Funding America's Defense Future: Discussing President Trump's Proposed Budget with Reps. Joe Courtney and Rob Wittman

TRANSCRIPT

Discussion…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………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Dan McKivergan:

Good afternoon and welcome. I want to thank our C-SPAN viewers and those who are joining us online for today’s discussion at the Betsy and Walter Stern Conference Center here at Hudson Institute. I’m Dan McKivergan, Vice President for government relations at Hudson where our mission is to promote US international leadership in public engagement for secure, free and prosperous future. We develop policy solutions by thinking about the future outside the limitations of conventional thinking. We are honored to welcome two highly respected members of Congress, Representative Joe Courtney and Representative Rob Whitman as the latest guest in our bipartisan speaker series: "Conversations on National Security and US Naval Power." With Seth Cropsey, who is the director of Hudson’s Center for American Sea Power. Today’s discussion is part of an ongoing series we’ve held here at Hudson over the last few years. The series brings together leading national security experts to engage in constructive dialogue on the future of American Naval power and its role in our national security strategy.

Representative Courtney chairs the House Armed Services Subcommittee on Sea Power and Projection Forces. He was first elected in 2006 to serve Connecticut’s second congressional district, which is home to Naval submarine base New London and the US Coast Guard Academy. Representative Whitman currently serves as the ranking member on the Sea Power Subcommittee. Since 2007, he has represented Virginia’s first congressional district, which includes Marine Corps base Quantico and Naval surface warfare center Dahlgren. Representatives Courtney and Whitman also co-chair the congressional shipbuilding caucus and both a longtime friends of Hudson. So we are delighted to have them back.

They will of course be speaking with my Hudson colleague Seth Cropsey, whose extensive work on American Naval power and maritime strategy may be found on our website. With that, I will turn things over to Seth. Thank you.

Seth Cropsey:

Dan, thank you. Mr Courtney. Mr Whitman, pleasure to have you here again in here. Look forward to this and before I forget, which I will, if there are questions from the audience that’s watching online or C-SPAN, please send your questions to events@hudson.org. And then depending upon how much time we have and several other factors, we will ask the members of Congress for their responses. Let’s start with the obvious.

Mr. Courtney, did Admiral Mike McDevitt, retired Naval officer who is, I think it’s safe to say, unsurpassed as an analyst of the Chinese Navy, wrote an article last month that said that the Chinese Navy will be larger than ours by 2035. The budget that the administration has proposed is going south, not north. I am not saying that capacity is the last word in Naval competition, but it is an important one. So this is a question I want to address to both gentlemen, what’s happening? Where are we going? What will you do? How concerned should we be?

Rep. Joe Courtney:

Right. Well first of all, thank you Seth and to Dan and Hudson Institute for hosting this here today and as Dan said, we’ve been frequent flyers, the two of us at these events in the past. I really again appreciate the very sort of serious, thoughtful approach that the Institute takes to issues like this, which maybe
aren't always on the front headlines, but are really significantly and profoundly important for our country. Being here with Rob, who, we served together on the Sea Power committee during our entire time in Congress over the last 14 years. And again, it's not sort of bipartisanship that's sort of papering over some disagreements underneath. We really have worked together in just so many ways. So thank you for the invitation to be here today.

So, Admiral McDevitts comments I think actually are a snapshot in the immediate present. The fact of the matter is, to answer your question, should we be concerned, the underlying story behind the fleet size and particularly in terms of what's happening with an emerging power in Asia, like China who's building almost a brand new fleet, is that the 293 ships that we have today, many of them are legacy platforms that really go back to the Cold War era. And again, submarines is particularly, that's particularly the case, but the same is true with our destroyer class. And other platforms that are there and so the 293 number that we have crawled over broken glass to get to that level because it was only about 278, really just four or five years ago, is going to continue on a decline if we don't build at a faster pace or at least a mitigating pace to avoid going backwards and so again to just use submarines for I think really the poster child example of that.

Again, we have 52 attack submarines today. Again, the majority of those are the legacy Los Angeles class subs which were built 30 plus years ago, most of them, and they are running out of hull life and reactor life and because they were built at three or four per year in the late eighties and early nineties, when they start to get decommissioned, they do it at a faster rate than our build rate. So it's really almost a elementary school math question in terms of what's the net impact when you have those two sort of trends happening at the same time. And so the budget that came over in February, which proposes to only build one Virginia, and again we had finally gotten out of the one a year build rate back in 2011. Again, that is not even keeping pace with the decommissioning rate, but at least it has mitigated it.

As I said, the decline in the fleet size. Building only one in the 2021 budget. Again, if you project out, we are going to have a trough in our submarine fleet in the low forties into the 2030s with that kind of a decision making. And there's just no strategy, tactical model that you can use out there that just doesn't scream out that this really puts the country at a huge disadvantage in terms of the Indo-Pacific region and the European command region, particularly in the Atlantic and High North areas there because China's not the only one that's busy in terms of its Naval activities.

Putin is building a new class of [inaudible 00:07:59] submarines, not at the same pace as China but these are very highly capable platforms and going to the briefings like Rob and I have, that is also a very busy part of the world right now in terms of maritime challenges. So you know this budget really is a problem and certainly on our subcommittee we are going to move heaven and earth to try and make sure that a decision like that is reversed.

