

**Congressman Adam Smith
Ranking Member, HASC**

**Project for Media and National Security
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DWG: Mr. Chairman, welcome on what must be a busy week for you. Markup week. Moving in many directions today. I see you're at CSIS later today. Thank you very much for finding time for us. As usual, I'll ask the first question and then look for people to make signals to me if they would like to be in the lineup. We'll see how many people we get to. There are 28 people who signed up. I doubt we'll get to everyone, just a heads up on that.

Why don't I start with a broad-brush question. The markup has in it, as I understand, a ban on the W76.2, the low yield nuclear weapon.

Congressman Smith: We don't fund it.

DWG: You also don't fund space-based anti-missile technology. And you state that there is to be no use of military funds for border wall construction and such related work.

I guess there are quite a few other things, perhaps, that the administration might not be entirely pleased by. How do you think this is going to play out? Do you think you can win some of these battles? What do you see as the political ground that you're working on on these issues?

Congressman Smith: Historically, whenever the House or the Senate puts out a bill, every White House that I've dealt with has put out a rather lengthy veto statement. There are always, gosh, if it's not 15 or 20 things in our bill that the White House says they're going to veto the bill over then we're just not really doing our job. It's always the case. We have

A. Smith - 6/10/19

different positions, differing opinions. We're not going to perfectly match the White House priorities in our bill. The Democrats didn't perfectly match it when we had a Democratic president. Republicans didn't match it when they were in charge of the Republican President. There's always that sort of jostling back and forth. I don't know exactly how all that's going to play out. I'm mindful of the fact that we're going to have to negotiate. That we have a Republican controlled Senate, a Republican President and we will have those discussions as we move forward. Sort of a one step at a time here. Get the bill out of committee, get it off the Floor, get it in conference, then have a discussion, and in conference we will also be talking with the White House to make sure the product we wind up with is something they're willing to sign.

DWG: Are there in any of those issues I mentioned or other issues anywhere, as far as you're concerned, it's a red line, you will fight until the end --

Congressman Smith: I'm not going to throw out red lines at this point. That's a pointless discussion. We advocate the positions we believe in and then discuss with the appropriate parties how we can get there or not. We'll see. But obviously if we're going to get anything passed ultimately the Republican majority in the Senate and the President are going to have to agree with it. They're going to have to vote for it. The President's going to have to sign it. So we will factor that in as we enter into those discussions.

DWG: Otto?

DWG: The key thing, you've got a 50 year record of getting NDAs passed.

Congressman Smith: Fifty-eight.

DWG: The possibility of doing that, the key issue is going to come down to appropriations. Without a budget agreement to lift the caps, you're not going to be able to fund even the 733 that you're proposing. Do you see any progress on getting a budget

A. Smith - 6/10/19

agreement to allow you to lift the caps?

Congressman Smith: I think you've correctly identified what is the biggest issue that we're facing, is to get a caps deal. And I don't know, I guess the Senate Republicans are supposed to go over and talk to the White House today. We'll see how that goes. But it's been difficult because the President's budget didn't help as it took a rather unrealistic approach to cutting non-defense discretionary spending even below what the caps were, and then doing a massive increase in OCO to cover an increase in defense spending. That's a non-starter. I said at the time that my biggest concern was this is not going to happen. It's just not. So how do they walk back from that? How do they get to something that's a more sensible position and actually begin negotiation?

So I am worried about that. The shame of it is I think there was a fair amount of bipartisan consensus between the House and the Senate, Democrats and Republicans. I think we probably could have had a caps deal if it wasn't for the government shutdown and if it wasn't for the White House taking the position they did on trying to keep the caps in place. Now I don't know. It depends on how the Republicans are able to work with the White House to come up with a position and move forward. So you have correctly identified the greatest threat to what we're doing.

DWG: Sandra, Space News.

DWG: Thank you, Chairman. Can you explain your thinking on not putting the Space Force in the Chairman mark? Some people view that as maybe potentially a smart negotiating position for you. But it's --

Congressman Smith: Flattering of them, but they're wrong.
[Laughter].

DWG: Also the fact that your committee was one of the original proponents of the Space Corps, so now you're completely walking away from it. So --

Congressman Smith: We're not, actually. We were in negotiations over the exact language to go into the bill, working basically with Mike Rogers and Jim Cooper. And in the back and forth it took a little extra time for Mr. Rogers to get there. We put out an initial proposal, they said well, we don't like this, that and the other thing. Show us what you've got. It took a little time. So by the time we got to an agreement it was too late to put it into the original mark. We have an agreement on an amendment that will be added during the full committee markup portion.

DWG: And a quick follow-up. One of your provisions said the Air Force needs to put more competition into the launch market and you have some provisions in there to do that. The Air Force will tell all of us that they actually are putting a lot of competition into the launch market. So is their reality different than what you're seeing?

Congressman Smith: First of all let me emphasize also in the space force, our proposal that we came up with is different from what the President proposed. It's more cost-effective in our view. It doesn't have as much bureaucracy. It doesn't cost as much to do.

