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**DEPARTMENT OF DEFENSE POSTURE STATEMENT**  
**SENATE ARMED SERVICES COMMITTEE**  
**March 4, 2020**

**Introduction**

Chairman Inhofe, Ranking Member Reed, distinguished members of the committee, I appreciate the opportunity to testify in support of the President’s budget request for Fiscal Year (FY) 2021.

The 2018 National Defense Strategy (NDS) provides a clear roadmap for the Department of Defense (DoD) to address the re-emergence of long-term strategic competition from near-peer competitors: China, then Russia. Throughout the Pentagon and across the Joint Force, the NDS guides our decisions and actions as we adapt the force to simultaneously contend with the threats of today, while preparing for the challenges of tomorrow. We do this by increasing the readiness and lethality of our warfighters, strengthening our alliances and partnerships, and reforming the way DoD does business. Additionally, we have placed renewed emphasis on taking care of our Service members and their families.

The DoD is grateful for the strong support provided in the FY 2020 National Defense Authorization Act (NDAA) and the FY 2020 DoD Appropriations Act. This legislation supported vital investments in our military’s modernization, enabled the creation of the Space Force, and provided our Service members with the largest pay increase in a decade. Our continued success as a Department is contingent upon predictable, adequate, sustained, and timely funding. We encourage Congress to pass a full-year spending package for FY 2021 on-time to avoid the debilitating effects of another Continuing Resolution.

The DoD’s total FY 2021 budget request is \$705.4 billion, consisting of \$636.4 billion for base requirements with an additional \$16 billion categorized as overseas contingency operations for base, and \$53 billion for overseas contingency operations. After removing disaster relief emergency funding, this year’s budget request represents a minor increase from the FY 2020 enacted amount of \$704.6 billion, but does not keep pace with inflation. Given this flattened funding level, we made many tough decisions to ensure our highest priorities were adequately funded.

To guide our decision making, we initiated a comprehensive Defense-Wide Review (DWR) aimed at reallocating resources from programs and activities that offer low return on investment relative to the goals and objectives of the NDS. Over a four month period, we conducted over 20 review sessions, examining almost \$100 billion in programs, agencies, and activities that make up the “Fourth Estate.” This review generated \$5.7 billion in FY 2021 savings for reinvestment in areas such as nuclear modernization, space, missile defense, hypersonic weapons, artificial intelligence, and 5G communications.

Additionally, to make room for investments in future capabilities, each of the Services has divested some legacy systems. These were necessary measures to ensure our highest priority

programs were sufficiently resourced. I urge Congress to support these tough choices, as the alternative is to underprepare for the challenges of great power competition.

The DoD's FY 2021 budget request is directed toward achieving irreversible implementation of the NDS by focusing on strengthening military readiness and lethality; advancing critical modernization efforts across all domains: air, land, sea, space, and cyber; prioritizing nuclear deterrence recapitalization; enhancing missile defense capabilities; and providing our Service members and their families with the quality of life they deserve.

### **Strategic Environment**

Today's global security environment remains complex and volatile. The re-emergence of great power competition has challenged the United States military's long-held competitive advantage in certain key areas. Meanwhile, rogue regimes continue to foster regional instability, while terrorist organizations seek out sanctuary in new parts of the world. It is critical that the DoD maintains the momentum provided by the last few budgets, which enabled vital investments in modernization and lethality, and enhanced our military's deterrence capability.

The Department's highest priority remains China, as its government continues to use – and misuse – its diplomatic, economic, and military strength to attempt to alter the landscape of power and reshape the world in its favor, often at the expense of others. The Chinese Communist Party (CCP) continues to invest heavily in the modernization and expansion of its military in areas such as space, cyber, electronic warfare, undersea warfare, fighter aircraft, bombers, long-range missiles, and other anti-access / area denial (A2/AD) capabilities.

China's goals are clearly stated: by 2035, the CCP's leaders seek to complete its military modernization, and, by 2049, become a preeminent global military power. What is most troubling is that China is pursuing these objectives by any means necessary, including forced technology transfer, intellectual property theft, cyber espionage, and commercial acquisitions. Once Beijing obtains and develops these technologies, it leverages them to intimidate or coerce smaller states, while simultaneously narrowing the United States' competitive advantage. When American companies fall victim to state-backed cyber theft, are forced to surrender intellectual property, or are undercut by a Chinese corporation selling below cost, it erodes our important industrial and innovation bases and diminishes our military overmatch.

