

**Transcript of Remarks by Senate Budget Committee Chairman Kent Conrad (D-ND)
at Hearing on Defense Budget and War Costs: An Independent Look
February 23, 2010**

The hearing will come to order. I want to welcome everyone here this morning. I especially want to welcome our witnesses. Our hearing today will focus on the defense budget and war costs. We are joined by a very distinguished panel of outside defense experts.

Dr. Cindy Williams is a Principal Research Scientist at MIT's Security Studies Program. She is a former Assistant Director for National Security at the Congressional Budget Office. Dr. Gordon Adams is a Professor of U.S. Foreign Policy at American University. He is a former Principal Assistant Director for National Security at the Office of Management and Budget. And Paul Van Riper is a retired Lieutenant General of the U.S. Marine Corps. He is currently serving on the independent review panel of the Defense Department's Quadrennial Defense Review.

Welcome to all of you. We couldn't have a more distinguished group of witnesses here this morning. We are delighted you are here.

I thought I'd begin with just a brief overview of the defense budget and the war costs that we face.

First, I think all of us acknowledge on this Committee that national security must always be our top priority. We need to do whatever it takes to protect this nation and to give our men and women in uniform the resources that they need. The Obama Administration has made that point and made it repeatedly. This is what Vice President Biden said in his speech to the National Defense University just last week: "Even in these tight fiscal times, we will commit the resources our security requires."

And the President's budget backs up those words. It provides \$549 billion for the Department of Defense in 2011, representing about a 3 percent increase over 2010.

But given the nation's deficits and debt, it is more important than ever that we get the most out of each defense dollar. A dollar wasted on an unnecessary or inefficient defense program is still a dollar wasted. And we need to ensure the funds we set aside for defense are actually going to efforts that will make us safer.

The Administration has taken a number of steps last year and again this year to refocus defense dollars in a way to make them more effectively spent. Here are some of the changes made last year. The Administration made, with the support of Congress: F-22 production was ended; the Army's Future Combat Systems was reconfigured; they halted the Army Brigade Combat Team expansion at 45; they ended the Navy DDG-1000 Destroyer production; ended production of a new Presidential helicopter; and shifted to regional missile defense.

And this year, the Administration proposes: ending C-17 military transport production; ending the Navy CG(X) Cruiser program; terminate a flawed human resources control system; and terminated a flawed command and control system.

Even with these efforts, the defense budget is taking up a tremendous and growing part of our national budget. With the President's latest request, the defense budget will have increased for 14 years in a row. The regular defense budget will have almost doubled over that time period, rising from \$254 billion in 1997 to \$549 billion in 2011. And when you add war costs on top of that, we will be spending over \$708 billion in 2011. That is a tripling – roughly a tripling from 1997.

But to put this in historical perspective, we can see that our defense funding, including war costs, is far higher than during the Reagan defense buildup and the Vietnam War, and it has exceeded the Korean War peak for the last six years.

I think it's important to recognize what Secretary Gates has said in testimony before the Senate Foreign Relations Committee. He said: "...July 2011 is the beginning of a process of drawing down in Afghanistan. That process will be based on the conditions on the ground.... [The President] has not put deadlines in terms of when our troops will all be out. But clearly he sees ... July 2011 as ... an inflection point where we begin to draw down those forces, in Afghanistan, and with a view to transferring this responsibility to the Afghans, over a period of probably two or three years."

So under this time line we would presumably have a military presence in Afghanistan until at least the middle of 2013 or 2014.

We also need to remember the context within which we consider these defense requests. Our nation is deep in debt. This chart depicts the projected deficits under the President's budget over the next ten years. It shows the budget deficit coming down from a high of \$1.56 trillion in 2010, to \$706 billion in 2014, but then starting to go back up. It is that pattern that is of great concern to this Committee.

In the near-term, I think we all understand what we confront. But what is of very deep concern to this Committee – certainly to this member – is the long-term outlook of the President's budget. And that is unsustainable, and it is going to have to be addressed.

I am delighted that he is going forward with a commission to make recommendations and that those recommendations will come to this Congress for a vote before the end of the year. I think that is critically important. But we also understand, we have a responsibility now to look at all spending that is proposed – to scrub it, to review it – and that is part of this process.