial Officer, U.S. Department of Defense

For Under Secretary McCord:

1. The Chinese military is growing very rapidly relative to ours, yet we are spending three times more for our military than China is for its military. That sounds like a catastrophic management failure. How do you explain spending three times more than China while China's gaining ground on us at such an alarming rate?
2. How much does the proposed budget intend to spend on green energy programs?
3. How much does a gallon of synthetic fuel for our jets cost? How much does a gallon of conventional fuel cost? How much is the Department currently spending on each of these fuel sources?

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For Open Publication
Aug 06, 2021
Department of Defense
OFFICE OF PREPUBLICATION AND SECURITY REVIEW

**House Budget Committee Hearing**
**A Review of the FY22 Department of Defense Fiscal Year 2022 Budget**
**June 24, 2021**

**Questions for the Record Submitted by Representative Jan Schakowsky for the Honorable Michael J. McCord, Under Secretary of Defense, Comptroller/CFO**

1. When it was first created, we were told by the Trump Administration the Space Force would have a $5 billion budget. Just a few years later and this year's budget request has already reached $22 billion, and requested an additional $832 million in its extra wish list it sent to Congress. The Space Force is duplicative of other services and creates an unnecessary bureaucracy. **What steps will this administration take to control the Space Force's already ballooning costs?**

**Response:** Of the Space Force's FY22 budget request, the vast majority (99%) comes from internal Department of Defense transfers of missions, personnel, and equipment to the Space Force in FY22. As a new Service, the US Space Force will focus on protecting freedom of action in space and providing essential support to the joint force. The Space Force will centralize existing missions from across the Department of Defense in order to succeed at preserving our Nation's advantages in the domain. The Space Force will drive unity of effort in force design across the national security space enterprise while modernizing to counter the rising threat. Aligning budgets, resources, personnel, and space capability are an inherent necessity for the establishment of the new Service.

The USSF Budget request for FY22 is $17.4B, with only $156M requested for additional development of the Space Force staff. The Space Force leadership is committed to become a lean, agile service by further leveraging resourcing from other services to cultivate a net neutral approach, reducing the cost of stand-up activities.

**2.** In addition to the Department's work to keep American's safe from enemies domestic and abroad, one of the biggest national security threats the Department must combat is climate change. In September, the Department's new tool, the DoD Climate Assessment Tool, or DCAT, was released. According to DoD's press release, DCAT "enables personnel at all levels of the department…to understand each location's exposure to climate-related hazards using historical data and future climate projections." **Can you discuss this new tool and how it is being used to improve DoD resiliency and preparedness?**

**Response:** The DCAT relies on the best available data and model outputs already produced and processed to provide assessments of future climate exposure to seven hazards: coastal flooding, riverine flooding, heat, drought, energy demand, land degradation, wildfire, plus information on exposure to historical extreme weather events. These data are sourced from the U.S. National Climate Assessment, the National Oceanographic and Atmospheric Administration, the National Aeronautical and Space Administration, the Environmental Protection agency, the U.S.

Department of Agriculture, the Intergovernmental Panel on Climate Change, the U. S. Army Corps of Engineers. The DCAT considers two 30-year epochs of projected climate, centered at 2050 and 2085. These ensure consistency with other national and international analyses while representing a near-term and long-term planning horizon (30- and 65-year time horizons).

This high-level screening assessment provides exposure information for the DoD installation level. This information will help DoD Military Departments to identify where additional investments may be needed in determining sensitivity and adaptive capacity, to therefore help installations plan for climate resilience. The information can support current additional analyses undertaken using the Naval Facilities Engineering Command (NAVFAC) Climate Change Planning Handbook: Installation Adaptation and Resilience (2017), the Air Force Civil Engineer Severe Weather/Climate Hazard Screening and Risk Assessment Playbook (2020), and the Army Climate Resilience Handbook, Change 1 (2020). Updated Unified Facilities Criteria also point to the DCAT as the source for information about future conditions in Master Planning and Civil Engineering.

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**House Budget Committee Hearing**
**A Review of the FY22 Department of Defense Fiscal Year 2022 Budget**
**June 24, 2021**

**Questions for the Record Submitted by Representative Judy Chu for the Honorable Michael J. McCord, Under Secretary of Defense, Comptroller/CFO**

Under Secretary McCord, I am concerned that in the 150-page DoD Budget Summary, the word "hazing" does not appear anywhere. Under the last Administration, despite direction from Congress, hazing response and prevention was not prioritized. From FY2018 to FY2020, the Army, Navy, and Air Force did not show any improvements at tracking incidents of hazing. The vast majority of reported and substantiated hazing incidents have been reported by the Marine Corps each year, which seems to be due to their more robust reporting and tracking system. While the Marines have at least a system in place to report and track these incidents, it is clear that other branches have not followed suit. Please elaborate which specific resources in this budget request will be used to address racism and military hazing in FY2022.