As part of its efforts to manipulate the long-standing free and open international order to its advantage, Beijing continues to militarize features in the South China Sea, threatening freedom of navigation and the free flow of commerce throughout the region. Through its Belt and Road Initiative, China is expanding its political and economic ties across Asia, Europe, South America and Africa, with the less publicized objective of expanding the People's Liberation Army's influence and reach.

Meanwhile, Russia remains intent on upending international norms and reasserting regional dominance by violating the sovereignty of neighboring states, breaking treaty obligations, and engaging in malicious cyber operations on a global scale. Moscow continues to press forward with the rapid modernization of its military. Its sophisticated coordination of drones and cyber

attacks during its invasion of Ukraine, as well as its recent public display of new nuclear hypersonic systems, validate our concerns about Russia's burgeoning military capabilities and intentions to undermine the NATO alliance.

Concurrently, North Korea seeks to build legitimacy through the development of a variety of nuclear, conventional, and unconventional weapons, and by growing its ballistic missile capabilities. Our forces on the Korean Peninsula remain at a high state of readiness, alongside our Republic of Korea counterparts. While we support continued diplomatic efforts to bring about lasting peace in Korea, we remain prepared to fight and win tonight, if required.

In the Middle East, the United States remains committed to working alongside our allies and partners to advance our strategic priorities for the region: ensuring the enduring defeat of ISIS, supporting a strong and independent Iraq, and deterring Iranian aggression. The United States' actions over the past year, including the deployment of additional defensive forces to the region, the defeat of ISIS' physical caliphate, and the operations that resulted in the deaths of terrorist leaders Abu Bakr al-Baghdadi and Qasem Soleimani, were essential to restoring deterrence and degrading our enemy's military capabilities.

Guided by the NDS, the DoD seeks to right-size our force disposition in all theaters over the long-term to better compete with China and Russia. Concurrently, we must sustain efforts to counter rogue regimes such as Iran, while bolstering the capability of our allies and partners to maintain regional stability. Enhancements to our posture in the Middle East in recent months are consistent with this strategy.

### **Build a More Lethal Force**

The DoD's FY 2021 budget request is focused on designing a future force that is dominant in all warfighting domains. This is particularly important at a time when our strategic competitors are developing advanced capabilities to challenge our areas of traditional military overmatch. We must continue to invest in modernization to solidify our competitive advantages and build new areas of asymmetric advantage.

#### Nuclear Modernization

The 2018 Nuclear Posture Review reaffirmed the need for the nuclear triad, validating DoD's long-overdue recapitalization of the nation's nuclear armed missiles, submarines, bombers, dual-capable aircraft, and related infrastructure to keep the U.S. nuclear deterrent secure, effective, and reliable for decades to come. Most of the nation's strategic nuclear delivery systems, built in the 1980s and prior, are reaching the end of their service life in the 2025 to 2035 timeframe, with all currently fielded systems having been extended well beyond their original service lives. The DoD's FY 2021 budget invests \$28.9 billion to sustain and modernize all three legs of the triad with key investments in the ground-based strategic deterrent, the B-21 stealth bomber, the Columbia-class submarine, and enhanced nuclear command, control and communications (NC3) systems.

#### Missile Defeat and Defense

The Department is committed to implementing the 2019 Missile Defense Review, which calls for comprehensive missile defense capabilities, flexibility and adaptability, tighter offense-defense integration and interoperability, and highlights the importance of space. The DoD's FY 2021 budget funds enhancements to U.S. Missile Defeat and Defense (MDD) capabilities to defend the homeland, deployed forces, allies, and partners against an increasingly complex adversarial missile threat. This budget request increases missile defense capacity and capability to keep pace with adversary missile systems, while investing in new approaches to a layered defense of the homeland.

The DoD's FY 2021 budget includes \$20.3 billion for MDD, which includes \$9.2 billion for the Missile Defense Agency (MDA), \$7.9 billion in regional and strategic missile defense capabilities outside of the MDA, and \$3.2 billion in missile defeat or left-of-launch activities. Notable investments include the development of the next-generation interceptor, and increased funding for the Aegis Ballistic Missile Defense System and Terminal High Altitude Area Defense (THAAD) Ballistic Missile Defense.

