Discussion

- Rep. Mike Garcia, US Representative, Twenty-Seventh District of California
- Jeremy Hunt, Media Fellow
- Timothy A. Walton, Senior Fellow, Center for Defense Concepts and Technology

Disclaimer: This transcript is based off of a recorded video conference and breaks in the stream may have resulted in mistranscriptions in the text.


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Hudson seeks to guide public policy makers and global leaders in government and business through a vigorous program of publications, conferences, policy briefings, and recommendations.
Jeremy Hunt:

Well, good afternoon and welcome to Hudson Institute. We are a research organization that has the mission of promoting American leadership for a secure, free, and prosperous future. I'm Jeremy Hunt. I'm a Media Fellow here and I'm really excited, we're going to be discussing how to overcome our nation's military readiness crisis. And I'm thrilled to have here Representative Mike Garcia.

Congressman Mike Garcia:

Thanks for having me.

Jeremy Hunt:

As well as Hudson's own, Timothy Walton, the senior fellow here. And I'm just excited to share, to kind of walk through what's been going on in our country, what are some solutions that we can look towards in terms of solving it? And then I also want to open it up at the end for audience Q&A. If you have any questions, you can prepare those and towards the end, feel free to raise your hand and we'll be happy to answer those as well. But I want to start by first introducing Congressman Garcia. He's a first generation American and was a highly decorated US naval aviator and businessman before serving in the House of Representatives. He's also a top graduate of the US Naval Academy in Annapolis, which we can forgive him for that.

Congressman Mike Garcia:

Let's forget about the football game last season.

Jeremy Hunt:

Oh, yeah. Sure, we'll forget about that.

Congressman Mike Garcia:

Let's forget about that.

Jeremy Hunt:

And also, went to Georgetown University where he earned his master's degree in national security. And Congressman Garcia spent over a decade on active duty as one of the first F/A-18 Super Hornet strike fighter pilots in the Navy. And in 2003, Congressman Garcia flew over 30 combat missions during Operation Iraqi Freedom in the skies over Baghdad, Fallujah, and to Crete. As former Vice President at Raytheon, Congressman Garcia was responsible for business growth and the creation of hundreds of jobs as well as managing programs and technologies that provided unfair advantages to American war fighters. And he now lives in Santa Clarita, California with his wife Rebecca and their two sons. And Congressman currently serves on three House committees, the House Committee on Appropriations, including the Appropriations Defense Subcommittee and the House Permanent Select Committee on Intelligence, as well as the House Committee on Science, Space, and Technology. So welcome Congressman.
Congressman Mike Garcia:
Thanks. Thanks for having me. No, I appreciate it.

Jeremy Hunt:
And we also have our own, Hudson's own, Timothy Walton, who is a Senior Fellow and works for the Center for Defense Concepts and Technology here at Hudson Institute. And he has conducted several projects for the Department of Defense and published extensively on military force development and readiness issues, including co-authoring a recent report on readiness metrics. So we're so happy to have you here as well, Tim.

Timothy Walton:
Thanks, Jeremy.

Jeremy Hunt:
So I'm going to start by asking, I want to kind of lay out the problem. What's been going on? How did we get to this place now where we are, one of the major issues of the readiness crisis is the recruitment crisis? Just last fiscal year, the army was 15,000 soldiers short of its recruitment goals. So I wanted to talk to you just about how did we get to this place that was the worst recruitment crisis we've been in since the advent of the all volunteer force? How did we get to this place?

Congressman Mike Garcia:
It's been coming for a few years, but we're sort of at this confluence of a perfect storm and there's a lot of elements that feed into it. I'll outline all of them, but I want to start by saying A, this was actually predictable and some of us were talking about this two years ago in fact, and B, this isn't like... These indications that we're getting the missing of the goals, the Army, to put this in into scale, missed its recruitment goals by 25% in the last year. So these aren't insignificant misses. There's something clearly wrong. There's really massive negative trends. And so it's not like the canary in the coal mine has died. Right?

Jeremy Hunt:
Yeah. Right.

Congressman Mike Garcia:
This is our biggest, strongest miner has died, and we are now trying to figure out how to prevent this from getting worse. So let's look at all of the elements that have fed into this. One, military pay is a big issue right now and we'll talk about that later, I think. The quality of life, we all know when you join the military is not the best. You give up some of your freedoms, you give up some of your rights, you live on bases. I lived in Lemoore, which was, I'll be nice and call it the armpit of California, not my favorite place to be. Great place to fly, but not a great place to live and quality of life. Or you're on an aircraft carrier or you're living in a tent in the field. So quality of life isn't great, but these are all things that we have always had problems with when it comes to the
military, pay and quality of life. The third major element is we've come to the end of this global war on terror, even though it's still being conducted at some level, it's been 22 years since 9/11.

And so a lot of our military have been on multiple deployments, some six to eight times in a 12 to 14 year career. I'm sure you saw that firsthand. But they've also now lost a critical mission. And when you're a soldier, when you're in the armed forces, having that mission is very important because it defines what you are doing for a living in this case as a soldier. And so that sort of 20 year low intensity conflict mission being put aside is actually a problem for some people that have been in for say, 15 years. We all know that the Afghanistan debacle, which was touted by this administration as a success, was an absolutely devastating factor in people wanting to get out. And I would say the more devastating impact of Afghanistan was preventing good people from wanting to get in. And recruitment and retention are tied together.

