

House Budget Committee
Written Statement for the Record
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Chairman Yarmuth, Ranking Member Womack, distinguished members of the Committee, I appreciate the opportunity to testify in support of the President's FY 2021 budget request for the Department of Defense.

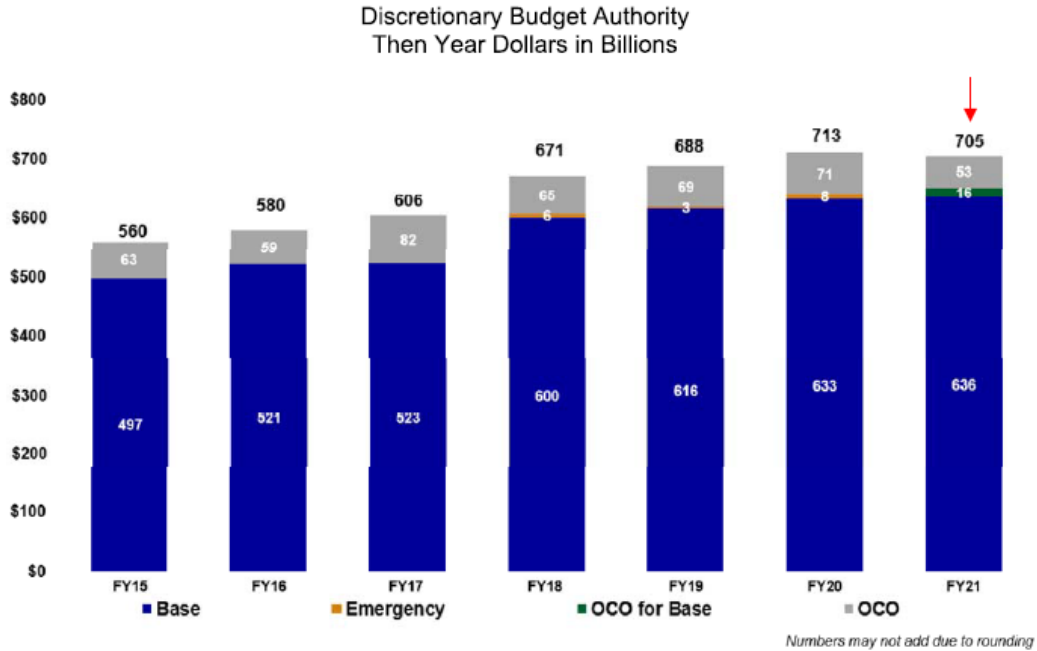
Thank you all for your support for the Department of Defense. I look forward to working with you to ensure the men and women of the Armed Forces have the resources they need to execute the mission.

I'd like to begin by providing an overview of where we have come from and where we are going. Consider the state of defense at the beginning of this administration: DoD had been operating for five years under destructive spending caps which left the Department with a significant funding shortfall—and resulted in the smallest military force since 1940, key munitions shortages, low readiness ratings in key combat units, and an urgent need to rebuild our nuclear deterrent.

At the same time, we were grappling with a new warfighting environment given the re-emergence of great power competition from Russia and China and the rapidly changing character of warfare. One thing had become evident—wars of the future were going to be radically different from the short conventional wars and protracted counterterrorism operations we've fought since the collapse of the Soviet Union. Future wars will be waged not just in the air, on the land, and at sea, but also in space and cyberspace, dramatically increasing the complexity of warfare.

To address this, we developed a new National Defense Strategy that shifted the Department's focus to the high-end fight and reflected the changing character of warfare. Thanks to President Trump's commitment to rebuilding the military—and a bipartisan effort in Congress—over the past three years, the Department received the significant funding increase it needed to implement the National Defense Strategy.

Figure 2. DoD Topline Funding FY 2015 – 2021



As a result, the Department made important progress along the National Defense Strategy’s three lines of effort. For example, along the first line of effort, increasing the readiness and lethality of our warfighters, the DoD has increased the number of ready brigade combat teams by 33%, raised readiness for the Air Force’s Lead Pacing Squadrons by 35%, and increased the quantity of key munitions and equipment. We also restructured the Department around the new character of warfare. Working with Congress, we established the Space Force, elevated U.S. Cyber Command to be a unified combatant command, re-designated the Under Secretary of Defense for Intelligence to be the Under Secretary for Intelligence and Security, and created the Joint Artificial Intelligence Center. Along the second line of effort, strengthening our alliances and partnerships, our NATO allies have increased their contributions to our collective security by \$130 billion since FY 2016. Finally, along the third line of effort, reforming the Department’s way of doing business, the SecDef-led Defense-Wide Review (DWR), a comprehensive review of all DoD organizations, programs, functions, and activities outside of the Military Departments, has identified aggressive reform opportunities that would result in over \$5.7 billion in FY 2021 savings for reinvestment in lethality and readiness, and an additional \$2.1 billion in activities and functions to realign to the Military Departments. We look forward to Congress’s support in implementing the reforms in this budget request.

