Standing with Allies against China and Russia: A Conversation with Congresswoman Chrissy Houlahan

TRANSCRIPT

Discussion

• Congresswoman Chrissy Houlahan, U.S. Representative, Pennsylvania’s 6th district
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Bryan Clark: Welcome to the Hudson Institute. I'm Bryan Clark, I'm a senior fellow at the Institute and Director of the Hudson Center for Defense Concepts and Technology. I'm joined today by Dr. Dan Patt, who's also with the Hudson Institute and is a senior fellow. And we are honored today to have with us representative Chrissy Houlahan from the Sixth District in Pennsylvania. She is the first woman to represent the Sixth District down in Southeast Pennsylvania. She's a member of the House Armed Services Committee, the House Foreign Affairs Committee, and a technologist by training, which appeals to us. Representative Houlahan is a graduate of Stanford University, as well as MIT, where she majored in engineering and technology studies. And since then, she's been very effective as an entrepreneur. She helped lead AND1 as well as the B Corporation Foundation. So she helped start two organizations that have been pivotal in driving change in both technology and in business. So we’re really pleased to have her here with us today. And thank you for being with us, Representative Houlahan.

Representative Houlahan: Thank you so much for having me, Bryan.

Bryan Clark: Right now we're in the middle of NDAA season, the NDAA's making its way through the legislative process and going to the House floor. You've had several amendments and co-sponsored bills that have been incorporated into the NDA. What do you think are some of the highest priorities for you in terms of the NDAA and our ability to deal with the challenges posed by Russia and China?

Representative Houlahan: Sure. And once again, thank you very much for having me. I think that there's kind of overarching themes about this year's NDAA. Of course, one of them being the size of the overall defense budget, whether or not it should be grown on the top line and if so, in what areas. The other theme of course is the ongoing war in Ukraine and what it is that we should be doing to respond to that. And of course, it's implications in the INDOPACOM theater or area in terms of China and its rising influence and concerns about Taiwan, of course, and other parts of the Indo-Pacific.

And the other overarching theme, I guess I would say would be the evolution, massive evolution, rapid evolution of technologies, writ large, whether they're cyber issues or cyber issues or artificial intelligence, or sort of the future of modern and future warfare, I think are the other themes as well.

And then how that all folds in with the other parts of the whole of government approach that we have to our national security, which is that, I was myself in the military, my grandfather and father in the military, many of my members of my family were in the military and are currently. But I was raised to understand what the D in the D-O-D is for defense. And so making sure that we also are thinking about our role in humanitarian efforts, the ways we present in the global community and that front are also part of the conversation as well.

Bryan Clark: Yeah. And thank you for mentioning that. I apologize for forgetting to mention that you were an Air Force veteran. And as a Navy veteran, I really appreciate your service and your continued service to the nation. And so it seems like, like you said, a theme of your efforts legislatively have been looking for new ways to counter the efforts of China and Russia. So not just strictly force on force, but you've been looking a lot at other means. How do we use new technologies? How do we use other parts of the government? And really trying to drive the executive branch in that direction. What were some of
your priorities, at least that you tried to drive into the legislative discussion this season on those two fronts in terms of whole of government and technology?

**Representative Houlahan:** Sure. One of the biggest issues that I think we all have now recognized as a result of the unfortunate experience that we’ve all had as a globe with the pandemic is the importance of supply chain integrity. You mentioned that my background is in engineering. And specifically, my background is in supply chain and systems engineering. And so up and until the pandemic struck, I don't think many people, kind of every day people really understood how interwoven all of us are as an economy and as societies and as a result, our national securities are very interwoven. And so some of the works that I most focus on in the NDAA process have to do with defense supply chains. One might be something, as an example, to make sure that we are less reliant or at least understand our reliance on things like critical minerals or rare earth elements, because they're so critical to manufacturing many of the items that are in our defense repertoire, but also frankly in our civilian repertoire as well.

**Representative Houlahan:** We’re also focused on making sure that we have access to medications and medicines and pharmaceuticals within our own armed services area. So one of the pieces of legislation that I led in the NDAA has to do with thinking about that particular issue as well, making sure that our men and women in uniform have access to any medications and pharmaceutical ingredients that they might need to make sure that's not a vulnerability in the supply chain as well.