Today's retention problem is actually tomorrow's recruitment crisis. So when you have something like Afghanistan happen, you not only potentially demotivate your existing ranks, but you're inspiring people to not join the military. And so that was very dangerous. We're living in an environment with record high inflation right now. So when you're making $22,000.00 a year and you see the inflation that we've been experiencing over the last 30 months, it's cost prohibitive to join the military or stay in it. We have a record high gap right now between military pay and their civilian counterparts. So when you're in the military, you're looking at someone doing the same job as you making in some cases two to three times the amount that you're making doing the same job. And we're in an environment right now where in the world outside of the military, there's not people looking for jobs. There's actually jobs looking for people. So those head hunters and those corporations are actively going after active duty personnel or people who are considering going on to active duty personnel.

Jeremy Hunt:
They're quite aggressive too.

Congressman Mike Garcia:
And they're very aggressive and they drop big carrots in front of them and you look at all the other trades. And I think the last element which we can't dismiss, it's very important, is leadership matters. And when you have a President of the United States like we do right now, that is uninspiring and frankly reckless on the international stage, when we see events unfold, like they are this week in Sudan, similar to what we saw in Afghanistan, a very reactive posture about protecting American lives. And when you see a Secretary of Defense within that administration behave like he's also a reactive character, a non-playable character basically in this world, it's not inspiring for people. And so I think that's why we're seeing people leave at record levels. And when you combine all of those things, you've got this, like I said, it's a confluence of a lot of bad things coming together at once and it's a real problem.

Jeremy Hunt:
Absolutely. Absolutely. Certainly, now three embassies that we've now abandoned, I think that it's certainly uninspiring for a lot of people.

Congressman Mike Garcia:
Unprecedented. Yeah. By the way, on Afghanistan, not to get too far off track, it's not unprecedented. We gave up Bagram, proactively gave up Bagram airfield. When you look at every major conflict from World War I, World War II, Vietnam, Desert Storm, in the wake of those things, we kept a sort of keystone military installation, which acted as that sort of foundational stabilizer in the region, right?

Jeremy Hunt:
Right.

Congressman Mike Garcia:
So to give up Bagram after 20 years in Afghanistan will go down in military history as probably one of the biggest mistakes from a macro strategic picture that any country has decided on. I think it was very important that we did that and not in a good way.

Jeremy Hunt:
Yeah. And Tim, I wanted to get your thoughts on this too, just kind of how we got to where we are now.

Timothy Walton:
Sure. I think Congressman Garcia has very aptly characterized some of the challenges in the military recruitment and retention crises. I would just expand by presenting, I think as Congressman Garcia was starting, that we're operating in an environment in which there is a national workforce shortage for all sorts of different factors. We're viewing that there is now an inability for US industry to meet the demand for critical sectors needed for US economic growth, including in the national security field, in electronics design, and manufacturing, the maritime industry, and even defense production itself. So the DOD is now falling into a situation in which there's this national shortage for workers, which we know has been aggravated in part by the COVID pandemic when we had a drop in both births, as we look at long-term demographic projections, and also immigration. And so as we consider coming out of this, I think we're going to talk a little bit more about some of the military reforms that are necessary.

I think also at a national level, it will be important for us to start a dialogue as to what are the set of policies that this administration or a future one needs to embrace to address some of these underlying issues, be it a need for expanded and accelerated, I think, legal immigration policies that promote families and family growth, promote the sanctity of life. And all those I think comprehensive policies create an environment in which we can grow the workforce. Obviously this is an issue about long-term demographic projections that won't address the near term readiness challenges that we have today, and we're going to delve more into those, but I think starting a national discussion on those will be important.

Jeremy Hunt:
Absolutely. And in that vein, Congressman, I want to hear just what have you heard from, I know we've had several defense leaders have been on The Hill kind of testifying about lot of these issues, what are they doing to tackle this and what should they be doing?
Congressman Mike Garcia:

Well, they're starting to open their eyes to the problems that we've outlined and they're starting to take some actions, but not enough. I'll be honest. I think they've focused on other things. The whole point of a military is to deter a war. And if undeterred, to win the war, that's it. It's not exotic, it's not this confusing mission. But when you start looking at some of the things they've been messaging on The Hill and in other places or when you look into their budgets, there's a lot of things in there that don't go towards deterrence or the winning of a war. And when you do that, you dilute, you dilute our forces, you dilute our readiness, you dilute our mission, and all those things are our negative impacts. But they are starting to wake up to the fact that we have a pay gap. They know that they have a quality of life gap.

It wasn't because they were forward thinkers in this environment, unfortunately, it's because we have this giant bear outside of our tent called China that has become a bigger problem than anyone predicted it would have in just the last, call it five years. So we have a forcing function in the form of a pure adversary, not a near peer adversary. China in many domains is actually outpacing us. I've seen it firsthand. And so we have to catch up and that's not where you want to be as a superpower. You don't want to be playing catch up as a superpower. You want to be maintaining an offensive advantage and being able to be offensive in terms of cyber capabilities, economic sanctions, or whatever other levers you have that are non-kinetic to prevent them from catching up to you. But we are actually in a role reversal right now where we are behind.

And so they're starting to talk about base pay for the military, quality of life for the military. They're starting to talk about number of ships in the Pacific. We've been talking about this pivot to the Pacific for gosh, 20 years almost, and we haven't actually pivoted to the Pacific.

Jeremy Hunt:

When I was a cadet at the Academy, [inaudible 00:14:42] this pivot-

Congressman Mike Garcia:

Yeah, that's right.

Jeremy Hunt:

... That never happened.

Congressman Mike Garcia:

It never happened., right?

Jeremy Hunt:

Right.