### Critical Technologies

We are in the midst of rapid technological change that has the potential to fundamentally alter the character of war. Our adversaries are systematically and strategically developing and fielding advanced systems, eroding the advantage the United States military has maintained in conventional warfare. Maintaining technological superiority is essential to our future security. To ensure we lead in the development and fielding of new systems that harness these advancements, we must prioritize critical technology investments.

The DoD's FY 2021 budget reflects this commitment by investing \$106.6 billion in research, development, testing, and evaluation (RDT&E), the largest RDT&E budget in our history. The DoD's focus on research and technology efforts to bring advanced capabilities to the field will ensure we maintain overmatch against near-peer competitors. This budget request maximizes the amount of money we can effectively and responsibly spend on these critical and emerging technologies. Select efforts include:

- Hypersonics – Accelerates development of Army Long Range Hypersonic Weapon; increases funding for Navy Conventional Prompt Strike, and Air Force Advanced Rapid Response Weapon (\$3.2 billion).
- Microelectronics/5G – Accelerates our access to both advanced commercial and specialty microelectronics while adopting a zero-trust security paradigm; hastens our mastery of “ubiquitous connectivity,” so that we can fully leverage the power of 5G technologies for our mission, while preventing our adversaries from using it against us (\$1.5 billion).
- Autonomy – Enhances speed of maneuver and lethality in contested environments; develops human/machine teaming (\$1.7 billion).
- Artificial Intelligence (AI) – Continues the AI investments that focus on next-generation AI R&D at DARPA, expands the intelligence AI pathfinder Project Maven, and accelerates

fielding of AI capabilities at scale to meet warfighter needs through the Joint Artificial Intelligence Center (JAIC) (\$0.8 billion).

More so than any other emerging technology, AI is transforming our society and affecting the ways in which we do business, interact socially, and conduct war. Our competitors have also recognized the transformative potential of AI and are investing heavily in it as they modernize their military forces. Maintaining a competitive advantage in AI is essential to our national security.

The DoD is committed to employing AI in a responsible and lawful manner that promotes our nation's values. As such, I have approved the implementation of the DoD's AI Ethics Principles to ensure the development and use of AI is guided by an ethical framework. These principles will help guide, inform, and inculcate the responsible use of AI – in both combat and non-combat systems – by the Department to help maintain our technological edge, while upholding our values. By adopting these Principles, DoD will lead the way in the responsible use of AI across the entire government and with our allies and partners.

### Space

The NDS recognizes that space is fundamental to U.S. prosperity and national security. Great power competitors are increasingly developing weapons to disrupt satellites and other space-based capabilities. The FY 2020 NDAA created the sixth branch of the military, the United States Space Force (USSF), within the Department of the Air Force, to organize, train, and equip military and civilian personnel to maintain freedom of operation in, from, and to space. As the first new military service established in over 70 years, the USSF will protect and defend our military capabilities and economic interests in the space domain as our near-peer competitors continue to expand their presence in space.

The DoD's FY 2021 budget invests \$18 billion in the space warfighting domain. These investments will enable the expeditious building of USSF, reduce risk to satellite communications jamming, build resiliency in global positioning systems, improve space-based missile warning capabilities, and increase our space launch capacity.

To manage DoD space forces efficiently and holistically, the Department's vision remains to consolidate the preponderance of space missions, units, resources, and personnel from the existing Military Services into the new USSF. These transfers are critical to unifying today's disparate space-related research, development, acquisition, fielding, and operations into a single organization led by a single leader. The DoD's goal is to transfer the appropriate space-related assets into the USSF no later than FY 2022, consistent with law.

### Cyber

Cyber attacks represent a long-term threat to our national strength and military advantage. Persistent and sophisticated adversaries are continuously targeting our systems and networks through malicious cyber activity. This challenge is equally applicable to public and private networks across the United States. A proactive DoD cyber approach is necessary to guard against these threats by defending forward to protect our infrastructure and disrupt covert foreign malign

activity. This includes defending the integrity of our democratic processes by assisting in the security of our elections.