Rep. Rob Wittman:

Well first of all I will also want to thank Hudson Institute and Seth and Dan, thank you all so much and I want to thank my colleague Joe Courtney, a true leader and as he'd said, he and I have been shoulder to shoulder throughout our time in Congress to make sure they were emphasizing the right direction for our nations Navy, Marine Corps and all of our projection assets in the Air Force.
To build on what Joe has said, he’s exactly right about submarines, the most requested asset in the United States inventory. It doesn’t make sense that we are now going to accelerate the track of having fewer of those submarines and instead of trying to get back to where we need to be with the total number of submarines. If you look at this year’s budget projection, it really is an issue of contrast. In FY20, the budget request was based upon a Navy of 355 ships by 2033 and I asked Secretary Motley this year, I said, it seems like to me that with the FY21 request, that it’s impossible to get to 355 and I’m glad that he took issue with me and said, no, it’s not.

It’s do we have the will to do it? The problem is, the President’s budget does not in any way reflect that. President’s budget proposes to build eight ships. Two of those are tugboats. So essentially six warships and then it retires four LCS. And remember the youngest of those ships is only six years old. That doesn’t make sense to me. Three amphibious ships and then four cruisers. So I’m not a mathematician, but the math doesn’t work out to get to 355 anywhere in the 2030s if you’re going to be retiring more ships than what you build. And then the problem, well with all of this too, and this goes back to what Mr Courtney and I fought over for years and years and years, and that is the place for the Navy needs to be. That is a total number of ships is always projected to occur outside of the fight up, and for me, it really is frustrating too to say, you can promise all kinds of great things out of the reality of funding and say we’re going to build all these ships in the future.

Now is the time. The Chinese Naval capacity and capability is growing. If you look at the new Shendong class of Aircraft Carrier that they’re building, the newest of their cruisers that was commissioned, that is a dog gone capable surface ship. So it’s not just going to be quantity, it’s going to be quantity also. Excuse me, quantity, it’s also going to be quality. It ought to be concerning to all of us. And this is not the Cold War scenario. This is not where we’re just looking at a single adversary. We just have to worry about Russia. This is Russia and while not as many ships, some extraordinarily capable ships, China with a growing Navy and then our other adversaries that are out there that bring other strategic challenges, North Korea and Iran. So when you combine all of those together and the ability for us to project power around the world, the ability for us to play the away game is the ability for us to deter conflict.

If we allow our United States military presence to weaken that I think provides an opportunity for other nations to say, "Hey, here’s our time to go after the United States." If we look through history, the times of major conflict have always been when near peer adversaries believed there’s a vulnerability that they can exploit. The last thing we want is to be on a track with a smaller Navy where other nations are on track for larger navies because I believe that exacerbates the strategic balance between the nations and when there’s a strategic imbalance, I believe that puts the world in a less safe place.

Seth Cropsey:

I’d like to throw a question again for both of you because I find when I go around the country and talk with groups of people about this, a lot of confusion about, "Why do we need Navy after all? I mean we’re doing just fine, aren’t we?" I don’t get the sense that there is the same understanding of the United States as a maritime power today that I read about, excuse me, when I look at accounts of the beginning of the Cold War where it was clearly understood. Is that your sense also and for our audience, could you shed a little light, both of you, on why is this important subject? Why does it matter?

Rep. Joe Courtney:
So, I mean in some ways I think the lack of focus on maritime policy as a priority for the country is partly because our maritime policy is a victim of its own success. I mean really since the end of World War II, we have really had I think a very successful maritime plan in terms of protecting maritime rights of international law and traffic of commercial ships and people just, I think, have gotten to the point where they just sort of assume that’s just the natural order of things. For people who are following things a little bit closer, actually it’s not the natural order of things right now. I mean if you look at China’s assertion of its maritime policies, the Nine Dash Line, which, you know, the Philippines challenged in the UN and-

Seth Cropsey:

The Nine Dash Line, the area claimed by China, which the rest of the world recognizes is international waters. But China says it’s sovereign waters.

Rep. Joe Courtney:

Thank you, I should explain that better. And that was perfect. Again we're not talking, is it a 12 mile or 20 mile, we're talking hundreds of miles of claims and what that does in terms of access to drilling rights, rare earth minerals on the seabed and all that. It's a very dangerous sort of assertion that violates international law. Again, the UN actually chastised or struck down China's claim in the Hague, which clearly shows that something's going on here that really is outside of the norms of the last 70 plus years, since the end of World War II. Same thing frankly and with Russia, the seizure of three Ukrainian ships, a year ago last Thanksgiving and imprisoning sailors in Moscow. Again, total blatant violation of maritime law. Those ships were in international waters.

Again, UN totally ruled against Russia's claim that they somehow had a right to do that at the Sea of Azov. So, the fact is that, and again it's a story for 24 hours in terms of just everything else that's competing with it right now. But the fact of the matter is, is that it will have a real life impact in terms of international trade. One thing with the coronavirus we're actually sort of learning, I think about how disruptive when maritime traffic comes to a halt and having ships in the present moment we're living in right now not able to transport goods and dock. 95% of international trade goes by sea. So we actually have a very real life, realtime interest in terms of making sure that our maritime stability is protected and preserved, and the US Navy does that obviously better than anyone.

The Island building, the claims that China's making in terms of saying that they have to give permission for ships to pass in certain parts of the South China Sea. Same thing with in the air, in terms of air traffic, claiming that planes need to ask permission to fly in various airspace in that area. So the national defense strategy I think correctly recognized that we're in a different moment right now than we were in the early two thousands with the land war in the Middle East, et cetera. Frankly, as Rob said, the Navy is instrumental in terms of really restoring international norms that again, have been so successful in terms of global economic growth.