On launch, I hesitate here because I have a very long, detailed explanation of this. I don't understand why the Air Force has a problem with what I'm proposing here, and I actually spoke to the Acting Secretary of the Air Force yesterday about this and will speak to Dr. Roper about it later on today. I'm trying to figure out how to answer this without taking up the rest of the time here.

As we know, the United Launch Alliance came about in mid to late '90s when the conclusion was reached the competition for space launch wouldn't work. It was too expensive, multiple companies wouldn't put the money into it because they didn't think they'd get a return on investment. I wasn't really paying that close attention back then. I don't necessarily argue with that. Then SpaceX came along and introduced competition. They said we can do this and they built it on their own. I personally think the

A. Smith - 6/10/19

Air Force was really slow to embrace that competition at the time, continuing to give out long-term contracts to ULA long after it was obvious that they could have competitively bid it and gotten the taxpayer a better deal.

Now we fast forward to the phase two which is basically the launches that are going to be from 2020 to roughly 2025, 2026. The Air Force is estimating somewhere between 20 and 50. Most people think it's going to be close to the mid 30s in terms of number of launches that are done.

And the reason that they reopened the competition, well, there were two. One, they no longer had a reliable, heavy launch vehicle. The Delta Heavy was the only one that was available, and it was I think a combination of too expensive and not workable, so they needed a new heavy launch vehicle.

Now it's important to remember that in those 20-50 launches that we're talking about, maybe two, probably just one of them is going to be a Category C, heavy launch. So all this effort to generate that vehicle is for probably one launch out of the next 30. That's part of it.

Of course the second part if it was ULA was using an engine, is using an engine that the Russians make. We didn't want to rely on a Russian engine so we wanted competition to say build this launch vehicle, but don't have a Russian engine. Now interestingly, of course, SpaceX already had such a vehicle. But we didn't want just one competitor. So it was thrown open and the Air Force said they were going to give money to help some of these companies develop some of these new launch vehicles, and so they had the initial, and it wasn't really a down-select. Even if you lost the initial competition, you're still able to bid.

The down-select was for who's going to get Air Force money, basically. And they selected three companies. They decided to give ULA \$970 million; Northrop \$720; and Blue Origin \$500; and SpaceX nothing, which was a curious sort of decision, but whatever in terms of how they did the money.

A. Smith - 6/10/19

Now we're moving on to the next phase where they're going to pick two companies and award the contracts to those two companies. And I only have two basic proposals in the language that I put in there. One is if SpaceX is one of those two companies, then they should get the launch assistance that they would have gotten if they'd gotten it awarded the first time. And the Air Force said to me well, we don't have that money.

That makes no sense whatsoever. Because all three of the companies that were awarded bids have gotten \$180 million. That's all they've gotten at this point. So you've got four companies bidding. No matter which two they pick, if ULA gets picked, ULA is going to get another \$740 million; Northrop is going to get another \$500 and something; and Blue Origin would get another \$320; and now with my language, SpaceX would get roughly \$500. So it really doesn't change the money and I think it's only fair. I was told that the reason ULA got more money was because they had greater needs to meet the national security requirements for their new vehicles. Okay, fine. Well now SpaceX has not even greater needs but some needs. So that's the language is to say basically, if SpaceX gets picked then they ought to get the help to get up to national security launch.

The second part of it is, if you go over a certain number of launches, if you go more than 29, then compete it more broadly. That's anticipating if, let's, you know, whatever two companies don't win, they're involved in space in a variety of different ways. They're going to keep building commercial launch vehicles and maybe we'll have another situation like we had with SpaceX where they showed up and they had a rocket to compete, but the Air Force had already given out six years' worth of contracts so they lost that ability to compete. So we just want to say if you get past that certain number of launches, because I understand you want a minimum number of launches so the two companies get what they expected when they bid. But once you get past that, if you have another company that's in a position to bid, it makes sense to encourage that competition. That's perfectly in keeping with what the Air Force was trying to accomplish, why they're trying to kill this and so upset about it. I still haven't gotten a clear answer, and I'm endeavoring to get that clear

A. Smith - 6/10/19

answer. But I think what we're doing here is perfectly consistent with the goals of the phase two launch competition.

DWG: John Naylor.

DWG: Mr. Chairman, the markup refers to an even stricter congressional oversight of U.S. military activity in Iraq and Syria. And it fences funding if DoD fails to provide all sort of overdue reports on U.S. military activities in Syria by the first of January.

What specific types of military activity do you think you're being kept in the dark about by DoD? What is this trying to correct?

Congressman Smith: We don't know. They're not telling us. It's just basic oversight. We just want to know what they're up to in a timely manner. We're pretty sure they're engaged in various counterterrorism activities, working with the Iraqi military, working with allies in Syria. Congress just wants to be informed of those activities in a timely manner. We've had it in the law for some time, as you've seen with not reporting civilian casualties, now not keeping track of progress in Afghanistan. This administration has sort of erred on the side of being not transparent.