Congressman Mike Garcia:

So because of that though, now we have the dragon and Chairman Xi feels empowered because we have left it vacuous in that region and he's been able to take advantage of that. So now we are starting to actually pivot to the Pacific. You see that in the budgeting process. We're
starting to take care of our troops a little bit better, but we're not doing it at the scale we need to be, to be honest. We need to exponentially ramp up and time is not on our side. This China problem's going to be real in 2025, 2026 at the latest.

Jeremy Hunt:
Absolutely.

Congressman Mike Garcia:
So it's a real issue for us.

Jeremy Hunt:
Yeah.

Timothy Walton:
I'd just add Jeremy, that I think in the past, DOD leaders would've more or less waited out. They'd say the business cycle will change, specifically we'll have a recession and then we'll be able to solve our recruitment and retention problems. So you would almost see in testimony sometimes an expectation that a recession would solve DOD's recruitment challenges. As the workforce, sort of trends in the workforce have been evolving, I think what we're seeing now is likely not going to go away even if we enter into a recession. So DOD leaders I think should not sit back and wait for hopefully a recession that doesn't take place, but rather need to proactively move forward and adopt some of the reforms I think we're going to dig into. Another element I think is DOD probably needs to start to consider how do we change our force design to reflect the fact that talent it will be increasingly challenging to obtain.

In the past, building off the World War II legacy, we had a conscription army, we could draw on a large pool of labor, we then transition to an all volunteer force, but in many ways DOD assumed that it could count on a plentiful supply of labor to fill its ranks. That's going become increasingly challenging for demographic issues, for changes in workforce issues. So I think it's going to be important for DOD to think about what are the changes in force design that are necessary. One opportunity to help address this is increased automation, both in introducing more uncrewed systems, but even in crewed systems. So as the services introduce a new generation of crewed platforms, for instance, how can they incorporate more automation so you can effectively or more effectively operate that system with fewer personnel? I think a salient example is the Navy's Next Generation Destroyer, DDG(X).

It's supposed to be a marquee platform that the Navy's going to introduce, but it's going to require as many personnel as the previous generation. When we look at all sorts of other navies around the world have started to adopt more automation to help reduce some of those demands. I think another macro trend that Department of Defense will likely need to consider is the force design of the Army itself. The Army historically has been a heavily labor-intensive service where it's been organized around infantry brigade combat teams. And as the Army starts to look back at the lessons in the war in Ukraine, there may be some opportunities for I think rebalancing to a more capital intensive force design where we more heavily emphasize fires, for instance, which will hopefully increase our performance in European or Indo-Pacific theaters, but also slightly reduce the number of personnel required. So I think these types of
tweaks in terms of DOD not just assuming that it's going to have personnel and start to account for changes in its force design will be increasingly important.

**Congressman Mike Garcia:**

Just a quick observation on what he said, and it's very important, it's nuanced, but there's two flavors of forcing functions. There's positive forcing functions like inspirational leadership, forward thinkers, strategies that are well-thought-out and then implemented with tactics underneath them, like the National Defense Strategy, what we used to call the Quadrangle Defense Review. These were forcing functions that were favorable things. Unfortunately, what we see as a nation, we tend to react to quicker is the negative forcing functions, 9/11 type events, world conflict type events, the recession being a forcing factor for us to get healthy on the military side. We want to avoid, and in today's case it's China surpassing us, we want to try to avoid the negative forcing functions and harvest those positive forcing functions earlier. We're already sort of behind the ball a little bit on the China threat. So the question is how do we prevent not only China from becoming the issue that is already staying the issue, but preventing the next major threat from overwhelming us as a superpower because it becomes an existential conversation if you don't do it correctly. So a very important point.

**Jeremy Hunt:**

And it's frustrating too. You hear from a lot of the defense officials, you say, "What are you doing to think forward? What are we doing proactive?" And the only thing proactive they're doing is, oh well, a green fleet and zero carbon emissions. That's the only thing when they could be focusing [inaudible 00:19:33].

**Congressman Mike Garcia:**

When you have leaders in your cabinet saying that climate change and political extremism are the biggest threats to national security, you have demonstrated right there that you don't know what your job is or what the actual threats to the country are. And so that goes to the earlier point we're making about these budgets are diluted because of these other distractions.

**Jeremy Hunt:**

Absolutely. Absolutely. And so we've kind of touched on this before just about what's going with military pay right now. Our junior enlisted service members are struggling. I mean, no doubt about it, even when I was in, several soldiers could barely, if they have two or three kids especially, could barely afford housing and just their conditions have only worsened since that time to now. And that was only five years ago when I was in. And you've been leading this fight, I mean, I just want to thank you for the work you've been doing.

**Congressman Mike Garcia:**

Yeah.

**Jeremy Hunt:**

Can you just share about what's been going on, and what you're hearing from your constituent, and what Congress can do about it?
Congressman Mike Garcia:

Yeah, and just to put things in perspective right now, when you join the military in 2023, you start off at $21,000.00 a year. That's your salary, which is anemic. When you normalize that for a 40-hour work week, that's about $11.00 an hour.

Jeremy Hunt:

Wow.

Congressman Mike Garcia:

The average American, the average member of Congress is not aware of that. In California, McDonald's workers are starting at about $22.00 an hour. So we are basically telling the world right now that we are willing to pay a McDonald's worker twice as much as we are willing to pay our junior enlisted, which is factually correct and we need to fix this problem. We will pass a bill, I'm confident. Actually the meeting I had right before coming here was a bill that I've got on the floor right now that gets enlisted pay above no lower than $31,200.00, which is the equivalent of $15.00 an hour when you normalize it. It's still very low, but at least it's about a 50% increase to base pay. When you look at the housing allowances, there's some tax credits we can give for active duty. Quality of life issues, we've got a big bill passed that allows military spouses to cross deck their professional licenses across state lines when they move on orders.