So other things that we’re talking about is sort of, what's in the future. There’s a feasibility study that I’ve been working on. That's part of the MDAA in biomanufacturing capabilities. Again, thinking about, kind of what is the future we’re already wiggled out enough about things like, rare earth elements and critical minerals, but biomanufacturing and bio substitutes are kind of the next thing down the pipe, I think. And those are the kinds of large things that we’re trying to think about in terms of our next steps, that are not necessarily what would be traditional warfare thoughts.

**Dan Patt:** Congresswoman you introduced the evolving role of technology and especially information technologies, right? You cited cybersecurity and there's offensive and defensive aspects of that, artificial intelligence. And I agree with your assessment. So much of future military capabilities seems to draw from information technologies. There’s just so much growth there. And when you look at information technologies, so much of how we bring that to bear comes in the way of software, whether it’s AI or cybersecurity, people are making software to make these capabilities.

How well postured do you think the US government is to capitalize on the transformative potential software in water fighting? Do you think, whether it’s workforce or acquisition, do you think there’s things that need to change or do you think it's well positioned?

**Representative Houlahan:** A hundred percent. When I was active duty and it was a thousand years ago, I served in the late eighties and early nineties. I was in acquisitions. I was up at Hanscom Air Force Base and worked on program management and project engineering, and so acquisitions and that sort of thing was my job. And specifically, many of the things that we were looking at were, as you were talking about, software, or at least re required or relied upon software solutions.
And what I would say is, 30 odd years later, we really are still in very much of a vulnerable position in that way. I think that we, kind of in the way that we acquire the way that the DOD acquires, we still have a lot of work to be done to make sure that we are innovating as rapidly as the civilian economy is and that we're benefiting from the evolution of software as an example in the civilian economy, and being able to pull up and look at those small and mid-size businesses that are frankly the innovators in these spaces.

And so some of the work that I also am doing in the NDAA process is exactly in this area. Amendments that have to do with making sure that we're elevating our small and mid-size businesses, making sure that valley of death that we all are concerned about is lessened and allowing frankly, for private investment in smaller companies to help kind of bridge that valley of death so that we can be more innovative as the DOD in things like software.

But I would say that we are not as facile and agile as our civilian counterparts are in this area.

Dan Patt: Yeah.

Representative Houlahan: And that is something that I think we should all worry about in terms of innovation and I can tell you that I went on a tour as a freshman in Congress just a few years ago, the program and plans that I worked on all those long years ago were on strategic defense initiative and air defense initiative programs. And I can tell you, I walked into what amounted to a war room with a projection of what amounted to, situational awareness about missiles around the world. And not exaggerating, it looked exactly like visually, the user interface, everything looked exactly like what I had been working on 30 something years ago. And so that kind of frightened me to be honest, that we were in that place where I could recognize the technology those many decades later.

Dan Patt:

Yeah. Let me just ask a quick follow up there. Two trends that I watch are, so many small businesses or startup businesses, which are doing business in the commercial sector are looking to different business models, instead of just delivering a working program or a set of search code, they try to deliver an ongoing service to the government, software as a service. And another trend that we've seen over the past few years is the government itself acting as a software integrator, we call this software factory. So even though the software may be procured from the outside world, they integrate it into the final capability.

Representative Houlahan: If I could kind of jump on that with you. I think one of the other things that I worry about is workforce development with that particular thing in mind. We are in the D...

Dan Patt: That's right where I was going.

Representative Houlahan: Oh, great. Great.

Dan Patt: Perfect.

Representative Houlahan: Go ahead ask your question and I'll try and answer it.

Dan Patt: Yeah. I was just going to ask, what's the acquisition policy thing that needs to be pushed, or is it really more about workforce development and education? And especially because you've had that
Representative Houlahan: Yeah. Another thing that I worry about is, we compete with the outside civilian economy for resources, meaning people. We need to make sure that we have the best people. And I know that you know, that we are struggling in recruiting for lots and lots and lots of different reasons. But one of the areas that I'm most concerned about is, people who have a propensity or appetite for technological pursuits or careers within the DOD or within the civilian aspects of the DOD.