We have a legitimate oversight responsibility to conduct as Members of the United States House of Representatives and the Oversight Committee of Congress, and we can't conduct that if we don't know what's going on. That's basically what we're trying to do.

DWG: Can you not call sort of CENTCOM or SOCOM in and ask them just in hearings, in closed hearings if necessary?

Congressman Smith: We can and we do, but the reports are important because they're a matter of public record, and they're consistent, and they specify exactly what we want to hear. They're not dependent upon Q&A back and forth [inaudible]. It's nothing too dramatic.

DWG: Rebecca Keel, the Hill?

DWG: I want to get back to the politics of it, but looking at it more from the dynamic of the House. How are you approaching this bill in terms of navigating progressives who might balk at the top line, and Republicans who are balking at things like the nuclear issues? Are you worried about that tripping up the bill in terms of getting out of Committee or getting out on the Floor or anything like that?

Congressman Smith: Every year you have to think about how do we get the votes in Committee and on the Floor. And yes, that's a consideration. It's also particularly sort of a consideration when this is our first year in the majority in a while. So there's not sort of the history, the pattern of okay last year here are the people who voted for it, here are the people who voted against it, plus we've got 102 new Members. So yeah, we've got to figure out, we're going to learn as we go what Members are looking for. What Members will vote against it, what Members will vote for, what are the issues they care about? So we've worked very, very hard in a bipartisan way to communicate with Republicans, with the progressive caucus, with every Member who's interested. What do you care about? What are we trying -- We've tried to meet those Members' priorities and we've tried to put together a bill that I thin reflects good, solid national security priorities. But then yes, I can't say for sure now who will vote for and who will vote against it. So we have to work that both on the Committee and on the Floor.

DWG: Is there anything you held back on on what you wanted to do because of these issues? For example, it seems like the nuclear stuff you maybe didn't go as far as you've talked about in the past.

Congressman Smith: I think that's a fair assessment. I have an interesting way of approaching this. It's not about me. It's about the caucus. It's about the Committee. It's about the Congress. And yes, I have priorities. Some things that are more important to me than others, but I want to also reflect what the

A. Smith - 6/10/19

majority in Congress and what Congress in general wants. So yes, I didn't just go out and write the bill that I would want. I worked collaboratively with the minority, I worked collaboratively with the members of the Committee, with the caucuses, what they care about, and we learned. So it's a legislative process to try to make sure that we get the votes to pass it.

DWG: Phil Stewart of Reuters.

DWG: Sorry, Mike Stone filling in for Phil Stewart.

You talked about the supply chain and acquisition reform in the bill. I wanted to understand how the merger of United Technologies and Raytheon would create another large company that very well could capitalize, could potentially choke off innovation lower down the supply chain, and if that's a concern to you.

Congressman Smith: This just happened so I'd have to think through the details on that. But I think the more important part of that is to make sure that we reach out to small businesses and small companies. Raytheon and United Technologies were pretty big to begin with, but there are literally thousands of companies across this country that are developing technologies that can be of use to the Department of Defense. Many of them look at the Department of Defense and go, we can't figure that out. So what we try to do is we try to encourage DoD to reach out and find those companies and work with them, and we try to make it easier for them to get in and get involved so that we are able to take advantage of those technologies.

DWG: Andrew Clevenger, CQ.

DWG: After the DoD reprogrammed funding for the border wall over the express wishes of the Committee and appropriators, how would you describe the state of your relationship with Acting Secretary Shanahan these days? And how proactive do you intend to be in terms of border wall funding?

A. Smith - 6/10/19

Congressman Smith: I get along with Secretary Shanahan very, very well. We were just in Singapore together, and talked to him on a couple of occasions. I think we have as open a communication as I've had with any Secretary of Defense. So I don't have any problem with him on the reprogramming issue. That does create a problem and we're going to limit the amount of reprogramming that's available.

Sorry, what was the last part of your question?

DWG: How proactive are you going to be in terms of border wall -
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Congressman Smith: Yeah. We prohibit border wall funding in our markup.

DWG: And is that a line you're willing to draw because it's likely to draw threat of a presidential veto? That's a pet project of --

Congressman Smith: Again, I don't draw lines. We have discussions.

DWG: Connor O'Brian. Politico.

DWG: Thank you, Chairman.

Republicans expressed opposition to some provisions a lot earlier in the process than usually is the case. I think it's still nuclear provisions but a lot of internal top line as well. And I'm kind of curious, are you concerned about that level of dissent from the minority? And what is your argument at markup and on the floor to the Republicans in the minority as to why they should vote for this bill?