So nurses, teachers, doctors can work in the new state that they get orders to. That actually was signed into law by Biden in January, so kudos to him for supporting that.

Jeremy Hunt:

And you introduced that?

Congressman Mike Garcia:

That was my bill as well from the last session and then he signed it in January on his desk. So we were very proud of that. So things like that are happening and I'm confident we're going to get a pay increase for the junior enlisted this cycle. I'm fighting that on the appropriation side and we're working with the Armed Service Committee in the House. And so I'm confident we're going to do it, but we're going to have these near-term victories with an overarching sort of shadow on us that the long-term problems still need to be addressed. And even $15.00 an hour right now is only behaving like $10.00 an hour when you have three years of 7% inflation. And so we've got to keep our troops current and competitive in this market space.

Jeremy Hunt:

Absolutely. And I want to go back to just your note about the bill that was just recently passed and for spouses.

Congressman Mike Garcia:

Yeah.

Jeremy Hunt:
And could you just share about why that's so important? I mean, for a lot of folks when you're moving around, the Army moves around, Navy moves around quite a bit, being able for your profession to go across state lines, that's huge.

**Congressman Mike Garcia:**

Yeah, huge. So first of all, the backstory on this one is I had the commanding officer of Edwards Air Force Base meet with me while I was running as a candidate. And he said, "Hey, one of our problems is I have 20 nurses on base, I have 20 teachers on base, but they can't get work in your district because they're not credentialed and California won't recognize their license." So this was one of our priorities. About 30% of our active duty troops have spouses that have a professional license, beauticians, nurses, teachers, doctors, real estate agents. And our current unemployment rates right now among spouses is 20% because of that. So when you move from Virginia to California, or vice versa, any state, they would need to get, under last year's laws, get re-credentialed, thousands of dollars sometimes a year to get re-credentialed. And if you're only there for two to three years, what happens is the spouse says, "Hey, it's not worth it. I'll stay home with the kids."

And now you got a whole family that's now a single income family living off of that pay that we just described. So they're destitute, they're on food stamps. 30% of our enlisted troops qualify for food stamps right now. So allowing the spouse to work is huge, but it benefits the community because now we have more teachers, more nurses, which we need more of in almost every state. We have the revenue, the tax revenue from the spouse working and spending money in the local community. So it was an easy win. It was just getting people to recognize that this was a problem. We got bipartisan support, and now it's the law of the land. So about 140,000 families on active duty can take advantage of this. And if anyone gets push back from the states, we need to know about it. We'll go fight that fight.

**Jeremy Hunt:**

Absolutely.

**Congressman Mike Garcia:**

So yeah, it's a big deal.

**Jeremy Hunt:**

That's amazing. That's amazing. Well, I wanted too to kind of pivot a little bit to talk about contracting and procurement. I mean, you have a history of serving as a VP at Raytheon, and we know that the Pentagon has recently run into challenges with the strike fighter shortfall. And you've been asking a lot of the tough questions to some of our defense officials about this and as someone who flew Super Hornets during your time in the Navy. So what are your thoughts on this impasse between Congress, DOD, and Boeing, and now we're hearing reports it might take up to 2031 before we close that gap.

**Congressman Mike Garcia:**

Yeah, strike fighter shortfall. Actually, we've seen this developing over the last call it 10 years. In fact, with the advent of F-35, which is a good aircraft, but delayed. Multiple services now have
gaps literally in terms of their force structure. And so to put it in perspective, we have gotten to the point where the Navy is messaging that they may not have enough aircraft to fill two aircraft carrier air wings within the next several years, before 2030. And that trend is actually not getting better. The gap is actually getting larger. So we appropriated, the Navy, the Super Hornet example, and by the way, I'm platform-agnostic. This isn't me advocating for the Super Hornet or the F-35. We need more metal in the air. We need more shadows on the ramp as they would say because we have a huge capacity gap right now relative to China in terms of strike fighters.

They're adding about 200 aircraft to their respective fleets a year and we are basically flat designation, so that is a huge problem. The Navy didn't ask for Super Hornets in the FY22 budget. They didn't ask for Super Hornets in the FY23 budget. So we added those for them because I am aware of the strike fighter gap and they were putting their head in the sand about this problem. And what we found out was after two years of appropriations budgets and them effectively being required by law to go purchase these aircraft, they still haven't put the contractor on contract or the entire supply chain. So now you've got a supply chain for a major aircraft program going cold, in some cases starting to dismantle the production lines because they have to, and you've got lawyers in the Pentagon trying to claw at what is intellectual property.

They're doing it under the auspices of, hey, we need the technical data to be able to sustain the aircraft. But they have all that already. And so I'm actually disappointed in Secretary of the Navy on this one. We've had some very blunt conversations in private and in public, and he committed in a hearing a couple of weeks ago that he's going to get the contractors on contract here soon. But the fundamental problem is we've got to recognize that the priority is the war fighter, and our national security, and our taxpayers, not the lawyers, not the contracting officers. And so we need leadership to make sure that they're prioritizing on the right thing and then they're letting the right people lead the negotiations with these major contracts. Otherwise, you can have... Bill LaPlante is doing the right thing at the Pentagon. He's trying to move faster. He's trying to instill these values of speed, [inaudible 00:28:06] speed over margins in some cases.