Seth Cropsey:

I don't want to put words in your mouth, but playing off what Mr. Courtney said, our economy really depends in an important way. Can you talk about that a little bit? It's not just ship against ship and this
Navy is bigger than that Navy, but they do something, these Navies do something and they, yeah. I don't want to answer my own question.

**Rep. Rob Wittman:**

You're exactly right. United States economic success, both today and in the longterm depends on its strategic success. Its strategic success will also focus on freedom of the seas, freedom of the seas. So we want to make sure that that freedom of the seas exists everywhere. The way we do that is through a strong United States Navy. So if these incidents then that Joe pointed out happen, we have presence there to be able to dissuade bad actors from doing those things in the future. If not, if those nations do those things and they feel that they can get away with it, then it endangers not just the US economy, but it endangers the economy around the world. The key, I think for the United States and for the general public is how do we understand what we need to do? And many times that's difficult because people's mindset is about what happened from 1980s to present. Over the past 50 years, we've had a recapitalization and a regrowth of the United States Navy.

And people have heard that and they see these ships, they hear about the capacity of these ships and they believe somehow that that just has stayed on autopilot through the years and that good things continue to happen. The difficulty today is communicating to them that many of those ships that are now aging out, whether it's the aircraft carriers or nuclear submarines, were great assets in the inventory, but they do eventually run out of fuel or run out of the ability to function properly. And we are at one of those tipping points where we have to recapitalize in order to have the Naval assets to assure our economic success in the future.

And without those, we will not be able to, especially in a world where everything depends on interrelationships with other countries and most of the transactions take place at sea, if you don't have that, then we're going to be at the mercy of those nations that don't have our best interests in mind. So a strong United States Navy assures our economic success, but it also ensures too that there is a strong effort to dissuade bad actors from coming in and doing things that they shouldn't do. And even though there may be treaties that should prevent that, many times those nations will be opportunistic if they believe that they can get away with it.

**Seth Cropsey:**

Thank you. To get a little bit dialed down a little bit here, the Navy's talking about a $4 billion decrement for the coming fiscal year. Assuming success in Congress's part in restoring the Second Virginia Class Attack submarine. And one of the reasons that attack submarines are so important on this because they're hard to see. As long as they remain stealthy, especially in an area like the South China Sea, which is covered by [inaudible 00:21:00] they're extremely important assets to the United States. But what about the other $2 billion? What are both of you gentlemen thinking about what happens with them? If the money can be restored, how should that be spent?

**Rep. Joe Courtney:**

So you're right, I mean if you look at last year's 2020 budget, which Rob referred to, it was about $23 billion, which was signed into law in December. And the one that came out in February was 19 billion. Again, just because sometimes we're still sort of got the hangover of sequestration. There was no
sequestration driven logic that forced that cut of 20%. More than subs are going to sort of take the hit on this. So Sea Lift, which is another one of these really sort of overlooked parts of our fleet and our maritime policy is another sort of legacy, part of the fleet, which I think it was in the last year, the Navy did an exercise where they basically called an emergency alert to have the Sealift Force just report to duty, just to complete snap drill. The fact of the matter is, the results were pretty scary. I mean, it was about less than 30% of the different platforms were really able to answer the call and able to actually function. Again, the entire military depends on that part of the fleet because obviously, they carry cargo, they carry soldiers, they carry all the other logistics that make the Army go and the Marine Corps go, and if that's not functioning, then it's a bigger problem than just the Navy's.

Again, if we look at the budget, we were expecting much bigger things in terms of recapitalizing the Sealift end of the fleet and I think that as we get closer to markup, which is when we report out the sea power version of the budget, I think again, that's going to be another big focus in terms of trying to respond to a very good, I think test event that exposed a weakness. It's like taking your stress tests at the doctor's office and when you find out you've got some problems, you've got to change your diet, you got to do some different things. We need to respond to this stress test that just took place at the end of last year for the Sealift fleet.

Rep. Rob Wittman:

Yeah, I agree with Joe. It doesn't make the headlines because our logistics has always been a second thought. But if you look at it historically, we should learn the lessons of the past and that is the only way that we can create the necessary deterrence is to make sure we can convince our adversaries not only that we have the offensive capability, but that you can sustain that. When you have a ready reserve fleet of 43 ships that are now almost 46 years old on average, that means they were produced during the Vietnam war.

As Joe pointed out, this turbo activation, I mean, that's one of those things that should keep a lot of people up at night. When you're required to have 85% of those ships certified to go to sea and be ready, and only about 40% of them meet that standard and 90% of the Army's movement to go to the fight is going to be at sea, all those things should really wake us up about things that need to be done. That's going to I know garner a lot of our attention, and Joe and I have talked extensively about that, about how incredibly important that is. Sometimes it's difficult to get traction on it because it's not a destroyer, it's not an aircraft carrier, it's not a submarine.

I would argue it's as critically important as any of our other strategic assets. Our ready reserve fleet is a strategic asset, much like the Columbia class of submarines, much like the B21 bomber, but it doesn't immediately come to people's minds. That's one thing we're going to have to emphasize and I think there's some things that we can do to get there quickly. I know that Mr. Courtney and I have worked through the past several years of authorizing the Navy to buy some used ships. These are ships that are in extraordinarily good shape that we can buy at incredibly good prices. That'll give us years and years of utility, much a greater utility than the old ships that we have and we've given the Navy permission to buy them and the Navy has purchased so far zero. We're trying to reemphasize with the Navy that this isn't something that they can put on the back burner, that it has to be out there in the forefront.

