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**JOINT STATEMENT BEFORE THE HOUSE ARMED SERVICES
COMMITTEE ON THE QUADRENNIAL DEFENSE REVIEW
NATIONAL DEFENSE PANEL**

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Chairman McKeon and Ranking Member Smith, thank you for this opportunity to appear before you and other members of this distinguished Committee to discuss the final report of the 2014 Quadrennial Defense Review (QDR) National Defense Panel.

As you know, the 2014 QDR National Defense Panel, which included 2 appointees of the Secretary of Defense and 8 appointees of Congress, and was facilitated by the United States Institute of Peace, had been asked to submit a written assessment of the QDR. We are here today as the designated representative of the co-chairs, former Secretary of Defense William J. Perry and General (Retired) John P. Abizaid, to discuss with you the Panel's report which was released on July 31, 2014.

Mr. Chairman, together we wrote an editorial for the Washington Post, titled "Cuts to Defense Spending are Hurting Our National Security," which was published on September 19, 2014. This statement reflects the position of the full panel and we refer to it as our statement for this hearing. We wrote:

This summer's dramatic global events—from the rise of the Islamic State, Russia's invasion of Ukraine, war between Hamas and Israel, violent confrontations and air strikes in Libya and continued tensions on the Korean Peninsula and in the East and South China seas—have reminded us all that the United States faces perhaps the most complex and volatile security environment since World War II.

This realization has led to repeated calls for U.S. leadership to sustain the rules-based international order that underpins U.S. security and prosperity. But scant attention has been paid to ensuring that we have a robust and ready military, able

to deter would-be aggressors, reassure allies and ensure that any president, current or future, has the options he or she will need in an increasingly dangerous world.

The National Defense Panel, a bipartisan commission chartered by Congress and on which we have served for the past 13 months, concluded in its recent report that the Budget Control Act of 2011 was a “serious strategic misstep” that has dangerously tied the hands of the Pentagon leadership, forcing across-the-board “sequestration” cuts in defense spending and subjecting the nation to accumulating strategic risk. The commission’s report concluded that, without budgetary relief, the U.S. armed forces soon will be at high risk of not being able to accomplish the national defense strategy. The provisions of the Budget Control Act and sequestration have already precipitated a readiness crisis within our armed forces, with only a handful of Army brigades ready for crisis response, Air Force pilots unable to fly sufficient hours to keep up their skills and Navy ships unable to provide critical U.S. security presence in key regions. Although last year’s congressional budget deal has granted some temporary relief, the return to sequestration in fiscal 2015 and beyond would result in a hollow force reminiscent of the late 1970s.

The U.S. military is an indispensable instrument underpinning the diplomatic, economic and intelligence elements of our national power: It keeps key trade routes open, maintains stability in vital regions such as the Persian Gulf and sustains alliances that serve U.S. and global interests.

That’s why the National Defense Panel urged—and we reiterate today—that Congress and the president repeal the Budget Control Act immediately, end the threat of sequestration and return, at a minimum, to funding levels proposed by then-Defense Secretary Robert Gates in his fiscal 2012 budget. That budget called for modest nominal-dollar increases in defense spending through the remainder of the decade to stabilize the defense program.

The report argues that, to meet the increasing challenges of the deteriorating international security environment, the U.S. military must be able to deter or stop aggression in multiple theaters, not just one, even when engaged in a large-scale war. This requires urgently addressing the size and shape of our armed forces so they can protect and advance our interests globally and provide the war-fighting capabilities necessary to underwrite the credibility of the United States’ leadership and national security strategy.

Whether confronting the threat of the Islamic State or reassuring allies in Asia, the president must have options, and the Defense Department needs the flexibility to provide the best alternatives that secure our interests. In particular, the Pentagon needs relief from the budget cuts of the past few years and from limitations on its authority to make judicious cuts where they are most needed and least harmful to our security. This would allow further savings through modest cuts to the rate of growth in already generous military compensation and benefits, further reforms in the acquisition of equipment and materiel, elimination of an estimated 20 percent

excess in military infrastructure such as bases, and reductions in overhead and the burgeoning civilian and contractor defense workforce.

These savings and additional budgetary resources must go toward investment in critical capabilities, such as long-range strikes, armed unmanned aviation, intelligence surveillance and reconnaissance, undersea warfare, directed energy, cybersecurity and others that will safeguard our continued military superiority.

The threat of sequester was never meant to be carried out. It was supposed to be a “sword of Damocles” ensuring that lawmakers would reach an agreement on ways to cut the federal deficit. Those efforts failed, putting the defense budget on the chopping block and holding our nation’s security hostage at a particularly dangerous moment in world affairs. As a new Congress is elected and we enter another presidential election cycle, our nation’s leaders will need to examine the National Defense Panel report and explain to voters how they intend to address its recommendations. The stakes could not be higher.

Mr. Chairman, thank you for the opportunity to appear before you today. We welcome your questions and input regarding the 2014 Quadrennial Defense Review National Defense Panel.

About the Center for Strategic and Budgetary Assessments

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