Congressman Smith: First of all, the Republicans were very articulate over the course of the last eight years about why it's borderline un-American to vote against the defense bill. They've made very strong arguments about the necessity. I think for the issues that we're talking about here we have to remember that the

A. Smith - 6/10/19

overwhelming majority of this bill is incredibly important and not that controversial. It's got a 3.1 percent pay raise for the troops. It funds a lot of crucial military construction projects to keep us moving forward on the improvements we've made on readiness. It addresses the housing issue that is so important right now to members of the military and their families by setting up a Tenants Bill of Rights and taking other steps to address the concerns that people have had about the privatization of housing. It funds 11 new ships including three submarines and the two new aircraft carriers that we're building towards. It funds countless other projects. All of which we agree on.

The amount of stuff that we disagree on is probably about two percent of the bill. That's it. So let's not forget about the 98 percent that is so critical to supporting the members of the military. That's why we passed this bill for 58 straight years, because we know how important it is and we're committed to working in a bipartisan way to get it done.

On the nuclear staff, we've always had disagreements on that piece, but I think the one big argument I would make is on the \$733 versus the \$750. And if you go back and look at the testimony that General Dunford had when he testified before our committee with Secretary Shanahan, he pointed out \$733 was the number that was anticipated. In the FY19 budget the President, their projection was that they were going to ask for \$733 in FY20. And General Dunford, Chairman Dunford, said during the last year we have worked to build to that \$733 number and it is supported and defended and this is why we know we need it. The extra \$17 billion, not so much. They just figured out in February that they were going to try to ask for it. And I am genuinely concerned and I think we have enough history at the Pentagon to see them in the past, when they've been given more money than perhaps they expected, there is a lot of inefficiency and waste that follows.

I think we need to have spending discipline within the Pentagon. \$733 is a good number. When you look at where we were two, three, four years ago, to have gotten to that high a number, I think if you'd asked the Pentagon two years ago would they take

A. Smith - 6/10/19

\$733 in 2020, they wouldn't hesitate. Hell, if you asked them six months ago.

So I think that is sufficient. By giving them more I think we encourage inefficiency and I think \$733 is the right number, it's the number we've been planning on for better than a year, and I intend to make that argument. We'll see how it goes.

DWG: Tom Scotera.

DWG: Just to follow up on that question, sir. When the Pentagon reprogrammed money that wasn't spent to match retirement and all those things, how much money do you anticipate that happening to kind of skirt any regulations you have about reprogramming? Or will that kind of transfer money fall into the reprogramming ban --

Congressman Smith: It falls under the reprogramming. It's not a ban. I forget what number we put in for reprogramming.

Voice: One billion eight, sir, and \$500 million OCO.

Congressman Smith: As opposed to -- last year it was four billion and 500 million.

DWG: That kind of stuff would fall under it then.

Congressman Smith: Yeah. Whatever you reprogram. Because that's what they did. They took money that they hadn't spent on the personnel side and reprogrammed it into the drug interdiction account and then spent it on the wall.

DWG: Carlos Menos, Washington Times.

DWG: Two quick questions. One on civilian casualties. There's language in the legislation calling for an independent review of the process that [inaudible] uses to identify the civilian casualties. What I'm wondering is, how does that legislation, how does that square with the executive order that the White House has signed? Not like saying [ODNI] does not have to

A. Smith - 6/10/19

provide the information to Congress anymore.

Congressman Smith: It doesn't. [Laughter]. That's the point. We think it's important that they continue to report civilian casualties, so this is our effort to get them to do that.

DWG: And on [inaudible], there's some requirements on certain technologies, [inaudible] trying to get through long range fires, those sorts of things, but there wasn't any language regarding the command itself. However, there is some concern that maybe the Army isn't going down the right path with Futures Command, to try and develop into this post-9/11 force. Do you agree with that sentiment or --

Congressman Smith: Well, I think it's a concern that we need to track, but they're just getting started. I think we have to at least give them the chance to put it together, within some of the parameters of the other thing we've done. I don't think it's appropriate to blow up the Futures Command at this point before they get off the ground. I think we have to give them a chance to move forward.

DWG: Katie Beau Williams.

DWG: On [inaudible], you said you guys instructed [inaudible] the amendments. Can you tell us anything about the language or what that looks like?

Congressman Smith: I could. [Laughter].

DWG: If I ask it nicely.

Congressman Smith: Yes. It's pretty much what we did two years ago in the bill. The main difference from the administration's approach is less bureaucracy. We don't have three four-stars, we only have the one. There is a lot less transferring of, mandatory transfers of personnel into the Space Command. It's going to be smaller and more focused in our view. But along the lines of what they proposed two years ago, to try to pull those pieces together and make it sort of a separate piece from the

rest of the Air Force.

DWG: The other question was on the GTMO language. In particular I'm getting the fact that SASC for the first time it's also included in the language in their mark that's going to allow transfers [inaudible]. Is the political landscape different enough that you'll actually get something done on GTMO? If so, why do you think that is? [Inaudible] what you have asked for [inaudible]?

Congressman Smith: I think it's possible. Part of it is, well, a big part of it is President Obama is no longer President and I don't think Republicans are afraid that President Trump is going to close Guantanamo so they're more willing to give him flexibility in terms of how he does it than they were to give President Obama flexibility. So that's the biggest change. I think we can make some progress around the edges.