But if the contracting officers and the lawyers aren't abiding by that, or in some cases they're doing the opposite of that, you're going to have problems like this. So I'm hosting a defense forum on December 28th in my district, or excuse me June 28th in my district with Secretary of the Air Force Kendall. We're trying to get Bill LaPlante there as well. And we'll have about 100 aerospace and defense companies there. And the focus of that forum is to figure out how do we knock these barriers to speed? How do we contract quicker? How do we get clearances quicker? How do we do longer term contracts instead of yearly contracts? And Congress is not blameless in this. The fact that we can't pass a budget on time is a huge problem for the military industrial base and as well as the Pentagon. So we're all going to huddle up for a full day of just documenting what these barriers are, where we can get better, and we'll close the actions over the next year or so.

Jeremy Hunt:

Amazing. Amazing. Tim, did you have?

Timothy Walton:
Yep. I’ll jump in by adding that in addition to I think the number of aircraft we have in the Department of the Navy's aviation portfolio, a key question moving forward will also be ensuring that the capability of those aircraft is relevant. So we’ll see how many Super Hornets the Department of the Navy ends up buying, whether the fiscal year 2023 buy ends up being the last tranche or not. Regardless though, there is an essential need to modernize all the Super Hornets that we have in our fleet because they’re going to be in the fleet well into the 2030s regardless of how fast we acquire F-35 C, Next Generation Air Dominance aircraft, we need our Super Hornets to be relevant. So the Service Life Modernization Program that's now ongoing will introduce a new infrared search and tracking sensor onto that aircraft, which is a positive development.

But to Congressman's point on the importance of accelerating contracting, we need to find better vehicles for starting to introduce other capabilities onto that jet and other aircraft moving forward as well. We're talking about low probability of intercept and detection data links, for instance, or improvements to the electronic warfare and survivability systems on the aircraft, longer range air-to-air missiles such as the AIM -260 and some newer or shorter range air-to-air missiles so you could intercept munitions coming at the fleet. These are the types of changes that regardless of the top line number of aircraft we have in our fleet, if we just look at that number and are content with that, it maybe can give us a false sense of confidence.

**Congressman Mike Garcia:**

That's right.

**Timothy Walton:**

Because if they're not relevant into the 2030s against a pure adversary like China, they're not going to be able to deter that aggression.

**Congressman Mike Garcia:**

And I mean, even F-22 is getting modernization programs, F-35 is continuing to evolve. We look at capacity and capability, and right now we have a problem in both those buckets, so we need more metal in the air, but that metal has got to be constantly evolving. Next Generation Air Dominance on in both the Air Force and Navy sides will play a huge role in the next increment of upgrades at the platform level. But we can't slow down, that's the bottom line. We can't defund. We got to make sure we're throwing... We got to be throwing more money on the procurement side.

**Jeremy Hunt:**

And on that note, I mean obviously the budget in terms of increasing the debt ceiling, that's a big conversation right now with the ongoing budget battle.

**Congressman Mike Garcia:**

Yep.

**Jeremy Hunt:**
How vulnerable do you think the defense budget will be in this fight? I mean, we've heard even some people on even some different thoughts even on the Republican side of people who are saying, well, maybe we should cut defense. Are you concerned about that? Are we going to be able to maintain?

**Congressman Mike Garcia:**

Yeah. First of all, every budget right now should be concerned about cuts, right? My job as an appropriator, especially on the Defense Subcommittee, is to make sure that we are still keeping our troops whole. That we're not coming off the funding requirements for major programs like what we have, that we're keeping pace with China. And so our goal is to not come off of the President's budget request, at least for FY24, but to put things in perspective at a macro level outside of defense. This year's President budget request of 1.9 trillion dollars is about 50% higher than our annual budget was just three or four years ago at 1.3 trillion. So writ large, that's not DOD, but that's just the entire sort of discretionary spending request. We're spending 50% more than we just were a few years ago. That doesn't include the six to 10 trillion dollars in COVID, Inflation Reduction Act. I got to do this when I say Inflation Reduction Act. Bipartisan infrastructure package, America Rescue Plan. So there's 10 trillion dollars of liquidity in the market in addition to a 50% higher annual operating budget that the President is requesting.

So there's opportunities to get back, and our goal is to get back to FY22 levels, which we have to remind people was actually only six months ago. And we were able to still function as a government, not efficiently. So we're not asking for these sort of draconian cuts that the left is trying to make it sound. We're not going after Social Security and Medicare, we're not going after the VA, we're not going after the DOD budgets. All that being said, the DOD can be a lot more efficient with the money that we give it, whether it's $850 billion or $875 billion, we need to figure out how to make that behave and spend $1 trillion.

**Jeremy Hunt:**

Right.

**Congressman Mike Garcia:**

Whether it's capacity or capability, the 850 needs to look like $1 trillion as a product in the end, so that's why this defense forum's important. This is why the communication between the Pentagon, and the vendors, and it's also important why Congress can't do CRs, right? CRs cost us about, I think it's something like $20 billion a week or something like that, that we lose efficiency. So a lot of opportunities for efficiency gains, but I think we hold the top line for the DOD budget, make sure everyone's whole, and then go look for those efficiencies after that.

**Jeremy Hunt:**

Absolutely. Yeah, anytime you can become a DEI official make $200,000.00 a year doing DEI work for the military.

**Congressman Mike Garcia:**

Correct. Yeah.
Jeremy Hunt:
... I think we can maybe be more efficient.

Congressman Mike Garcia:
And show me that product. Show me the output of that 200 grand.

Jeremy Hunt:
Exactly.

Congressman Mike Garcia:
No one's been able to do that yet.

Jeremy Hunt:
Exactly.