**Response:**

There is no room for hazing or any other type of harassment in the Department of Defense (DoD). Hazing violates an individual's basic human dignity and is an affront to fundamental DoD values. Taking care of our people is a top DoD priority, and a guiding factor in the development of DoD's budget request. In February 2018, DoD published its "Prevention and Response to Harassment in the Armed Forces" policy. This policy codified hazing as a form of harassment. In the FY 2022 Budget Request, the Department discusses its efforts to combat discrimination and all forms of harassment. Although hazing is not specifically identified, DoD's use of the word "harassment" encompasses hazing, sexual harassment, and harassment based on race, color, national origin, and religion.

As we focus efforts and resources on protecting the welfare of our Service members and DoD civilian employees, leaders at all levels of the Department will continue to be responsible for fostering inclusive climates that support diversity, are free from harassment and prohibited discrimination, and do not tolerate retaliation against those reporting this inappropriate conduct.

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**Questions for the Record Submitted by Representative Stacey Plaskett for the Honorable Michael J. McCord, Under Secretary of Defense, Comptroller/CFO**

1. I am concerned about the rate of housing allowance for members of the Active Guard Reserve (AGR) in the U.S. Virgin Islands. As you know, AGR members on duty in the 50 States and the District of Columbia currently receive the Basic Allowance for Housing (BAH), which is a flat-rate allowance and allows servicemembers to live off-base comparable to their civilian counterparts. By contrast, AGR members on duty in the Virgin Islands receive the Overseas Housing Allowance (OHA), which is a reimbursable allowance and offers less flexibility for members to find housing options that meets their needs in the territory.

I understand that Hawaii and Alaska are considered "overseas" for purposes of overseas Cost of Living Adjustment (COLA). Alaska and Hawaii AGR members get both BAH and Overseas COLA. It is the position of the Virgin Islands National Guard that AGR members in the Virgin Islands should be compared with AGR members serving in the 50 States and the District of Columbia. The majority of AGR members are from the States and DC where they entered the military just like Virgin Islanders. The Virgin Islands should not be considered an overseas duty station for AGR members. The above is an unfair and unreasonable comparison with active duty members who are not residents and are temporarily assigned to duty locations. I support this consideration as I feel an adjustment to BAH for these servicemembers will benefit these indispensable men and woman who serve and put their country first. Virgin Islands AGR members are experiencing unnecessary stress and financial hardship through the implementation and administration of the OHA program under the applicable regulations.

With this in mind, will the Department of Defense take administrative action—under its available statutory authorities—to extend the Basic Allowance for Housing to AGR members serving in the Virgin Islands, as has been requested by the Virgin Islands National Guard?

**Response:**

I will certainly bring this matter to the attention of officials in the office of the Under Secretary of Defense for Personnel and Readiness who oversee the BAH and OHA programs. But, in general, the purpose for the housing allowances is to facilitate the ability of active or reserve component members (AC or RC), who are required to relocate frequently, to obtain adequate, appropriate, and available housing in the vicinity of their duty stations. Thus, with the expectation that active duty members will not remain at any particular duty station for more than a few years, the allowances focus upon monthly rental costs for housing.

Because the OHA ceiling is calculated to cover up to the 80th percentile of rental housing costs incurred by members with dependents assigned outside the United States, and BAH is calculated using the median, the BAH rate is often lower than the OHA rate. As a result, switching from OHA to BAH would typically result in rate reductions, reducing the housing allowance amount available to AC members when they arrive in a location. Furthermore, because RC members performing active service in U.S. territories don't tend to relocate as frequently as their AC counterparts, they have typically made different, longer-term, and often lower-cost housing

choices. Switching then, from OHA, a direct reimbursement of housing costs, to BAH, a payment for current rental market costs, often results in an unexpected gain to RC members.

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**Questions for the Record Submitted by Representative Michael C. Burgess for the Honorable Michael J. McCord, Under Secretary of Defense, Comptroller/CFO**

**Under Secretary McCord**, for several years, I have introduced a bill with Rep. Barbara Lee to require a half-percent cut to Department of Defense agencies and departments that do not submit financial statements for an audit, as required by the Chief Financial Officers Act of 1990. We do include exceptions to protection our defense health programs and personnel accounts. I am encouraged that the DoD recently underwent an audit for the first time ever, even though the outcome showed many issues.