DWG: Even if, I think Thornberry's already come out and said [inaudible], you know, how much are you going to, [inaudible]?

Congressman Smith: This is one of the things, in my bill basically a lot of the language that would ban transfer, ban trying to build alternatives is gone. We don't have that language. It just goes away. And then we do specifically say that emergency medical transfers. And we are going to have a debate in committee on this. I don't know how that's going to come out. That's one of the things that I've told the Committee about my approach to this. On some of the controversial issues, and keep in mind, like I said, 98 percent of this is frankly just good legislation trying to support the military, and there's differences of opinion on that, but they're not partisan. It's a matter of trying to get the right language to do right by the troops and right by the DoD.

On the areas where we have disagreement it is my plan to allow a robust and open debate in the Committee and see where the vote, the votes will come down where they come down. As I told my Democratic HASC members they're like well, is it okay to vote not the way you want? I'm like yeah. It is actually.

A. Smith - 6/10/19

If you don't have a strong opinion about it, if you're not sure, give me the benefit of the doubt. But if it's something you feel strongly about that you think is important to your district, vote your district or your conscience.

There is nothing wrong, and I really wish people would have a better appreciation for this, in letting the democratic process play out. Because in the democratic process one of the most important things that happens is sometimes you lose and that's okay. It's the process that matters. The process is not by definition unfair just because you lose. And personally, I wish we had a more open process like that. I won't say who, but someone in our leadership was saying that, proudly stating that the last time we had the majority, the Democrats never lost a vote on the Floor of the House. True, but we did lose 54 seats in the majority. So it's a question of what's more important.

Now I do understand that you want to try to show that you have power and all that, but it doesn't have to be absolute. So we'll have a debate. I would imagine there are a fair number of the 18 new members of the Committee right now who don't know exactly how they feel about these issues, not even today, not even two days before we go into Committee to mark it up. They don't know. They'll listen to the debate, they'll find out, and we'll see how it comes out. So I don't know how it's going to come out on Committee or on the Floor, and then whatever we get, we'll debate it in conference.

DWG: Jeff Seldon, Voice of America.

DWG: Thank you very much for doing this.

I wanted to follow up a little bit on the oversight. Talking about how you're not pleased how the administration's erred on the side of not being transparent. There was a bit of a to-do earlier when SIGAR came out with his last quarterly report in the district assessments which had been done weren't included. And then they were signaling that the information might still be available. Then in the quarterly report that the inspector

A. Smith - 6/10/19

General did on Freedom Sentinel, it said that the intelligence community is continuing to collect that information. It's out there. But it's now classified.

On issues like that, is the Committee looking into trying to persuade the Pentagon to declassify that information again? Or to get a better understanding of why information that was touted for so long as a benchmark is now no longer available publicly?

Congressman Smith: I think that's a very decent description of how we're trying to approach it and trying to get this information out there.

By and large I've worked reasonably well with the Pentagon. I don't entirely trust the Trump administration's approach. I think we saw that the President is upset about the job figures. Not, apparently, about the number but about that someone dared to report it that way. It's like if the facts don't match well we'll just change them. But I think we need to deal -- the truth shall set you free. Look at the facts, determine what they are, then determine the policy from there. Don't make it up as you go along just to make it suit your political purposes. So I think free and transparent information, whether it's civilian casualties, whether it's the ebb and flow of control in Afghanistan, we ought to let people know what's going on in an open and transparent manner.

DWG: Have you gotten any indications from the Pentagon yet or other military officials that there can be a discussion on this? Do you have any sense that they're willing to budget and change their minds on releasing the information?

Congressman Smith: I don't know yet. I've spoken about general transparency issues and they've assured me that they want to be transparent, but not on this specific issue.

DWG: NPR?

DWG: Back to the programming issue and border wall money, do you think this fight is entirely over in Congress and the money is

A. Smith - 6/10/19

out the window? Also, what kind of a precedent might this be setting in terms of Congress' power of the purse?

Congressman Smith: The FY19 fight is not yet over because we're in court, so we'll see how the lawsuit comes out. FY20 is just starting. We don't have an FY20 budget yet so we'll continue to battle it.

Look, it's a broader problem of the executive branch exercising more and more power. Perhaps a bad comparison, but on my flight back from Singapore I watched the movie Vice, which has its perspective, let's put it that way. [Laughter]. And it's not shy about it.

The overall argument, the unitary [inaudible] is something that's been floating around for a while within Republican circles, and it's not that far off from a more, well, that's the wrong way to put it. It basically is about consolidating power in the hands of the executive. That is not what the Constitution contemplated, in my view. Checks and balances, and all that. I think this President is taking, unprecedented is a strong word. There's been a lot of, executives have done a lot of things. But this President has used emergency declarations in particular in ways that were not contemplated when they were passed. And that consolidation of power in the executive branch is undermining legislative authority. I would hope there would be some bipartisan concern over this.