Timothy Walton:
I think another angle is building off Congressman Garcia's points on accelerating contract. We've seen this on the Super Hornet program, but on a number of other programs, even in areas that are a stated national priority. The National Defense Strategy says defense of Taiwan is essential, yet the Taiwanese express interest in buying a weapons program, there's a letter of request that's sent to Congress, and then the request for proposal doesn't show up to industry in some cases for years.

Congressman Mike Garcia:
That's right.

Jeremy Hunt:
Wow.

Timothy Walton:
So that enormous gap between the stated interest in buying a weapons program and then actually getting that weapons program on contract taking years is way too long. So there's a need to, I think, reform some of the Truth in Negotiations Act provisions and others that when there is a mature weapons program with a well-established contractor, I think we can certainly move faster than years in terms of the contracting. And in fact, I think probably that request for proposal should be ready contemporaneous with the submission to Congress so that once it's submitted to Congress, once it's at its congressional oversight, it could immediately then be released to industry and we could actually start to accelerate some of those deliveries because it's going to be needed.

Congressman Mike Garcia:
And the good news is, to your point, none these things are mysteries. We have examples of going fast and success stories. B-21 is built in my district and that's a fantastic example where the buyer, the industry, and Pentagon, and Congress were able to figure out how to get something from effectively a clean sheet to hopefully a flying aircraft before the end of this year in just a few years for something as exotic as the B-21. So we know how to do it, we know where the scars are, where the bad behavior patterns are. There's people that know this stuff and how to do it, whether it's TINA, DCMA audits, sole-source competitions or sole-source rewards, the way we contract longer term support contracts for spares and repairs, we know exactly how to do it. And Bill LaPlante has all the answers as well. And Dr. Roper knows all the answers as well. The contracting officers are the dinosaurs in the basement right now. These guys haven't evolved. And it's that frozen middle layer right now that is preventing most of these programs from going as fast as they should be.

And we've got to go thaw out that frozen middle layer and that may mean getting rid of some of them and bringing in new blood in some cases.

Jeremy Hunt:
Absolutely. Well, I'm happy you're there on The Hill to fight this battle, so we can move-

Congressman Mike Garcia:
It's my pleasure. It's my pleasure.

Jeremy Hunt:
... Move faster with these issues. I want to open up to questions here shortly. My last question, I want to talk about what bipartisan efforts have you seen to tackle this military readiness issue? Are you seeing at least some people on the other side waking up about the issue that we have with China, and Russia, and everywhere else?

Congressman Mike Garcia:
Yeah.

Jeremy Hunt:
Are we finally seeing some movement to see both sides coming together to make something happen?

Congressman Mike Garcia:
Yeah, it's not universal quite yet, but I do think the vast plurality, 90% of both parties recognize China is as bad as it is. I want them also to recognize that our southern border being opened is as vital to our national security interests because China's killing 100,000 Americans with this Fentanyl problem coming through our border, so different topic. But the parties, both parties are recognizing that China's the threat. Both parties are recognizing that we have a major recruitment and retention problem, quality of life problem in the military. So there are shoots of hope, especially behind closed doors relative to bipartisanship on this. Salud Carbajal, actually to his credit, I was in the minority when I brought that spouse bill that we talked about forward
and I knew I needed someone in the majority as a co-sponsor and Salud, who's a good Marine, did it in a heartbeat and helped me carry that through the House. So things like that.

There are stories. Now the media doesn't cover it because it's not the sexy flame throwing and we're not actors, so that's the challenge we have is to get people to focus on the problem and legislate as professionals in the interests of national security and not for political purposes. And that is happening. I'm confident that we'll get bipartisan support for this pay bill, the military pay bill, the Raise Act is what it's called. And so yeah, a lot of eyes are opening up, which is good.

Jeremy Hunt:
That's good to hear.

Timothy Walton:
I'm sanguine as well regarding the prospects, not only because we have Congressman Garcia here, but also as we look at the different committees out there, the different defense committees, the subcommittee on China, I think there does seem to be a growing recognition of the reality of the problem. There's still work to I think identify the tangible solutions moving forward, but I think it's hard to find anyone who questions that we need to move faster and accelerate what we're doing. Some of the tangible opportunities are also, I think ones in which in the past perhaps authorizers had recognized some of the opportunities in things like multi-year procurement of munitions, accelerated procurement of munitions, and I think we're now likely to see appropriators as well and a broader pool of members in Congress support some of those more forward-leaning programs that in some cases do limit the flexibility in out years. But I think for programs where there's a high level of confidence that these are going to be essential capabilities over the next five, 10 years, we should definitely lean forward and try to accelerate their fielding.

Jeremy Hunt:
Awesome. Well, I wanted want to open up to the audience if anyone has any questions for Congressman Garcia or Tim, please.

Speaker 4:
My question is about Xi Jinping who is the three term leader of China, President of China and Secretary of the Chinese Communist Party. How realistic is his ambition and his focus to attack, occupy, and incorporate Taiwan in 2027?

Congressman Mike Garcia:
I think it's very real. I don't consider him a president. He is the Chairman of the CCP and he will serve until he is dead. So this is a long-term play. They've got a 30-year vision for this China policy. And a key tenant of that is the reunification of mainland China with Taiwan. I was there about a month ago in Taiwan, met with President Tsai and saw it firsthand as well as Korea, Japan, and especially in the wake of what's going on in Ukraine, they have all woken up to the reality of this probably actually happening in the next couple years. I think 2027 is optimistic. I think it happens before that. I don't know that it's attacking in sort of a kinetic conventional sense. I don't know that there will be Chinese troops parachuting in or an amphibious assault on
the western shores of Taiwan, but there is an attack already taking place, and it's in the form of economics, it's in the form of sanctions being applied, and it's in the form of cyber activity and effectively communicating to the Taiwanese that their head is already in a noose.