In your testimony you state that the DoD has made progress on achieving a clean audit and it remains a priority. During questioning from Representative Lee during the hearing, you stated that you have not had a chance to confer with appropriate DoD elements on whether the expected dates for a clean audit are accurate.

**1. When can you provide an update to Congress on the anticipated timeline for the Department of Defense to achieve an unqualified audit opinion?**

**Response:** I want to reaffirm that the entire Department of Defense (DoD) leadership team remains fully committed to making steady and consistent progress toward achieving an unmodified audit opinion on our consolidated financial statements. In reference to when DoD can provide Congress a timeline update toward achieving an unqualified audit opinion, there are multiple annual DoD congressional reporting requirements where this information is provided. We will continue to provide updates in these reports and highlight DoD's progress toward achieving an unqualified audit opinion.

**2. What barriers exist for determining an accurate timeline of undergoing a full audit?**

**Response:** DoD's sheer size and complexity is the primary barrier for determining an accurate timeline. Auditing the DoD is an enormous undertaking. Our size and global footprint dwarf other federal agencies, as well as most private sector companies. The DoD employs nearly 3 million service members and civilians. It runs one of the largest healthcare systems in the country, supporting more than 9 million people, and manages one of the federal government's largest real property portfolios, with assets (buildings, structures, and linear structures) located on 4,800 sites in more than 160 countries. DoD Military bases operate like small cities, with law enforcement, hospitals, grocery stores, schools, transportation systems, and housing. And while a typical commercial airline manages between 300 and 1,600 aircraft, the Military Services operate roughly 17,400 aircraft—and nearly 300 Battle Force ships.

DoD has a large number of systems (250+) managed and hosted by multiple organizations that impact the overall success of the audit. While the Department continues to pursue efforts to reduce the system footprint, there are numerous challenges making this difficult to accomplish in a short period of time. Some of these challenges are summarized below:

- Many DoD systems were purpose-designed and built to address operational and compliance requirements, versus accomplishment of financial accounting. Legacy systems designed with focus on those two requirements often are difficult to replace or reengineer. Specialized capabilities and DoD-unique functionality delivered by outdated systems can necessitate their continuation when commercial platforms cannot provide the required functionality.

- In addition to supporting the military mission, the DoD operates in multiple "industries". These include but are not limited to manufacturing, healthcare, retail/food and beverage, oil and gas distribution, transportation and logistics, construction, property management, and others. Each of these industries has unique requirements including accounting treatment.

- An additional complication is that many DoD systems process both classified and unclassified transactions that also makes them difficult to replace.

These challenges aside, the DoD is committed to and has made progress in reducing the IT footprint. For example, over 25 applications have been migrated to Cloud hosting service providers. In addition, 25 Other Defense Organizations (ODOs) have migrated to the Defense Agencies Initiative (DAI) ERP which has received four (4) consecutive unmodified SSAE 18 opinions.

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**Questions for the Record Submitted by Representative Tom McClintock for the Honorable Michael J. McCord, Under Secretary of Defense, Comptroller/CFO and Vice Admiral Ronald A. Boxall, Director of Force Structure, Resources and Assessment (J8), The Joint Staff**

**Questions for Vice Admiral Ronald A. Boxall, Director of Force Structure, Resources and Assessment (J8), The Joint Staff, U.S. Department of Defense**

1. Admiral Boxall, there is growing alarm by the military community in my district over what appears to be the military's fixation on social engineering, personal pronouns, critical race theory, gender reassignment surgery, maternity flight suits, and the private political beliefs of our soldiers and sailors. I asked one retired Navy Captain what he would suggest I ask you. He had three questions, which I'd like to ask you:
   - What are you doing to restore the discipline of seamen ships, so our ships don't collide?
   - What are you doing to restore mission and fighting purpose so that whether confronted by Iranian gunboats or the corona virus, the first impulse of our commanders is not to surrender?
   - What are you doing to assure the American taxpayer that every dollar is devoted to a Navy that is ready and willing to fight?"

**Response**: The FY22 budget requests $122.1 billion to sustain military readiness, to ensure the Joint Force is the best maintained, and our Service Men and Women remain the best trained and equipped in the world. The United States Navy remains the preeminent maritime force in the world and is committed to fielding a well-trained surface force capable of defending our nation's interest across the globe. With 297 ships, the United States Navy is underway around the world, today and every day, protecting American security, prosperity, values and interests globally--and doing so with proficiency, teamwork and professionalism.

Our Naval Forces continue to develop talent through initiatives such as Ready Relevant Learning, Culture of Excellence and Warrior Toughness.