So one of the things that I am working on is a real interest in, kind of priming the pump and having more people who have those cyber or digital or technological capacities. And so one of the pieces of the NDAA of this year has a defense, cyber and digital service academy, exploration amendments, to be able to provide scholarships in cyber education, in exchange for commitment to public service, either within the DOD or within other channels that are helpful.

And so I think this is just one way that we can incentivize and create pipelines to have more people with technology backgrounds, in our workforce, in the DOD workforce as well. That won't necessarily solve the issue, we have this same issue in the larger economy. We need to make sure that we're focusing on the basic skills that allow people to have those technological backgrounds. One thing that Bryan didn't yet mention is that I was an educator too, I taught high school chemistry for a time. And my experience in teaching high school chemistry was that it's super, super hard to teach an 11th grader chemistry full stop. But it's also impossible if your 11th grader is reading at the third or fourth grade level. And many, many, many of our kids these days are unfortunately not literate in the way that we need them to be or have the numeric capabilities that they have either.

And so, again, this is another focus that I'm able to lean into within the NDAA, which is, that pipeline of little people that are coming up and making sure that they have literacy skills, that they have numeracy skills. And I can influence that to some degree within the NDAA. A Piece of legislation that's tucked into the NDAA that I'm also really proud of has to do with early childhood literacy and a reading program that we are codifying permanently for dependents of people in uniform. Having been a dependent, having been that child who moved around, every single year for forever, I think it's really, really important that we're focusing on those skills.

Two years ago, we also put an amendment in the NDAA that tried to understand where we were missing on recruitment, 70% it's estimated, of people who are interested, actively interested in joining our military are not capable, eligible, because they are not passing tests, many of them academic tests. And so two years ago, we put a piece of legislation into the NDAA that tries to figure out by zip code, basically by area, where are people failing. And that's of course a proxy, not just for what's going on in our military with recruitment, but what's going on in our education system at large.

And so there's lots and lots of different levers that we need to be pressing and we need to understand that it's, workforce development for those who are already kind of coming into the workforce and are of age, but it's also workforce development for the people who are little people. And then lastly, what I would also say is it's mid-career as well. If you kind of listen to my background has evolved quite a lot over time and done a lot of things. We need to make sure that we're taking advantage of everybody within the workforce and not just the 20 somethings, when we think about kind of how to build our workforce.
Bryan Clark: Yeah.

Dan Patt: Just one quick comment.

Bryan Clark: Yeah, go ahead.

Dan Patt: As you bring up early childhood education. Putting this in the strategic context, I mean, there's reason to think that there's at minimum a comparative advantage for the United States with respect to China in early childhood education. So just from a strategic standpoint, it may make sense to try to amplify that. Sorry, Brian, over to you.

Representative Houlanahan: A hundred percent.

Bryan Clark: Yeah. That's a great point, Dan, and as you know, your Congresswoman, the military services are all having difficulty recruiting right now, meeting their targets for recruiting and refer retention. And I think clearly that's maybe another objective of trying to improve the quality of the people that are available for military service, so there's a clear national security implication of improving that early childhood education.

Representative Houlanahan: Yeah. And if I could add to that, another aspect of recruiting and retention is that, having been a dependent myself and my mom a Navy wife and my mom a dependent, her father, my grandfather was a career Naval officer. And so we have to make sure that we're thinking about the whole family and the whole web of the people that recruit for lack of a better description is bringing along with him or her.

We need to be thinking about, kind of the spouse or my mom, as an example was, I think is the most qualified and talented person in my family and really struggled as we transferred and PTS'd over and over again, to find her way in a career. So part of what we work on in the military personnel part of the NDAA, which I'm a part of that subcommittee, is exactly that, dependence and spouses. And I think that is really important.

And the last thing I would kind of emphasize is, the role and importance of women in uniform. Right now, women are somewhere around 20 or so percent of those who serve and who are veterans and growing. The most significant growth in terms of one particular demographic of all. And we expect that in the next 10 years or so that, that will be around 30%. So again, the population is 51% women. We need to make sure that we're providing environments where women are able to serve as well. I will say that part of the reason I separated long ago, had to do with access to affordable childcare. And so again, some of the things that we've put into this NDAA have to do with expanding access to childcare and making it more affordable. So it's all so intertwined.