The DoD's FY 2021 budget invests \$9.8 billion into cyberspace activities that continue to build on the goals laid out in the DoD Cyber Strategy. This request improves cybersecurity by mitigating key cyber deficiencies and strengthening our defensive capabilities to counter adversary efforts to exploit U.S. technology. While robust defensive cyber capabilities are our priority, the joint force is also improving offensive capabilities to engage threats at a time and place of our choosing.

The Cyber Operations budget includes \$2.2 billion to support the Cyber Mission Force (CMF), consisting of 133 teams working as the operational arm of U.S. Cyber Command, to carry out cyberspace operations in defense of the nation's interests. Cyberspace domain investments, underpinned by digital modernization efforts, provide our CMF the tools necessary to execute offensive and defensive cyberspace operations.

### Air

In the air domain, we continue procurement of the Joint Strike Fighter aircraft and modernization programs for existing Navy and Air Force strike fighter aircraft and bombers. We also include a cost-effective mix of 4th generation fighter aircraft by procuring 24 additional F/A-18E/F Super Hornets and capitalizing on existing Foreign Military Sales production lines to procure 12 F-15 EX aircraft. This will increase readiness of the Navy and Air Force fighter fleet and relieve pressure on the aging legacy platforms. Additionally, we continue procurement of the KC-46A aerial refueling tanker, which will replace aging legacy tankers.

### Sea

In the sea domain, the DoD remains committed to building a Navy of at least 355 ships. The DoD's FY 2021 budget request procures eight surface and subsurface battle-force ships, including one Columbia Class Ballistic Missile Submarine and one Virginia Class Submarine. Importantly, we remain focused on the readiness of our current fleet—our top priority—by allocating an additional \$3.4 billion into the Navy's operations and maintenance account relative to FY 2020 (excluding disaster relief emergency funding).

To maintain our maritime dominance and freedom of maneuver, we are exploring a range of alternative "future fleet" designs that are capable of meeting the demands of the NDS, while remaining compatible with future warfighting doctrine, threat developments, and budget constraints. In concept, the future fleet must prioritize integrated Navy and Marine Corps operations; distributed awareness and lethality; survivability in a high-intensity conflict; adaptability in a complex world; the ability to project power, including through precision long-range fires; and demonstrate presence, providing a visible deterrent to potential adversaries while reassuring our allies and partners.

The composition of the future force will emphasize fewer large surface platforms, more and smaller surface combatants, lightly/optionally-manned ships, and an ample submarine force. Just as the Air Force and Army are integrating more remotely piloted aircraft and optionally manned

ground vehicles, the Navy must begin to integrate and deploy lightly/optionally-manned ships. Future analysis and experimentation will drive the NDS-based force structure for the Navy and Marine Corps, and will inform the direction of future shipbuilding plans.

One of my top priorities is ensuring that the Department has a robust, data-driven review of the future integrated naval force. To that end, I have initiated a war game and analysis process led by the Deputy Secretary of Defense to evaluate proposals from across the DoD, to possibly include experts from the Naval War College, Naval Postgraduate School, and Marine Corps University. The Department of the Navy intends to continually iterate the recent Integrated Naval Force Structure Assessment and align what it learns with the annual planning, programming, and budgeting process.

### Land

In the land domain, the DoD's FY 2021 budget improves the lethality and survivability of ground forces by divesting legacy systems and investing in modernized combat systems that will be needed by the future Joint Force. Building on the research and development investments made over the past two years, we continue to prioritize funding for the development and testing of long-range precision fires, future vertical lift, ground combat vehicles, air and missile defense, the network, and soldier lethality systems to replace many of the Army's aging platforms. This budget will ensure our ground forces remain ready and lethal by upgrading 89 M-1 Abrams main-battle tanks, procuring over 4,200 Joint Light Tactical Vehicles and 72 Amphibious Combat Vehicles, and upgrading over 150 Stryker Vehicles.

### Joint Warfighting Concept

In addition to developing these capabilities we must also modernize how we fight. Our budget request supports the creation of a new Joint Warfighting Concept to enable our transition to All-Domain Operations by aligning our personnel, equipment, training, and doctrine.

This concept builds on the recent experimentation conducted by the Services as we develop a new approach to integrating our warfighting capabilities. As part of this effort, the Air Force is leading the Department's new Joint All Domain Command and Control (JADC2) initiative, which is critical to linking any sensor to any shooter on the battlefield in real time.