- **Ready Relevant Learning** is the baseline for a career-long continuum transforming an industrial-era training model into a modern, responsive system. The Navy provides Sailors with the right training at the right time to maximize Sailors' abilities to operate at the extreme technical edge of their equipment across the full spectrum of conflict and ultimately win in a high-end fight.
- **Culture of Excellence** is a Navy-wide approach to building a more lethal warfighting force by increasing individual Sailor toughness and resilience while improving the trust that Sailors have in each other, their commands, and the Navy whole. To achieve warfighting superiority, the Culture of Excellence creates an environment of psychological, physical, and emotional toughness while promoting toughness, trust, and connectedness among our Sailors and families.
- **Warrior Toughness** is a mental, physical, and spiritual toughness curriculum that aims to encourage the use of a warrior mindset, the Navy's core attributes, and performance psychology skills to enhance performance and warfighting readiness. This training

focuses on preparing the Sailor to perform better when called upon, regardless of adversity, or in the face of a determined adversary.

These Navy initiatives reinforce the overall Joint Force readiness goals of ensuring the Joint Force is the best maintained, and our Service Men and Women remain the best trained equipped in the world.

2. I have heard reports that we have a large percentage of aircraft and ships that are simply not combat ready. **What metrics do you use to determine readiness and lethality of ships and aircraft? Please provide metrics and figures for aircraft and ship readiness of now, five years ago, and ten years ago.**

**Response:** The response to this question is classified which the Department is prepared to provide via secure means.

**Question for the Honorable Michael J. McCord, Under Secretary of Defense Comptroller/Chief Financial Officer, U.S. Department of Defense**

1. **The Chinese military is growing very rapidly relative to ours, yet we are spending three times more for our military than China is for its military. That sounds like a catastrophic management failure. How do you explain spending three times more than China while China's gaining ground on us at such an alarming rate?**

**Response:**

The Department recognizes that China's ambitious military modernization, consistent defense budget growth, and evolving military capabilities present enduring and increasingly significant challenges to the United States' military advantage in the Indo-Pacific region. While the United States' defense budget remains significantly larger than China's official defense budget, several critical factors complicate a direct comparison in military expenditure and contextualize China's emergence as the pacing challenge for the Department.

Because China's published $209 billion official military budget excludes several major military expenditure categories, such as R&D and foreign weapons procurement, this figure represents a substantial underestimate of its actual military-related spending. Further, direct comparisons between U.S. and Chinese military spending do not take into account differences in their material, manufacturing, and labor costs, which drastically reduce the relative cost of Chinese military capabilities and personnel compared to the United States. These differential defense costs are exacerbated by China's military-civil fusion strategy, usage of state-owned enterprises

for defense procurement, and extensive theft of advanced military and dual-use technologies from the United States and its partners.

The United States' global posture and commitments have also required the Department to make strategic trade-offs as it addresses threats from China in the Indo-Pacific region. The Secretary's China Task Force and Global Posture Review, among other activities, aim to reevaluate these commitments to focus more attention and resources to the challenge posed by China.

Considered together, these factors have substantially increased China's effective defense spending relative to the United States, and support its rapid military modernization and emergence as a strategic competitor in the Indo-Pacific.

**2. How much does the proposed budget intend to spend on green energy programs?**
**Response:** The Department does not have a "green energy" program or budget line. Spanning multiple accounts, the FY2022 President's Budget includes $1.2 billion in investments that enhance installation energy resilience through energy efficiency, cyber-secure micro-grids, and distributed energy resources, technologies that include and enable renewable energy generation. These investments influence $3.5 billion spent on utilities to support DoD installations in FY 2020.

The Energy Resilience and Conservation Investment Program (ERCIP) is the principal program used for construction of energy resilience projects, and the FY 2022 President's Budget include $287 million in military construction funding, including planning and design. Energy efficiency and resilience investments also are made as a component of Service MILCON and through 3rd party financed authorities such as energy privatization, energy performance contracting, and enhanced use leases.

**How much does a gallon of synthetic fuel for our jets cost? How much does a gallon of conventional fuel cost? How much is the Department currently spending on each of these fuel sources?**

**Response:** In FY 2020, the Department spent $9.2 billion on 77.6 million barrels of conventional fuel at an approximate cost of $2.82 per gallon. The Department did not purchase any synthetic fuel for operational use in FY 2020. Department purchases of synthetic fuel are guided by 10 USC § 2922h, which directs that the "Secretary of Defense may not make a bulk purchase of a drop-in fuel for operational purposes unless the fully burdened cost of that drop-in fuel is cost-competitive with the fully burdened cost of a traditional fuel available for the same purpose."