The FY2021 budget request is the next step in implementing the National Defense Strategy—and the focus is on all-domain operations. It addresses the challenges of today by first sustaining readiness and keeping faith with our 2.2 million military members and their families, and second, preparing for the challenges of tomorrow by recapitalizing our nuclear deterrence, strengthening homeland missile defense, and expanding our investments in critical emerging technologies—such as hypersonic weapons, directed energy, 5G, microelectronics, artificial intelligence, and autonomous platforms.

At \$740.5 billion for national defense of which \$705.4 billion is for the Department of Defense, this budget is different from the previous few years because the DoD topline is flat with no growth for inflation. This meant that we had to make additional tough choices and major cuts in some areas in order to free up money to continue to invest in preparing for the high-end fight.

Consistent with the Congressional budget deal, of the \$705.4 billion, \$636.4 billion would go towards base funding and \$69.0 billion to amounts designated for Overseas Contingency Operations funds.

Figure 1. Department of Defense Budget

<i>\$ in billions</i>	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Enacted	FY 2021 Request
Base	599.6	616.4	633.3	636.4
Overseas Contingency Operations	65.2	68.6	66.4	53.0
OCO for Base	--	--	4.9	16.0
Emergency	5.8	2.8	8.0	--
Total	670.6	687.8	712.6	705.4

The budget is also broken down into five categories based on use—military personnel, operation and maintenance, procurement, research and development, and military construction.

With respect to military personnel, this budget would fund the salaries of 1.4 million active duty military members and 800,000 Reserve and National Guard members, while supporting a 3% pay raise.

With respect to operation and maintenance, the FY 2021 budget funds the operation and training of military forces including a combat force structure of 58 Army Brigade Combat Teams (BCTs) and 23 Combat Aviation Brigades (CABs); 306 ships with 10 Carrier Strike Groups and 9 Carrier Air Wings; 3 Marine Expeditionary Forces (MEFs) and 32 Infantry Battalions; and 65 Air Force Squadrons and an Air Force Total Aircraft Inventory (TAI) of 5,485. This year's budget also realigns \$15.4 billion to a separate space budget in support of our newest service the U.S. Space Force.

With respect to procurement, the FY 2021 budget invests in next generation aircraft, shipbuilding, and ground systems. For example, the FY2021 budget includes 79 new F-35s, the latest generation of fighter jets; 8 new battle force ships, including 2 DDG-51 ARLEIGH BURKE Class Destroyers; and new ground systems to include 4,247 Joint Light Tactical Vehicles. The FY2021 budget also funds new purchases in missile defense such as 40 new Sea-Based Interceptors; and the revitalization of our nuclear triad, including 1 COLUMBIA Class Ballistic Missile Submarine, the first of its class, the B-21 bomber, and the Ground Based Strategic Deterrent missile system.

It is not enough to be ready for the challenges of today. We must also invest in the technologies that will provide security for the next generation. With respect to research and development, the FY 2021 budget is the largest RDT&E request ever at \$106.6 billion, and includes investments in long-range hypersonic weapons; autonomy and unmanned systems; and artificial intelligence (AI). We have been investing in these emerging technologies, many are now being prototyped and tested and as they are ready, we are poised to move them into production. In short, this budget invests in bringing the capabilities of tomorrow to life.

Although defense spending is sizeable, it is at near record lows as a percentage of the economy and federal spending. Defense spending is now at 3.1% of GDP, down from 11.3% in 1953 and 4.5% in 2010—and at 15% of federal spending, down from 57.2% in 1952 and 19.9% in 2008. This foundation of security is what makes everything else possible.

Figure 3. DoD Outlays as a Percent of Gross Domestic Product (GDP) FY 1953 – FY 2025



Source: DoD spending as a percent of GDP compares DoD outlays, both discretionary and mandatory, from the National Defense Budget Estimates for FY 2020 (Table 7-7) and projected GDP from OMB's Economic Assumptions for the FY 2021 Budget.

In closing, the President’s FY 2021 budget request puts us on the path to develop a future force that can prevail in each and every domain—air, land, and sea; space and cyber; leveraging the capabilities of each in a synchronized fashion while fighting seamlessly across them all. This is the force we need for this new era of great power competition—one capable of all-domain operations to deter our adversaries, by being prepared to fight and win today and in the future.

I appreciate your support for the men and women of the Armed Forces and look forward to answering your questions.

Thank you.