Seth Cropsey:
Do you find that the Navy is moderately receptive or completely tone deaf when it comes ... I mean, you point out to them, they're talking about a larger number of smaller ships and the idea of distributed lethality, somebody's got to feed them.

**Rep. Joe Courtney:**

I mean, work with the leadership all the time and they're serious people and they care about these issues but I think part of the frustration this year is that as Rob said, we get the one-year budget and then we get the five-year plan, the FITAT as he mentioned earlier. Then we get the 30-year ship building plan, which is required by law. Again, that can get a little fuzzy, particularly in the out years. The fact is, all of these investment decisions by the taxpayer, they're not really one-year or short-term results. I mean, shipbuilding just takes longer and so you really do need to have these sort of increments of vision in terms of just whether you're really making the right investments.

We thought we were on a pretty good course in the 2020 budget in terms of getting to a 350 ship Navy and some good report language in terms of again, a whole variety of different issues. The DDG service life extension, getting some of those halls extended out a little bit further. Then boom, February the budget comes over. No 30-year ship building plan, the FITAT, the five-year plan, which last year had I think it was 54 ships, and now it's cut to 42. Again, there was just ... If you do the math and the Congressional Research Service, Ron O'Rourke, who's been around Washington forever and knows ... Forgot more about shipbuilding than any of us will ever know. Again, he did the projections and it is just physically and fiscally impossible to lay out a way that you can get to a 350-ship Navy within the next 30 years based on this budget and the five-year plan that came over.

Again, we're ready to work with people. We really are, the fact is is that this hard rudder turn as we called it at the hearing the other day, that is just totally disruptive in a whole variety of ways. The industrial base, which we haven't talked about much yet, but I mean that's in many ways, the biggest concern, which is we'd crawl over broken glass to get young people now to start getting really excited about metal trades work and making that lifetime commitment. The supply chain which, after the Cold War and the demand signal disappeared, getting them to believe that it's okay to go out and make some capital expenditures and hire people. Now they're suddenly asking themselves, "Wait a minute, this budget, are we back to the on again off again peaks and valleys," which is just poison in terms of trying to get people to really stand up the industrial base.

**Seth Cropsey:**

Because workers see that if the budget's going to go like this, they go somewhere where you can be certain that you put-

**Rep. Joe Courtney:**

Plus, you're not going to go out and borrow money if you own a metal shop or a factory or whatever. If you think, "Well, I have no cashflow I can count on."

**Rep. Rob Wittman:**
Yeah, and I think there needs to be too an emphasis at every level within the executive branch. We saw that last year and the Secretary Esper’s come in this year as a new Secretary of Defense and a lot of us have gone to talk to him to say, "You really have to emphasize the rebuilding of the Navy." To his credit, he’s listened and I think he understands the importance of submarines and aircraft carriers and a Naval presence. What he wants to do is to take some time to determine what direction is the Navy going to take? How do we make sure we have the right combination of ships? He’s talked about unmanned and lightly manned platforms as being part of that. I think that's incredibly important but also, how do we count those ships? How do we make sure that we’re not over-counting ships that may not have the full utility of what’s necessary to have the capability to, to do the things we need to do?

The number is a great metric, but the number by itself doesn’t really inform where we need to go. The secretary is saying, "Hey, I want to get the 30-year ship building plan." He's charged the Dep Sec Def, the Deputy Secretary of Defense to look at that and determine do we have it right? Is this going to be the right path forward? The difficulty with that for us, I applaud the Secretary Esper to make sure he gets it right and the OSD gets it right. The problem for us is that that 30-year ship building plan is what we need to inform the authorization. That's the National Defense Authorization Act and the appropriation, so not getting that in time puts all of that off a year because it's now very difficult for Mr. Courtney and myself to go to our leadership and said, "Hey, we need these things." If we can't go to them and give them that, then what they say is, "Well, if the Navy doesn't know if they want it, then how are we going to go to batten the budget to be able to put it in there," so that creates its own own situation of circumstances.

Seth Cropsey:

Let me just return for a moment to the discussion of kinds of vessels. When we talked about logistics a little bit, we haven't talked about amphibious, but if we're looking at the South China Sea or the Indo-Pacific generally, that's I should say the Indo-Pacific generally. As Americans, we ought to know that amphibious forces can be very important. [inaudible 00:31:48] Marines, the Army. Are we properly sourced for that? Do we have the vessels, do we have the ships that we need? Are we sort of moving in a direction that a general, that the commandant of the Marine Corps has indicated in his vision of where to take the Marine Corps?

Rep. Joe Courtney:

You're right. General Berger, who's just one of the most impressive new leaders, they're a real thinker, I think is determined to sort of get the Marines back to their roots in terms of being an expeditionary force. Obviously, amphibious ships are totally within the wheelhouse of that type of military force. I do think that obviously, is another part of why I think we need to have a little more from the Pentagon in terms of where are you going here, because you're right, Seth. I mean, when you look at the Indo-Pacific region, I mean, we know this from World War II and it was just that-

Seth Cropsey:

From a map?

Rep. Joe Courtney:
Right. We talked to our allies in Australia, I mean, their land forces are almost exclusively expeditionary. Obviously, in terms of China's posture there, which is definitely alarming our allies there, we, I think obviously have to have a pretty clear picture for ourselves and for them, for our allies just in terms of just what is the Marine Corps in the 21st century going to look like in that part of the world? Obviously, having this sort of just waiting game that we're in right now in terms of getting the plan from the secretary's office, it's just again, creates a lot of challenges in terms of trying to get a budget that makes sense.