So if you want to fight me, all I need to do is pull the rope. And so non-kinetically, they've already put Taiwan in a very perilous position. And so the fundamental question comes down to how do we deter, what can we do? A lot of the things that we're doing, we already are. But the second major question is, will the Taiwanese be willing to fight? And I think that's the question the world is asking right now and I believe they will. The challenge they have is unlike Ukraine, one of the reasons Ukraine remained successful early on was they were able to get effectively all non-combatant members of their population out. And they were refugees going into Poland, Romania. And so what you were left behind was just a fighting force. And everyone in the country of Ukraine was willing to fight to the death because it was their 1776 kind of moment. Taiwan doesn't have that option right now to move their seniors, their women, their children, the non-combatants off of the island.

And so with China knowing that and then also having so much leverage over their economy, you may see more of a mentality of capitulation rather than fighting back. And that to me is the fundamental issue at stake there. We need to do everything we can as a nation to support Taiwan. We need to expedite our foreign military sales. They are buying weapons from us and we are not delivering weapons. That's a huge problem. We need to accelerate that and close those delivery dates and we need to do whatever we think is necessary. In my opinion, I've been very vocal about this, every lever that we have pulled against Russia as a result of their invasion of Ukraine, those same levers need to be pulled against China right now. We need to be more aggressive against China. We need to divest. The economic impacts need to be felt in mainland China. And when we do that, you may see that behave more of a deterrence against invading Taiwan. But they have a lot of advantages right now relative to Taiwan is a short answer, but I think it's sooner rather than 2027.

Timothy Walton:

And I would add that in the past I think there was this rich debate regarding what were Chinese intentions over the long term scenario preferences and the like. I think those debates can ebb and flow, but what's extremely evident is that the People's Liberation Army has developed the capability to be able to execute this at least at some level of risk. We want to buy down that risk and or make that risk higher for the PLA buy down for US and Allied forces. But they are positioning themselves to be able to execute a campaign somewhere around that period of time. There are I think a range of actions, some of which we've discussed and others in the military, informational, intelligence, economic fronts that we need to start doing today to make that possible. Some of those involve I think more spending in key areas of focus and getting more value for what we do spend. Others, I think involve authorities.

So over the past few decades, we've treated a number of different challenging problems as named military operations in terms of counter-terrorism, counter-drug activities, operations throughout Southwest Asia. Yet we don't have a named operation today, for instance, for deterring PRC aggression against Taiwan. A similar named operation to deter PRC aggression in the Indo-Pacific would probably be a vehicle that could help the Indo-Pacific Command stand up joint inter-agency task forces that had different types of authorities both in the military and intelligence communities to be able to proactively campaign. Because I think we want to not
only deter that aggression, but also put the Chinese on the back foot. So what are the things we need to be doing today by proactively campaigning to discourage them from reaching levels of confidence where they would want to execute a campaign.

**Congressman Mike Garcia:**

And just one more thought on that. Within that sort of codification of a mission, I think we need to as a nation have a discussion about this idea of strategic ambiguity. Going back to 1979, Taiwan Relations Act, it was intentionally ambiguous in terms of what the US would do as a result of a Chinese invasion of Taiwan, and neither mandated us from supporting Taiwan nor precluded us from it. But this ambiguity right now is actually more dangerous than clarity and I think we need to be very clear on what our mission is, be clear on what our intentions and level of support would be similar to what we do with NATO relative to Article Five.

And I think we need to pivot and some of that needs to be pulled from the Taiwanese as well. It can’t just be the US pushing that construct, but this current administration is very set on just maintaining strategic ambiguity. And we saw what happened when we were ambiguous leading up to the Afghanistan debacle. We saw what happened when we were ambiguous and sort of flacid, frankly when it came to the encroachments on Ukraine that ultimately led to full out war. So we can’t let that ambiguity be a maneuvering space for the bad guys.

**Jeremy Hunt:**

That's right. Yeah, please.

**Andrew Thornebrooke:**

Thank you so much for doing this. My name's Andrew Thornebrooke. I’m a national security correspondent with The Epoch Times. You spoke a bit about the importance of trying to avoid cuts and even how Congress has taken it upon itself at times to put programs into the defense budget. But for years, military leadership has essentially said that at least 40% of the funding it has is going to overhead, much of it is congressionally mandated oversight measures. So what actions are you and your colleagues taking or would you like to see taken to make sure that those dollars are actually going to our war fighters and not to a new requisition form or diversity training?

**Congressman Mike Garcia:**

Yeah, great question. This is why I'm confident when I made that earlier statement that we can make $850 billion behave like a trillion. The inverse is also true. If we do have lower budget levels than what we would want or the president requested, I’m also confident we can find efficiency so that we still get the product to behave like an $850 billion budget request. Some of it is the congressional oversight requirements, some of it is DCMA type of FAR requirements, TINA compliance or Truth in Negotiations Act compliance issues. But this is where you need the leadership in the Pentagon to figure out the right way to either make exceptions, create waivers, or have go fast contracts like the IDIQ or OTAs that they've been using but not on all programs. And they need to start opening the aperture a little bit more on how can we use more of these type of go fast contracts.
And I'm convinced that we don't need every civilian in the Pentagon right now to be there. Okay? I think there's a lot of opportunities for cutting the civilian workforce in the Pentagon or pivoting some of that funding to the war fighters, whether it's base pay for our troops or procurement of major weapon systems. We are top-heavy. Every flag officer has a staff of 15 to 25 people attached to them. I think we have more flag officers now than we've had in the history of the country. And those guys, most of them are not doing the nine to 12 month rotations on the front lines and their staff certainly aren't. So a lot of fat, a lot of opportunities, a lot of bureaucracy, a lot of reporting requirements that we probably don't need, but we need someone in the DOD to recognize that. And this Secretary of Defense isn't going to be doing that anytime soon.