Bryan Clark: Yeah. And it gets to this more holistic view of what it, what constitutes having a strong military, you know, so it's not just a matter of what hardware you've got. It's got to have the, you know, we've got to have the software, we've got to have the people that are able to empower, you know, that hardware to do something useful. And yes, I mean, I know from my experience in the military, when we know women first came into a lot of the career fields that they're able to come into now, it was very difficult. It was the, we did not make a very easy time of it for women trying to join and entering combat roles or going to combat ships in my case. So yes, there's a lot more that needs to be done there to take advantage of that talent pool.
To kind of pivot to something that you had mentioned earlier. You've asked in some of the hearings about ISR, improving our ability to be able to understand what's going on in places like the European theater and also in Asia. Have you looked at the ability of the US to actually obtain commercial ISR as part of the ISR portfolio that we're trying to pursue to improve our ability to deter China? Because you had talked earlier about accessing what the commercial world offers and also being able to better acquire capabilities that are maybe not coming out of the military acquisition or development process. Is that something we're trying to do as well?

**Representative Houlahan:** I hope so. I'm obviously just one person of the 50 or so that serve on this committee and then I'm also just one side, the House side as opposed to the Senate side as well. And then part of a large body of 435 of us on my side and a hundred on the other side. So to the degree that I can influence that conversation, I try to. I do think that we have capabilities in the civilian sector that have real application in the military sector. I can give you an example of space situational awareness. Space traffic and not even just space traffic, but what will be evolving kind of below or Earth's orbit or at the atmosphere will also be something that is increasingly complex as we move forward on things like, more drones or more self navigating, or aircraft, or any number of things that are dropping packages on our doorsteps from Amazon.

So anyhow, there's a lot of technology. There's a lot of civilian companies that are very, very, very good at those technologies. And we, as the military are out there kind of trying to reinvent things that may already exist in the civilian sector. And so this is something that we've always struggled with, the not invented here syndrome and we do that not only kind of with the civilian economy, but also inter, Air Force is fighting with Navy, everybody's got to have their own thing. And that has not changed either in the 30 or so years. So it's a cultural thing that needs to be adjusted within the military itself and within the acquisitions process.

It's also of course a security thing. We need to think about making sure that whatever it is that we are acquiring from civilian capabilities are secure and safe. And I do worry about that. There are some commercial capabilities out there in terms of maybe, let's say 3D mapping of infrastructure as an example, that we really need to be careful of who has them and how much overlap there is on those sort of systems and softwares and things because of our vulnerability and concern about places like China. So it's an important conversation that we all need to have with all kinds of cautionary caveats asterisks and things like that.

**Bryan Clark:** Right. It seems like what you're driving toward is that we need to think much more, I guess holistically, or much more in terms of like a net assessment of our competition with China. We can't just think of it strictly in terms of, how do we prevent the invasion of Taiwan. It seems like what you're talking about is we need to be looking at all fronts, cyber security, the strength of our education system. Also the misinformation that's happening and also what political actors, what they're doing both in China in Russia and in here.

So it seems like a theme of your legislative agenda has been this idea that if the competition's much broader than just war heads on foreheads.

**Representative Houlahan:** Yeah. And my team kind of jokes with me because, when they're being kind to me, call me the everything bagel, because I'm kind of all over the place. But these are holistic systemic issues that we need to be thinking about and I'm really, really lucky to be able to be on the
armed services committee and have that kind of purview within the DOD, but also really, really fortunate to also be on the foreign affairs committee and see kind of all the whole of government, for lack of a better way of thinking about things. You'll sit in and on briefing about what's going on in Afghanistan on the DOD side and then on the state department side. And that's really interesting and sometimes kind of disheartening when you're see seeing kind of, maybe not necessarily all the communications that ought to be happening.

But I'm really, probably overly enthusiastic about being the everything bagel in these issues and trying to kind of carve out the niches and I hope that you can hear where they are. Women and girls in stem and steam. What's the next upcoming threat that we haven't thought about. In my mind, it's bio right now. Those kinds of specialty areas that we hope that this office can focus on.

Dan Patt: So...