Seth Cropsey:

As far as your own thinking with that $2 billion surplus, were it to be restored, would building amphibious capacity be part of that or do you see other issues as more as higher priority?

Rep. Rob Wittman:

No, it's not. I think amphibious capacity is an incredibly important part of that. I think what General Berger is pointing out through the planning guidance is, how do we have the right compliment of ships? How do we make sure that we are building the right ships not for today, but for the future? What he's asking is a look at all the legacy systems in the Marine Corps and saying, Should we be redirecting resources to make sure we have what's necessary?" Smaller ships, ships with more flexibility, ships that can move Marines to different places. I think those are exactly the questions that need to be asked. I do think that we need a more amphibious ship capacity. We want to make sure we have the right capacity.

Another element of this whole question about shipbuilding is the unmanned component. The Navy has requested a significant amount of resources to go down the road of unmanned and it was interesting, Secretary Esper's response when asked about unmanned, he says, "Well, I envision unmanned and lightly-manned," and I think he gets it because if we look in the past, as new systems are implemented, sometimes there's been too fast a pace in implementing new systems. If you look at unmanned systems, if you look at what they can do by themselves, they're pretty capable. The question then becomes how do you integrate them into the fleet? How do you clearly define their role? What can they do, what can't they do? You have to go through a number of machinations on that to discover what works and what doesn't work, and you have to have some failures.

My concern is, and I'm sure Joe shares this, is that we want to make sure we go down the road of unmanned, but we don't want to go so fast that we build a bunch of ships and the Navy says, "Oh by the way, not quite the right combination, so we're going to retire those." I mean, we are already seeing that right now with LCS, which we were told years ago, "Hey, LCS is it. This modular ship, new platforms, this is going to be it." Now we've got four of these LCSers saying, "We want to retire them." One of those is only six years old, so that's another question that has to be part of this. General Berger said, "Unmanned will be part of it and we need to go judiciously and expeditiously down that path but not so fast we build a bunch of stuff and then figure out later that it really doesn't work that way." You see, and the Navy's been down that road with an unmanned aircraft and looked at that and said, "Well, maybe not quite everything there that we saw we needed with that." Of course, they've reconstituted now the unmanned aircraft for tanking purposes. I think that is going to be one of the most important questions that has to be answered by the Navy.
Rep. Rob Wittman:
Where the Marine Corps is, they look at how they recapitalize is going to figure out too, how do they integrate unmanned and the different types of ships to do the things in that expeditionary mode and how do they have an amphibious capacity that meets all these different scenarios?

Seth Cropsey:
What's been ... The acronym that we have not used so far is Force Structure Assessment and what that means is that the Navy's effort to decide what kind of fleet it's going to have in the future. Are you satisfied that, and you just mentioned ... Both of you have mentioned that either directly or by implication, the importance of kind of thinking it through to my ... It appears to me that thinking it through means having some idea of a strategy. If you have an idea, some idea of a strategy, then it's easy to figure out what kinds of ships are needed to execute that strategy. If you're just taking a list from Indo-Pac comm and you come and all the combatant commanders, that's a list, but is it a strategy and if it's not, what should the Navy be doing? Are you satisfied that they're doing that? I mean, I'll leave it at that.

Rep. Joe Courtney:
I strongly believe, and I'm sure Rob does too, strategy should drive decision making when you're putting together a defense budget and the Force Structure Assessment, which is a good exercise that the Navy goes through periodically, I think is a healthy thing in terms of just making sure that it is aligned with what is the agreed upon strategy for the country. The last one was 2016, right at the tail end of the Obama administration, start of the Trump administration and I think that 355 ships, the fleet architecture was as Rob said, the sub component was it had the biggest Delta, the biggest shortfall in terms of what they identified. They said we needed a fleet of 66 attack submarines and it went down the list that's there.

There's no question that it's probably time now to have a revisit to that. The National Defense Strategy was released in 2018, which I think has a lot of bipartisan support and in events that are going on in the world in terms of just the aggressiveness in Indo-Pacific region by China, Putin's activity, we should have a new Force Structure Assessment. What I think we've been able to decipher in terms of talking to our friends in the Navy is that there's really not going to be a radical shift in terms of just the, the 2016 Force Structure Assessment. I mean, Secretary Esper for example, testified a couple of weeks ago, "We need more submarines," you know what I mean? Check that box, and so that's what again, I think is so difficult right now for us is that looking at the 2021 budget, which again, that's the one-year decision making process Congress has to go through.

I mean, we're weeks away from having to put this thing together. What came over just does not align itself with the old Force Structure Assessment or what we think is going to be in the new Force Structure Assessment and time is precious when you talk about shipbuilding. You do not get that time back. It's not, frankly, like small components that well if we only order 100 this year, we can double the order next year. Shipbuilding, it's an incredibly complex industrial-based process that you disrupt it like that with basically a 50% cut in production. You don't recover that. Actually Secretary Gertz, under Secretary Gertz testified to that at the end of last week, which he basically said, "If you don't restore that sub this year in 2021 trying to buy that sub, three or four years out, it's going to cost a fortune," and it's going to
really disrupt other parts of the industrial base that are very focused on the Columbia class program, which is the recapitalization. Another recap of the ballistic submarine force.

Again, can't wait to see the Force Structure Assessment. I think we're all curious and really ... But that's sort of a long-term sort of guide in terms of where Congress has got to go and what again, we're trying to figure out is how do we in the short-term, get this budget put together in a way that allows us to implement a new Force Structure Assessment or at least keep on track with the old one.

Seth Cropsey:
Could I ask you a question?