But operating under this construct of massive inefficiencies and bureaucracies, my job is to make sure that those either cuts or growing inefficiencies don't impact our readiness or our recruitment and retention challenges that we have. So that's fundamentally the sort of call it one to two year paradigm. The longer arc is to figure out from a reform perspective, that's why this defense form is so important. It's knocking down the barriers to speed, but by definition also gaining efficiencies in the way we contract. We don't have an acquisition problem, we have a contracting problem. We have all the technology, we have advantages in the technology, we have the best minds and the industrial base is there. We just need to stop buying the way we buy. We need to stop contracting the way we contract so that we are actually incentivizing companies to participate in this business instead of compelling them to leave it, if that makes sense.

Timothy Walton:

I think that's very well put, I'd just add on this point, we have a range of authorities that are available and Congress has created this new middle tier of acquisition pipeline to enable programs to move faster in different ways. Program managers though sometimes are weary of using them. Sometimes they're like negative incentives. If they use them, they assume it might involve a lot of risk for those programs, they feel they might not have top cover from their bosses to use them. So I think the Congressman's forthcoming forum that tries to identify at scale what are the changes in which we can reward sort of those positive behaviors and make that the norm rather than the exception is going to be needed. And then as a final thought, I inherently view sort of the government as inefficient for a number of different reasons. It's the very being of politics, and need for compromise, and the growth of bureaucracies is an inevitable trend. Every now and then there is a need to, I think, shave that bureaucracy.

But we should also, I think, be weary of how many efficiencies we can garner out of the Department of Defense in the very near term. Because in the past, sometimes we've made some of these trades assuming that efficiencies would be generated when they really weren't.

Jeremy Hunt:

That's fair. Well, I think that we're coming to the end of our time here. I'll make room for one last question and then we'll have to close out, but go ahead.

Brianna Riley:

Great, thank you so much. Congressman, you talked about the need for DOD to leverage new... Oh, thank you so much. Brianna Riley was CQ Roll Call. Good to see you, Congressman. You
talked about the need for DOD to leverage more of these alternative sort of acquisition approaches like OTAs for example. In the conversation that Tim just mentioned about MTAs, there has been some skepticism from congressional appropriators about maybe DOD overuse of that authority or not enough transparency with that.

**Congressman Mike Garcia:**

Yeah. Okay.

**Brianna Riley:**

What do you think of that, especially given the reporting requirements that were included in the current budget? Do you expect to see more guardrails sort of put on MTAs, or more of expansion, or how do you thread that?

**Congressman Mike Garcia:**

Yeah, it's a bit of a balancing act, right? And these conversations are usually the product of behavior patterns. So when things are abused, we tend to say, hey, I need to put more oversight and regulation on it. And then as that behavior sort of either expires or we see better trends, we say, okay, I'm willing to take off the regulation and compliance side. But this is why the leadership in the Pentagon, especially in the DOD matters because we can sit down collectively and see where the bad behavior patterns are and apply the right compliance, and oversight, and reporting measures to those programs. But then at the same time, when we're dealing with strike fighters shortfall, when we're dealing with some of these higher end technologies that need to go fast, like space domain programs and NGAD for instance, Next Generation Air Dominance, F-35 upgrades for instance, we can, just like the Rapid Capability Office does on a regular basis, apply these go fast techniques.

And if there's bad behavior there, you fire people. And one of the problems that we've had is that we haven't fired anybody in the Pentagon. This frozen middle layer is there because they're a product of the Ice Age. That's a good metaphor it turns out. And all roads lead to the two to 300 PCOs, the contracting officers with their green visors, and lawyers that enable them to grind industry on every dollar in exchange for six months, 18 months, 24 months of delays in contracting, so that's bad behavior. They're not doing anything illegal, but they're slowing things down. They're not getting product to the war fighter and they're wasting taxpayer dollars. The Super Hornet example that we talked about earlier on the strike fighter, we appropriated money for 20 jets and we're not going to get 20 jets now because of this lawyer in the Secretary of the Navy's office.

We're going to get hopefully at least 18, maybe fewer. So these efficiency losses are really hurting us. So compliance, oversight, and regulations slow us down. When there's bad behavior, we need to be able to reign them in, but we need to be more proactive, have that sort of hands-on approach so that we can treat each program differently based on the need for speed or the need for oversight and apply it. And so each one's sort of bespoke in that manner. It takes time, takes more energy, but we have to do it. Congress, Pentagon, we all have to do it, DCMA, all of these agencies need to figure out how to do that sort of application mindset.

**Jeremy Hunt:**
Well, just want to thank everyone for being here and coming here on a rainy Friday afternoon.

**Congressman Mike Garcia:**
Yeah, thanks guys.

**Jeremy Hunt:**
We really appreciate it. It just shows that there are a lot of people here that care about this issue and so we’re going to keep talking about it. I just want to thank you, Congressman, for being here with us.

**Congressman Mike Garcia:**
My pleasure. Thanks for having me.

**Jeremy Hunt:**
Thanks your time.

**Congressman Mike Garcia:**
Good topics.

**Jeremy Hunt:**
And thank you, Tim.

**Timothy Walton:**
Thank you, Chairman.

**Jeremy Hunt:**
And for those watching at home, please continue to check out hudson.org for our upcoming events and we look forward to seeing you next time. Thanks.

**Congressman Mike Garcia:**
Thank you.