Certainly when Barack Obama was President, the Republicans were deeply concerned about consolidated executive power, now not so much even as it's become more consolidated. So yes, this is a much, much broader fight.

DWG: And just following up with that, the U.S. District Court Judge ruled, I think last week, that Democrats do not have standing to challenge that reprogramming and said he did not want the judiciary to get pulled into a fight between two other branches of government. Do you think that that really is the role the judiciary should be playing?

A. Smith - 6/10/19

Congressman Smith: Yeah. I confess I missed that while I was out of the country, but it's an odd argument. I think the judiciary, a big part of the judiciary's role is to settle disputes within the government, between the legislative and executive branch. Is this an appropriate use of power? If that judicial ruling is correct, then the opinion is basically the executive can call anything he wants in an emergency and spend the money any way he wants, and that I think is troubling. I think it is the judiciary's job to interpret legislation. What the President is doing is he's interpreting legislation. Is he interpreting it correctly? That I think is exactly what the judiciary is supposed to determine.

DWG: Pentagon, Tony.

DWG: Thank you, Chairman, for being with us.

I wanted to ask about the National Defense Strategy Commission, because now that we know the top line will be between \$750 and \$733, our in-boxes are loaded with statements saying this bipartisan commission said that three to five percent was the number the Defense Department needed. Your committee didn't have a chance to pick apart that commission's report in a hearing. I was wondering if you could challenge the findings of that report now, because you guys weren't able to have the hearing, and sort of tell us again why the \$733 again is perfectly acceptable even though this bipartisan commission allegedly endorsed three to five as indicative of the money the Pentagon would need.

Congressman Smith: I think the most important part of this is something, again, that Chairman Dunford said when he testified. \$733 is a 2.4 percent increase. But what Chairman Dunford said was, but, it is a more than three percent increase in warfighting capability. Not everything the Pentagon does is created equal. Not everything the Pentagon does needs to grow by three to five percent. There are obviously many inefficiencies within the Pentagon. And I'll tell you, I think part of the problem here is not having the discipline in spending this money. When you have that much money, there's [an incentive on] discipline.

A. Smith - 6/10/19

The two stories I like to tell to illustrate that point is, a venture capitalist friend told me one time he has not yet met the entity or seen the entity that doesn't get better when you cut it by 10 percent because it forces efficiencies. And then there's my all-time favorite quote from Winston Churchill about, he said "Gentlemen, we're out of money. Now we have to think."

DWG: I hope he doesn't work in the newspaper business.
[Laughter].

Congressman Smith: I think you guys have been thinking for quite a while in that regard.

I would disagree with the findings three to five percent. What the hell does that mean? Show me what ships we need, what planes we need, what size force we need, these things. Not just well, we just need three to five percent.

DWG: They didn't show the math.

Congressman Smith: Exactly. The specifics of it.

Also, I don't think there is sufficient rigor in that, in saying, again, if you are forced to try to save money, it's amazing. One of the best things that ever happened to me. It's a long story and I won't give you the long version of it. When I ran for the state senate, I was a 23 year old law student when I decided to do this, and I looked it up and a competitive senate campaign needed \$175,000. I figured out 90 percent of that money at the time came from five groups. All right, those are the groups. That's where I've got to go get the money. I spent better than a year trying to convince them that I could win. Utterly and completely failed. So those five groups decided not to give me any money. In fact one of them endorsed my Republican opponent.

So all of a sudden, I was counting on \$150,000 and I had zero. So 90 percent of my budget just went goodbye.

So I had time, let's put it that way, so I went door-belling. And I walked door to door and I thought. Every day I thought.

A. Smith - 6/10/19

All right, how much money do I really need? What do I really spend it on? Why does mail cost as much as it does? Why are we sending it to this broad an audience and not that audience? At the end of the day I put together a hell of a \$30,000 budget for the primary and here I am. [Laughter].

It forces rigor if you actually have to try to survive with less money than you thought.

DWG: Lee Joan Rocco, Capital Forum.

There's an acquisition provision on debarment and suspension. I was wondering if you could give us a better idea of the criteria for debarment and is there a similar provision in the Senate authorization bill? I didn't see anything about that.

Congressman Smith: No, I can't. I don't have any earthly idea what you're talking about, to be perfectly honest with you.

I will turn to my staff and ask them to perhaps clue me in as to what all that means.

Voice: Very briefly, sir, [this version of the mark] asking the Pentagon to find properties for determining if foreign companies, the Huawei site, might be debarred, but there will be a process and perfect standards for doing so, rather than arbitrary selection. So [inaudible] companies that ask for a better process but then [inaudible] future.

Congressman Smith: That I understand. I'm sorry, I missed the department as the phrase. [Inaudible], okay, we're just not going to do business with you. You can have as many bars as you want.