Rep. Joe Courtney:
Yeah, yeah, that's right. Yeah, that's right, yeah.

Seth Cropsey:
That comes out of, yeah.

Rep. Joe Courtney:
Sure.

Seth Cropsey:
The Columbia class, the replacement for the ballistic missile submarines that are aging and will have to be taken out of the force is expensive.

Rep. Joe Courtney:
Yes.

Seth Cropsey:
There have been some efforts to try to defray that cost or at least decrease it. Where is this going to go? Is the Navy going to be required to take it out of the shipbuilding accounts? Is this going to mean further issues with general purpose forces, or how do you guys think about this? What do you want to do?

Rep. Joe Courtney:
Go ahead.

Rep. Rob Wittman:
Well, from our standpoint, I know that Mr. Courtney and I are in exact alignment on this because we worked on this through the years, you cannot expect the Navy to build the fleet in the numbers and the types of ships that it needs to if you are going to, as Columbia class gets up to full production rate and full funding, funded out of the ESC and account better known as the ship building account. The Ohio
class submarine was funded out of the National Sea-base Deterrence fund because we know that that part of the triad is a strategic asset and a strategic mission. While the Navy operates it, it is a strategic mission. If you're going to take that ship and put it into the ship building budget, especially if you go now down to the ship building budget that's been requested, there is no way that you're ever going to be able to build the other ships and you see what happens when you're having to take a, excuse me, a Virginia class ship out or you're taking destroyers out, you will never get to 355 ship Navy.

This submarine, I think must be funded as a National Strategic Asset, just like Ohio class was. If you can do that, then you can kind of get it out of the fray within the Navy budget and then have some dollars there necessary to sustain the SCN account. Because if not, every year, the SCN account is going to be at the mercy of what happens within the top line of the defense budget. Instead of saying, "No, the money's going to be set aside. It'll automatically be there. It'll be budgeted there separately as an entity." I think that's the way it has to go.

I know that Mr. Courtney has fought the battle to get that in there. That function is there. We actually also, after a lot of pushing and pulling, got the appropriators to go there to put some money into it. Because you can have the fund there, but if there's no money into it. We've done all the heavy lifting to get it where it needs to be. The administration now needs to use it.

Now, it will be a challenge for us because Secretary Esper, when asked about that says, "No. I think that Columbia classes and ABS that they have to fund it. I think that the B-21 is an Air Force asset. They're going to have to fund it." Then I logically asked him here. I said, "Well, isn't Sealift a national asset? If that's the case, shouldn't the Army have to come in and in a fund Sealift?" Then it's funny how we get the answers about, "Well yeah, we need those ships, but ..." When you ask General McConville or Secretary McCarthy, it's like, "Yeah, we need those ships, but ..."

There has to be a consistency there in how we are funding these critically important assets, especially for the triad. To look at how do we do that in the least disruptive way to the SCN account. If you don't, you're going to have uncertainty every year in the SCN account. If you have uncertainty, you will not get the recapitalization in the industry. You will not get the necessary skill set as Joe has pointed out. He's done a tremendous amount just in his region to get students interested. To get schools that are putting on these career and technical education plans for shipbuilding skills. That's taken a number of years.

All those pieces of the puzzle don't come together unless you create that certainty in the shipbuilding budget. The certainty won't be there if now you're going to expect to fund a ballistic missile submarine that's going to be $7 plus billion dollars in construction cost. I mean, you look at the budget the way it is now, if you drop that in there at the full rate of production in full purchase of the other ships, you can't sustain it, period.

**Seth Cropsey:**

A question, Mr. Courtney. How do your colleagues feel about this especially on the appropriation side? There's been a little bit of money appropriated, but not $7 billion times 12.

**Rep. Joe Courtney:**
Again, there's precedent for Congress setting up a separate account for very unique acquisition where it's something that again, as Rob said, provides a benefit to all branches of the military. Again, we created the National Sealift Fund back in the 1990s when again we were in a similar sort of problem there. Again, that took it out of the shipbuilding account and that took that pressure off the rest of the shipbuilding plan.

We did have a floor fight a couple of years ago in terms of creating this separate fund for the Columbia class. Again, the legal title is the National Sea-Based Deterrence Fund. But again, we made the same arguments, which is that this is a one-mission platform. It basically is the country's insurance policy. It provides a second strike capability if God forbid, there was an attack on the US, obviously, because they operate undersea. They're not detectable. It provides a benefit that far surpasses the regular sort of operations of the Navy.

By the way, the captains who drive those submarines, they report to Strategic Command. They don't report to the Navy. I mean, which again just sort of reinforces Rob's point that this is really not your sort of typical Navy ship or submarine. Again, construction starts at the end of this year. Again, this thing has been in the works in terms of design for many years to come. Good news by the way is designed completion will be at 83% when they cut the first steel and the first boat. That is unprecedented. That's a really good thing in terms of debugging the construction process and making it work better.

Again, it will be very intense through the 2030s then it will come to an end. Those ships will be on patrol till the 2080s. Again, this is like a multigenerational hit on the budget that is very intense for a decade or so and then it goes away. The question as Rob said is just, "Do you let it suffocate the rest of the budget by plunking it on top of the rest of shipbuilding?" We think very obviously passionately that it really should be treated as a national strategic asset because it carries about 70% of the nuclear deterrence payload. Far more than the Air Force and or the ground-based systems that are there.

When you look at the proportionality of just the burden that the Navy carries with paying for this out its budget when it provides so much broader benefit to the rest of the Pentagon and the country. I mean, I think a very strong case should be made that, as I said, it shouldn't suffocate the rest of the Navy shipbuilding plan.