Bryan Clark: Go ahead, Dan.

Dan Patt: ...riffing off of Bryan's question of a broader net assessment with China, one of the things that is somewhat unique about the US' relationship with allies and partners. Reviewing your oversight this year, this is a topic you've brought up frequently to leaders of the department of defense. How should DOD be engaging with, working with allies and partners to strengthen its defensive posture, especially in the Pacific?

Representative Houlahan: It's essential. And I think that the thing that gives me hope, because there's a lot that makes me worried as you've heard, is that we really are unique in the world in the sense that we really do have genuine and strong allies, not just in the European theater, but in Asia as well. We need to be doing a better job in my opinion, on our all alliances and relationships in Asia and the indo-PACOM area.

But I was really heartened when I had the opportunity to go to Brussels. I guess it was probably three or four months ago, right before the invasion into Ukraine and to meet with NATO, to meet with the EU folks there and really heard firsthand just how strong those alliances are and how important they are. I had the chance to fly recently as well to Australia and to India speaking to the DOD's reliance and the American economy's reliance on China. We need to figure out ways to not have that happen. And so Australia has done a pretty decent job and unfortunately has been in a difficult position with its relationship with China. We have lessons to learn from them. Japan, similarly. Vietnam to some degree has done some good things in diversifying its reliance on China.

So we have lots of opportunities to continue to build on our alliances. Not just frankly in the DOD space and in national security, pure national security, but also in our civilian economy as well. And my final committee that I'm also on is the small business committee. And so those are kind of what I try to bring, lessons learned from the DOD and from foreign affairs into everyday small and mid-size businesses. Some of them are in the supply chains of DOD, but many of them are not. And we have lots to learn in terms of onshoring, nearshoring, peershoring, a lot of our manufacturing or industry as well in our civilian economy too.

Bryan Clark: So to pick up on that, in terms of small businesses, they're in many cases the incubators of new technology. Are you finding that a lot of the small businesses that you interact with, you're working in the fields that DOD needs to go next? That defense needs to go next, like biotechnology or
bioengineering? Has that been your experience that these companies are really kind of at the cutting edge and we need to leverage them more?

**Representative Houlahan:** Yes they are. Absolutely. And in some cases they are not necessarily incentivized to understand that DOD, as an example, could be one of their customers. In fact, we are less agile and move less reliably than many civilian customers would do. And so it's a turnoff. I have a close member of my family who is in satellite and space, that's what he does. And the incentive for him to go out for a DOD contract is pretty darn small in a world where the economy is demanding satellite capabilities from the commercial sector and they're a reliable pay and they respond to requests and they do all the things that we're not terribly good at doing in DOD. So we need to understand that it's hard to be a small and mid-size business and do business with the DOD. And that also is some of the things that we focus on.

If I could kind of back up into something that's relatively obscure, but, there's a kind of organization, a kind of corporate form of sorts, that's called an ESOP, that's an employee owned company. And this is a kind of form of a company that we should encourage to exist in our economy at large. But we also should be encouraging DOD contracts with those kinds of companies too. So again, these are some small, weird little tweaks that we can make that try to encourage small and midsize businesses to be more competitive in DOD contracts.

**Bryan Clark:** Yeah. And as we close here, that seems consistent with your overall theme of looking for new ways to create a competitive advantage for the United States relative to opponents like China and Russia. And as Dan mentioned, clearly small businesses and the innovation that they represent is probably an area where we can certainly get more advantage if we were able to leverage them better.

Well, oh, go ahead. Oh, so Congresswoman Chrissy Houlahan, thank you very much for being with us today.

**Representative Houlahan:** You’re welcome.

**Bryan Clark:** I know your time is short and you're very busy, so we appreciate you taking the time out to talk with us.

**Representative Houlahan:** No worries. I really appreciate you guys and it was nice to talk to you and hope that someday we will meet in person.

**Bryan Clark:** You bet. You bet. Well good luck on the campaign trail and we will talk to you later.

**Representative Houlahan:** Thank you.

**Bryan Clark:** Thank you all for being here today. I'm Bryan Clark and for Dan Patt, and thank you Kirsten Muller for producing this. We will talk to you later from the Hudson Institute. Have a good day.