But that is the point. I think Huawei illustrates the national security threats that can come from the global supply chain. At the same time, I am mindful of the global supply chain. I'm not under the illusion that the United States is going to be able to build everything we need here domestically. That's not the way the economy works these days. We are going to have to work with

A. Smith - 6/10/19

other entities, but sometimes like if you've got Huawei building the telecom, or you have a major Chinese company building your telecommunications system, that's a national security vulnerability that you should probably find a way to avoid. So we're trying to get clarity. Certainly we understand the Huawei thing, but what about in other instances?

Because it's been expanded. There was a proposal I think to try to bar us from buying Chinese buses, believe it or not. Why? So we want to have a process for that sort of analysis.

DWG: -- an idea then of how to identify the next Huawei? Would it be based on the country where that technology comes from? Or is the criteria, you have a connection to this government or you have --

Congressman Smith: That's what we're trying to figure out with this provision, is to come up with exactly that sort of template that you're sort of laying out.

DWG: So it's going to be [inaudible] or something?

Congressman Smith: I think what we're proposing is that DoD work with us to come up with a template, not that it wind up in our legislation. But what we're saying is give us that understanding of how you make those decisions.

DWG: Ellen?

DWG: Hello, sir. In last year's NDAA y'all called for the Defense Health Agency to take over most aspects of military medical care and readiness, including acquisitions, logistics and research. The Army doesn't want to give up its research. Your committee staff has already said that they're still in discussions with the Army over whether that should go to DHA or to Futures Command. I was wondering if you had any thoughts on this.

Congressman Smith: It's really complicated, so I'm listening to my staff and trying to figure it out. I don't have a particular

A. Smith - 6/10/19

bias one way or the other. We have to have that discussion.

DWG: Lee Hudson.

DWG: Back on Space Force. Is there any more you can give us on how it kind of compares to the Senate proposal which doesn't actually, explicitly call it a service. It just says we're sort of bringing Air Force Space Command, and then after a year then we'll make it more as a service. Sort of where do you see the middle ground that you need to bridge between where the House and the Senate stand on Space Force right now?

Congressman Smith: I'm not sure where we find that middle ground. Look, the things that we're trying to juggle here, and there's some politics involved in this that we should find our way past. But there is, I believe, this is something that I will state a strong opinion on. I think the Air Force has not done a particularly good job of managing space, and if I was not in a breakfast setting with a bunch of reporters I would put that less diplomatically. The words that were bouncing around in my head I guess I really can't say.

They're not doing a good job. And frankly, my experience on the launch stuff is the biggest example of this. I think they've mucked up launch in a variety of different ways. And also I understand quite clearly that the Air Force, they look after nuclear weapons, they care about air superiority and bombers and then they care about space. That's the order in which things came forward.

So I don't trust the Air Force on its own within its existing structure to properly prioritize space and I would challenge anyone who's going to argue that point with me. I think it's absolutely clear.

So what do we do about it? Over the course of the last 25 or 30 years we've actually done a whole bunch of different things about it. We've tried to set up this, that or the other thing, and none of it's ever really quite worked because the Air Force has reasonably large tentacles and as much as we've tried to separate

A. Smith - 6/10/19

it and make it feel important, they've reached out and sucked it back in. So how do we separate it in a way that really places that emphasis so that when you go to work on space you're going to work on space. You're not an Air Force person who's working on space and thinking about how to get back to the more important parts of the job.

But how do we do that in a way that does not unnecessarily create a lot more bureaucracy and spend a lot more money that we really don't have. That's the balance we're trying to strike. This isn't really partisan. We've been trying to figure it out. What's the best way to do it. How do we get there? Does it require a separate service? That's a debate we're going to have.

Originally we had had it as a sort of a corps, like a Marine Corps under the Navy as opposed to a separate new branch of the service. Those discussions will be ongoing until we get through all of this. I think unfortunately, to your question about how I pass this thing. One of the ways I would pass this thing is not have this discussion. [Laughter]. No part of this is helpful from a legislative standpoint. But in the spirit of transparency, I'm doing it.

This is not President Trump's idea, and I hope Democrats understand that of the many, many, many bad ideas this President has had, the many bad things he has done, and the many ways we should challenge him, don't think of this as well, if you're for the Space Force that means you 100 percent support President Trump. We were talking about this long before I think the President even knew the Space force could possibly have existed. He grabbed onto it and talked about it, but this isn't about him. Even about whether or not we're going to support one of his proposals or give him a win or not give him a win. I don't care about that. I want to organize our space assets in the most efficient, effective way possible. We and our committee have been working on that for a number of years before the President said anything about it, and we're going to continue to have that negotiation and debate based on that policy. Not on the politics of whether or not you want to support something that President Trump said at one of his rallies about a space force.

A. Smith - 6/10/19

DWG: Kathy Gilson, with the Atlantic. Thank you for doing this. I appreciate your transparency, notwithstanding the cost.

Your mark includes a rule of construction which would clarify that nothing in the bill or any amendment should be construed to authorize the use of military force. Why did you feel it necessary to make that explicit? And perhaps totally unrelatedly, could you bring us up to speed on your discussions with the administration with regard to the buildup in the Middle East? Confronting Iran.