**Rep. Rob Wittman:**

Absolutely.

**Seth Cropsey:**

We've got questions. We have questions, but we don't have time. Instead of asking you both the same question, let's just go back.

**Rep. Joe Courtney:**

Sure, round robin.

**Seth Cropsey:**
This is a question from our watching audience here. "With the Navy promising to cancel service life extensions to the Early Bird combined with the five destroyers who were cut from the FY 21 budget, maybe we’ll have 32 fewer destroyers by ’34? Is that a policy that you support? Given the financial constraints from the Navy, that the Navy is living under, what are the options?"

**Rep. Rob Wittman:**

Well, our DDG 51s are incredibly important. Doing the upgrades, especially on the Flight IIs are important. There's still a lot of utility and life left in Flight IIs. There's some upgrades that they can do there and bring the Aegis baseline systems up, put some more capable radars on those ships. I think that those things need to stay on track. Looking at slowing down the rate of production on Flight IIIIs doesn't get us to where we need to be, especially in light of retiring four CGs.

If you're going to take those cruisers out, and remember those cruisers are both either part of the carrier strike group mission or the ballistic missile defense mission, if you're going to take those out, my counter to that is what are you going to do then to be able to replace them at some fairly fast pace with DDG 51? If you're going south on upfitting older DDGs, you're retiring CGS and then you are as you go forward not building as many or at as quick a pace, the Flight III DDGs, then again, that's one of those situations where you're going much, much further away from the 355 ships and the components that you need for both those critical missions, BMD and carrier strike group.

**Seth Cropsey:**

Well, let me speak for the unknown questioner here and ask you as a followup just to that. What about the possibility of decreasing the number of larger ships like the Burke class in favor of increasing the number of smaller combatants? I mean that does something with your numbers, but I think the more important issue is that that does something that increases lethality. It complicates the enemy's problem. It goes in the direction that the Navy is increasingly thinking about, especially for the Indo-Pacific. Does that make sense?

**Rep. Rob Wittman:**

Well, it does. It does. The key though is to make sure, and let's use for example a platform like Sea Hunter. It's deployed. It's gone out there. It's proven to be successful. The problem is Sea Hunter is deployed and being tested as a single platform. The question becomes what will its role be and how effective can it be integrating into a carrier strike group or integrating into the BMD mission or being an ancillary part of a destroyer squadron?

None of those questions have been answered yet. The only way that you know that is to implement that, put it in place and figure out what does it do well? What doesn't it do well? Then from that particular standpoint, then you can ramp up production. My concern is that if you replace a DDG 51 Flight III that we know is an extraordinarily capable ship, or even a modernization of a Flight I and say we're going to replace that with an unmanned platform, you really have no idea at this particular point how useful that's going to be integrating into these missions in the fleet.

Now I would argue this, that let's build a number of those. Let's integrate them in. Let's figure out what works and what doesn't work. Then at some future date you can ramp up production there and get a
significant amount of capability and capacity. But don't do it too soon to where you waste resources and say, "Well, these ships haven't quite worked out the way we're going to do. We're going to retire these." Because we see that with LCS. It really takes away from the effort necessary to build the fleet that we need for the future.

**Seth Cropsey:**

If the LCS had been built within a couple of years of when its idea was conceived, it would be a completely different picture.

**Rep. Rob Wittman:**

That's right.

**Seth Cropsey:**

But it takes 20 years.

**Rep. Rob Wittman:**

It does. Then the ship was built and the mission modules still aren't available to go on the ship. Again, it was one of those things where timing is everything here. Timing is going to be everything on these platforms. Listen, Secretary Esper said and I think he's right. He said, "Maybe we start with these platforms as lightly manned. Put a few personnel on board, figure out what they can do, what they can't do, and then ramp up from there." That way you're getting maximum utility out of your money and operational efficiency of those platforms.

**Seth Cropsey:**

A lesson that might've been learned from the LCS.

**Rep. Rob Wittman:**

Yes.

**Seth Cropsey:**

Another question here, Mr. Courtney. Again from a viewer, "If spread over two years an increase of 19.6 billion for the currently unfunded priorities and DOD spending is," says the viewer, "1/480th of the current proposed federal budget of $4.8 trillion, why not increase defense over two years by that much and reduced funding elsewhere such as suggestions, 500 million for public broadcasting, 500 million for international family planning or some small percentage of the 150 billion in annual fraud GAL found in Medicaid and Medicare," so on and so forth.

**Rep. Joe Courtney:**

Again as I said at the beginning, the one sort of different environment we're operating in is that the Budget Control Act now is just a thing of the past. I mean it's in the rear view mirror. The agreement that
was passed by Congress in the early fall I think of last year when we, again, struck the last two years of the budget caps was that we set the defense and non-defense discretionary spending accounts with new numbers. There was about a 1% to 2% increase for defense, a little bit more on the non-defense side. Although again, you started with a lower baseline there.

Bottom line is that we go into the 2021 budget cycle without these draconian cuts that we were staring at for 10 years as the Budget Control Act was in operation. Again, if you look at that top line that was negotiated, which again, it was an increase from 2020. Then you look at a 20% cut in shipbuilding, I mean that's what I think really is so jarring to us is that this is not being driven by the top line, which again is sort of implied in the question that you pose there.

There was obviously decisions made to put money elsewhere in other parts of the defense budget. That really is something that, again, our staff and the Appropriations Committee Staff are really scrubbing as hard as possible. Frankly, I think there's some promising signs that we're going to find ways to ameliorate that drastic cut, which it's just not aligned with the Budget Control Agreement that took place last fall.