### Dynamic Force Employment

Our military's force posture must be adaptable to account for the uncertainty that exists in the strategic environment. Dynamic Force Employment (DFE) provides options for proactive and scalable use of the Joint Force in response to emerging security requirements. DFE will allow the DoD to compete more effectively by employing military forces outside of the steady-state pattern of deployments our adversaries have come to expect. This concept will induce unpredictability into our operational decisions, and demonstrate the capability to rapidly reposition forces in response to changing security conditions.

### **Strengthen Allies and Attract New Partners**

The United States' competitive advantage is not only a result of our unrivaled warfighters and state-of-the-art weapons and equipment, but also our unmatched network of alliances and partnerships. Forged over decades of shared values, interests, and sacrifice, these relationships provide us a strategic edge our adversaries cannot match. The United States military works every day to strengthen and expand the alliances and partnerships that form the backbone of the free and open international order, which has enabled security and prosperity for millions around the world.

### Indo-Pacific

The Indo-Pacific remains the DoD's number one priority region. We have an enduring commitment to uphold a free and open Indo-Pacific in which all nations, large and small, are secure in their sovereignty and able to pursue economic growth consistent with accepted international rules and norms. We are committed to enhancing this shared vision alongside our allies and partners in the region.

However, an increasingly aggressive China continues to undermine regional stability through its coercion of neighboring states, illegitimate maritime claims, and predatory economic practices. Unlike the Communist Party of China, the United States respects the sovereignty of all nations, regardless of their size or strength. Our approach continues to prove itself superior to Beijing's, as evidenced by our growing partnerships across the region.

For example, last November in Vietnam, I announced the provision of a second high-endurance cutter to enhance the Vietnamese Coast Guard's capabilities and build greater trust between our nations. In Thailand, I signed Joint Vision 2020 with the Prime Minister in order to chart a course for increased interoperability and expanded exercises and training between our forces. And in December, I signed a Memorandum of Understanding with Singapore announcing the establishment of a fighter training detachment in Guam, which will deepen our defense cooperation.

That same month, the United States hosted the second ever India 2-Plus-2 Ministerial, where the world's two largest democracies continued to strengthen our ties and finalized important agreements that will expand our ability to co-produce and co-develop critical technologies. Our burgeoning defense relationship, evidenced by the new Tiger Triumph annual amphibious exercise, will be crucial to improving our military interoperability.

### NATO

The United States' leadership has been critical to getting the world's strongest military alliance back on the right trajectory. President Trump succeeded in elevating the issues of burden sharing and readiness, securing widespread agreement that NATO members must do more. As a result, our NATO allies invested an additional \$130 billion into defense since 2016, and are projected to reach \$400 billion by 2024. Additionally, the number of member states that currently meet the 2 percent GDP commitment has doubled over the past 3 years.

Last December, NATO reached its goal of identifying 100 percent of the contributions for the NATO Readiness Initiative. This plan provides the alliance with the capability to have 30 mechanized battalions, 30 combat vessels, and 30 air squadrons ready to fight in 30 days.

In FY 2020, the United States military will deploy over 20,000 troops to participate in Defender 2020, one of the largest military exercises in Europe in the last 25 years. Defender will demonstrate our force projection capabilities, exercise the Army's ability to conduct Division-level maneuvers, and enhance interoperability with our allies and partners in the region, thereby deterring conflict.

### Middle East

In the Middle East, we remain committed to supporting a regional constellation of strategic partners to ensure the enduring defeat of ISIS, deter Iranian malign activities, and support a strong and independent Iraq.

The United States maintains its leadership role in the 82-member Defeat-ISIS coalition. Together, the U.S. and its partner forces have destroyed ISIS's physical caliphate and liberated millions from its barbaric rule. U.S. troops deployed to Iraq and Syria continue to work alongside our allies and partners to ensure the enduring defeat of ISIS.

After months of escalating acts of aggression from the Iranian regime, the U.S. military took decisive action to protect our personnel and interests, which included a no-notice deployment of 3,500 Soldiers from the Army's 82<sup>nd</sup> Airborne. The DoD also helped internationalize the response by leading the development of the International Maritime Security Construct (IMSC) in September 2019, which protects freedom of navigation in the Persian Gulf and Gulf of Oman. The IMSC currently includes contributions from seven nations and continues to deter malign activity in the Strait of Hormuz.