Seth Cropsey:

We have time for more questions, but you gentlemen have jobs to do. I'll ask one and if you want, we can proceed, but it's up to you guys.

Rep. Joe Courtney:

I can do one more. How's that? Is that okay?

Seth Cropsey:

Okay, all right.

Rep. Rob Wittman:

I'll do one.

Seth Cropsey:

All right, one each. This question here is channeling former Secretary of Defense, the late Secretary of Defense, Caspar Weinberger. The sum of it is this. He says, "If priorities will not be funded at the level that you think is required, then what are the security requirements the Congress and the administration should give up?"

Weinberger used to say this all the time when he would appear before the Senate and the House Armed Services Committees. He said, "You want a smaller budget? Okay, fine. What do you want me to give up?" This person is asking basically the same question.

Rep. Joe Courtney:

It's a great question because as I said earlier, strategy really should drive the fundamental decisions. I think that really the NDS that came out in 2018 correctly identified the fact that looking out in terms of
what's going on in the world right now, I mean our near peer competitors are really, I think are the biggest sort of concern that we have to be focused on.

Iran and North Korea were listed in the National Defense Strategy as well. I mean in North Korea in some ways it's sort of part of the whole Indo-Pacific sort of effort that's out there right now. Look, the Middle East, which has really been a drain on the Navy over the years. I mean, we had augmentees serving in Iran. I remember that we had a submariner in Groton, Connecticut who was describing being a prison guard and Abu Ghraib. The Navy stood up in and helped and participated.

Shipbuilding, part of the reason we've got this sort of legacy trough that we're sort of fighting our way through is because shipbuilding was a bill payer back in the early 2000s as well. I mean, if you look at the number of new ships from like 2001 up until really 2010 or '11 when finally we started to see an uptick in terms of new contracts that were authorized and appropriated, there's no question at that part of the world was a big driver in terms of why those decisions were made.

Look, we're all hoping that something's going to come together with the peace negotiations in Afghanistan and that we're going to figure out a way to divest to some degree the spending. This is just Joe Courtney talking here. This isn't the Seapower Committee talking here. But at some point, either we're really serious about the great power competition or not in terms of where our budget needs to be prioritized.

Having said that, I think our goal is still to balance as much as we possibly can to make sure that those efforts over there in the Middle East in terms of deterrence, as far as the different threats that exist there are dealt with. But certainly at some point I think air and sea I think are instrumental in terms of just really a serious implementation of a National Defense Strategy.

Seth Cropsey:

Good. That leads perfectly to the final question. Given what Mr. Courtney just said and given what the two of you, it must be some kind of a relief for our viewing audience to see get along and agree on the basics so well. Should we be thinking about things that have really been off the table since the Eisenhower administration?

What I'm referring to, I think the viewer is referring to specifically, is a significant movement of resources from one service to another. I would call it a strategic transfer of resources from one service to another. Not as something that goes on indefinitely, but in order to meet the current contingencies and the ones that we can expect in the [change 00:18:11].

Rep. Rob Wittman:

Well, I have been vocal that we need to look at the 1/3, 1/3, 1/3 allocation of defense dollars to all the different service branches. Listen, no offense in any way shape or form to any of the other service branches, but we are going to have to have certain capabilities in certain areas. We're going to need some of those at a faster pace than another areas. A great example is, listen, you can have the greatest brigade combat teams in the world. You could have the greatest Stryker Brigades in the world, but if they can't get to the fight because we don't have a robust ready reserve fleet, then that's pretty shortsighted.
That's why I think in those situations you need to say in order to get the right mix of assets. Doing it straight 1/3, 1/3, 1/3 is not letting the strategy drive the budget, it's letting budget drive the strategy. Then if you're underfunding the capacity and capability that you need to rebuild and you won't have it when you need it, that creates a strategic vulnerability. Yes, I do think that you have to ask those questions. I do think that you can be overly parochial in looking at how to fund the defense budget. I do think that unless we look at that, then we will not be implementing the right authorization decisions or the right budget decisions in the right places in order to have the force necessary in the future.

We today live in a very dynamic environment and our adversaries, China especially, turn on a dime. We already have a system that has a number of layers there that keep it from operating quickly and efficiently. Acquisition processes are pretty inefficient. Now listen, they're getting better. I want to give credit there, but the Chinese start with a blank sheet of paper. They just say, "Hey, what can we do?" We figure it out there.

Whereas many times we start with a sheet of paper that's full of no's. "No, you can't do this. No, you can't do that. No, you can't do this." It makes it much, much more difficult for us. I think Secretary Esper gets it. We've been emphasizing to say that we have to make our acquisition system much more agile, much more flexible and able to get money to the right places. Get technology, today's technology to the right places much, much more quickly. Get the capability where it needs to be regardless of service branch as quickly as we can to that place.

That only not means not fixing the acquisition system, but also looking very critically at where do the resources go. If we're only going to have this level of increase in top line, then you're going to have to ask, "Okay, within that realm," and Joe pointed that out, "within that realm of a top line budget, then how do we make sure we get those dollars strategically to the best places for this nation?"

Seth Cropsey:

Well, this has been a very interesting discussion. I hope and expect that with your agreement that we'll continue it in the future. Thank you very much, both of you for coming today and taking the questions from the audience out there and the audience in here. Good luck.

Rep. Rob Wittman:

Thanks, Seth. Thank you to the Hudson Institute.

Rep. Joe Courtney:

Thank you.