In Afghanistan, we remain committed to ending the war through a political agreement that ensures Afghanistan cannot be used as a safe haven for terrorist groups to attack the United States. On February 29, the United States signed an agreement with the Taliban that paves the way for intra-Afghan negotiations in pursuit of a permanent ceasefire and lasting peace. If the Taliban honors the arrangement, the United States will reduce its military presence to 8,600 troops within a matter of months, in line with commensurate reductions from other NATO allies that contribute forces. If progress continues, the United States and its partners will further reduce our presence over the next 14 months until all U.S. and coalition forces are out of Afghanistan. The entire process will be conditions-based, and should the Taliban renege on its commitments, we will adjust our withdrawal timeline accordingly. Throughout the course of our drawdown, we will retain the necessary capabilities to protect our service members and support the Afghan security forces.

### International Professional Military Education

The DoD is committed to expanding our International Professional Military Education (IPME) to deepen our defense relationships and build partner capacity. IPME, provided principally via the International Military Education and Training program, is a low-cost program that builds long-

term relationships with future foreign leaders, strengthening our alliances and partnership throughout the world. In concert with the State Department, I plan to increase participation by 10 percent in FY 2021. As we do so, we will ensure rigorous vetting of the students selected to participate, much like we do for the U.S. recruits with whom they train.

## **Reform the Department**

### Defense-Wide Review

The DoD is aggressively pursuing reforms to free up time, money, and manpower to reinvest back into our highest NDS priorities. Our most significant reform effort, the Defense-Wide Review, consisted of an extensive review of 50 Defense-Wide organizations and activities. In four months, we made over 120 programmatic decisions generating \$5.7 billion in FY 2021 savings, \$0.2 billion in Working Capital Fund efficiencies, and another \$2.1 billion in activities and functions realigned to the Services, demonstrating the DoD's commitment to responsible stewardship of American taxpayer dollars.

Moving forward, we will institutionalize the Defense-Wide Review to ensure we remain focused on increasing performance, decreasing cost, and remaining aligned with our priorities. To this end, we have established a new governance model over most Defense-Wide agencies and activities led by the DoD's Chief Management Officer who will now: review current year budget execution and develop a consolidated annual program and budget for Defense-Wide organization and accounts; conduct bottom-up reviews of Defense Agencies and Field Activities (DAFAs); and reform business operations and evaluate DAFA performance against measureable business goals.

Additionally, each of the Military Services has instituted a similar budget review process to achieve the same outcome of realigning resources and finding savings that can be reinvested into higher priorities.

We value Congress' guidance on reform, and we now ask for its support to fully implement our decisions. We look forward to working with Congress to ensure that necessary adjustments are made in the FY 2021 NDAA and the FY 2021 DoD Appropriations Act so that we may realize these savings and continue investing in NDS priorities.

### Operational Reviews

The DoD has also initiated a full review of all military forces, programs, and activities within each Combatant Command to ensure alignment with NDS priorities. This effort will enable the DoD to shift greater emphasis to our top concern—China—or allow us to return troops to home station to build readiness. Thus far, we have ongoing reviews of U.S. Africa Command and U.S. Southern Command. My recent decision to deploy an Army Security Force Assistance Brigade to Africa to relieve a Brigade Combat Team is the first of many decisions to rebalance the force for great power competition.

In parallel with this initiative, we are reviewing all major operational plans to ensure they are aligned with our policy objectives, starting with China and Russia. This integrated civil-military

review process will ensure we remain ready for any crisis today, while also identifying key gaps, shortfalls, and limitations in our plans that need to be mitigated.

### Audit

The DoD owes accountability and transparency to the American people, as the taxpayers deserve a level of confidence that their money is being spent effectively. In 2018, the DoD completed its first-ever consolidated financial statement audit, covering almost \$2.8 trillion in assets. Now an annual institutionalized process, a second audit was subsequently completed in 2019, which showed that over 25 percent of the first year's findings have already been corrected, and there was no evidence of fraud or abuse.

The audit is about more than just compliance and financial management. Qualitative changes are happening every day that will, over time, result in real change to the way the Department does business. The DoD workforce's understanding of audit requirements continues to grow, and, as efficiencies are gained, value is being realized. The audit is helping galvanize change that advances cybersecurity, property management, inventory, and readiness, for the benefit of the warfighter and the American people.

### People

We recognize that our people – Service members, military families and DoD civilians – are our most valuable resource and the key to accomplishing the objectives outlined in the NDS. It is critical that we remain committed to taking care of our people so they can focus maximum attention and energy on accomplishing the mission. Everything we do depends on the dedication and skill of the men and women who sacrifice their own comfort and safety to safeguard the freedom we enjoy every day.

The DoD's FY 2021 budget supports a three percent military pay raise and an increase in end strength of approximately 5,600 personnel. To enable our ability to continue to attract, develop, and retain a highly talented workforce, we are pursuing several initiatives to improve quality of life for our people.

### Military Housing Privatization Initiative

The DoD has an obligation to ensure our Service members and their families have access to safe and secure housing. Under the Military Housing Privatization Initiative (MHPI) legislation enacted in 1996, the DoD began privatizing installation family housing. Following significant initial improvements to on-base housing units many years ago, the DoD reduced its oversight activities over a period of several years, resulting in cases of sub-standard living conditions for some residents living in privatized housing.

Since early 2019, we have taken extensive action to improve the quality of installation housing. Senior DoD leaders now meet regularly with key executives from each of the MHPI partners to ensure our initiatives continue to progress. Improvements to date include the development of a universal lease framework, increased training for installation commanders and housing personnel, and the hiring of additional housing staff across the Military Departments, to include

resident advocates. Additionally, the DoD recently released a Tenant Bill of Rights to protect and empower our Service members and their families. Fifteen of the 18 rights will be fully available by May 1, 2020. The three remaining pertain to legal agreements between the Department and the housing providers that the DoD cannot unilaterally change. We are working aggressively to resolve these issues, and, if needed, will request Congressional support. In the meantime, service members and their families can leverage their military department's procedures to address and resolve issues, while we work toward formal, uniform solutions.

The DoD's FY 2021 budget increases funding for Military Housing Privatization Support by \$54.6 million, an 82 percent increase over the FY 2020 budget request. This funding increase enables enhanced oversight of MHPI housing consistent with the FY 2020 NDAA requirements, to include staff augmentation and additional training, improved quality control measures, and database development and management.

### Military Spouse Employment

Military spouses living in the United States face an average unemployment rate of 24 percent, nearly seven times the current national rate. Many employers are hesitant to hire military spouses due to the frequent permanent change of station moves associated with military life. Furthermore, military spouses face significant financial hurdles when they are required to renew their occupational licenses following a move to a new state. These employment challenges impact the readiness of the force and adversely affect Service member retention.

The DoD continues to work with State governments to develop policies and legislation that grant state-to-state licensure reciprocity or other methods to ease credentialing for military spouses. Many states have enacted positive changes, and we are calling on them to continue this trend. To support spouses' careers and encourage a high quality of life for military families, I recently directed the Secretaries of the Military Departments to include military spousal hiring assistance and other family considerations as criteria in future basing decisions.

### Access to Childcare

Childcare is a workforce issue that directly impacts the efficiency, readiness, and retention of the total force. Earlier this month, I issued a directive prioritizing uniformed Service members for childcare at on-base Child Development Centers. The Department is committed to ensuring quality care and meeting the increased demand for child care services due to frequent deployments and high operational tempo. I will be pursuing other initiatives along these lines in the coming months.

### Conclusion

We cannot lose sight of the significance of the challenges we now face. It is clear by the actions of today's revisionist powers and rogue regimes that the free and open international order, which has provided peace and prosperity for decades, is under duress. America's adversaries are intent on eroding our military's longstanding overmatch, undermining our robust architecture of allies and partners, and degrading our standing as the global partner of choice.

The Department of Defense is up to this challenge. With the support of Congress and delivery of on-time appropriations, we will have the means to continue to aggressively implement the NDS. By building a more lethal force, strengthening alliances and partnerships, and carrying out aggressive reforms, we will ensure America's military maintains our competitive advantage, continues to deter war, and preserves our nation's security.

Thank you.