Congressman Smith: First of all, I think we've had this rule of construction before. We just want to be excessively paranoid because as we've pointed out, the executive branch tends to take whatever legislative language they see and run with it, so we don't want them running in this particular direction. It's just an abundance of caution.

The buildup with regard to Iran. I have one central question which has not yet been adequately answered. I understand what we're doing there and I understand that protecting our assets from Iranian attacks is definitely worth doing. But we've instituted a maximum pressure campaign on Iran. And it is having an effect. It certainly is having an effect on their economy. Whether or not it's having an effect on the maligned activity that we want Iran to stop, which is basically their [inaudible], their backing of Assad, their backing of the Houthis in Yemen, Hezbollah in Lebanon, giving money to anti-Israel groups, the militias involved in Iraq. Whether or not they've started to reduce those activities I think is far less clear.

Also, if we're backing them into this corner, what do we expect to get out of it? What is the negotiation? What do we want from Iran? The President has said the nuclear deal is terrible, didn't get enough. What do we expect? Do we just want a long-term battle? Long-term stalemate? What's the next step? And if Iran feels existentially threatened, there's a distinct likelihood that they're going to lash out. If they lash out, how do we respond? So that's the part of it that I'm most interested

A. Smith - 6/10/19

in.

The buildup has not been that, well, the buildup itself, it's only if we start shooting at each other that it becomes a problem. Thus far we seem to have discouraged any of that sort of activity. So I understand wanting to be sure that we defend our assets. I just want to better understand what the long-term strategy is. That's not going to [inaudible]. It's more the Foreign Affairs jurisdiction. That's more the Secretary of State's department. I think Secretary Shanahan's been straightforward. You know, what we're doing is what the President asked us to do to protect our interests in the region. We don't make policy, we implement it.

So I think the policy questions are the more interesting ones.

DWG: Dmitry, TASS.

DWG: Good morning, sir. I wanted to ask you about the New START. I was wondering if you heard any reasoning from the Trump administration why it's going to take them until the next year to make up its mind on whether or not they want to extend the treaty.

Congressman Smith: I have not heard any reasoning from them. I'm really concerned about it. I think it is really important that we maintain arms control discussions, particularly when you're talking about nuclear weapons between us and the Russians. And yes, I think the Chinese need to be brought into this conversation now, too. If we're trying to prevent catastrophic war, nuclear or otherwise, and the impact that would have on the world, I think we need to have those discussions and have those negotiations. I think at this point the administration doesn't know exactly where they want to go with it, but the history, particularly with John Bolton's influence, he's not fond of treaties so it's not encouraging to me that he has the level of influence that he does. I think it's likely they're trying to find a way to get out of this just like they got out of the nuclear deal, just like they got out of the INF. I think arms control discussions are incredibly important and we should

A. Smith - 6/10/19

continue them.

DWG: Thank you.

DWG: Monitor?

DWG: Just to follow up on Kathy's question, sir. Do you have any sense, have you gotten any concrete answers just from DoD with regards to how long this type of deployment will last, how long the assets that we've seen deployed in the theater, the bomber group, the 1500 troops, the extension of Patriot battery, USS Abraham Lincoln will last? And does this deployment raise any questions for you as you're overseeing [inaudible] and where prioritization is heading within, [it's a flip back] for the Middle East form where we were seeing the Russia/China question.

Congressman Smith: The first part, no. They haven't given us any indication of how long this is going to last or where they see it going.

The second part, yes. Look, what we are trying to do broadly speaking in national security is confront the threats that we have, which are roughly speaking, Russia, China, North Korea, Iran, and transnational terrorist groups. I should get that laminated and printed on a card because that's the strategy. Those are the five threats that we have. How do we deter our adversaries in each of those? What is necessary? And it's not just the military. It's an entire whole of government approach to deter those adversaries. If we are shifting more assets back to the Middle East, then that changes a little bit what was perceived to be a shift towards the great power competition. Containing Russia in Eastern Europe and elsewhere, and dealing with China in Asia. So if we're shifting those assets around, how does that balance out? It's a legitimate question.

I'm pretty sure the Pentagon's answer would be that this doesn't change anything. Their priorities are still in that order. This is a temporary situation that they're responding to, but it does raise the question whether or not we're going to have to shift our assets and resources and think more about the Middle East.

A. Smith - 6/10/19

DWG: [Inaudible] question which comes up [inaudible]. What laws do you [inaudible] in DoD's accounting when it came to the area of the [inaudible] campaign in Yemen that we'd like to see resolved? Does this bill take enough steps in terms of reporting to get there? Are you open with regards, again, to the campaign, of allowing a War Powers Resolution to potentially get to the Floor in the future and [inaudible] right now.

Congressman Smith: I think that would be for a debate on the Floor and whether or not the leadership decided to allow amendments. It's not something we're going to do in committee on that issue. But I think there were real concerns about how our relationship with Saudi Arabia and the UAE allowed us to be more involved in that bombing campaign. We kept hearing about well, our involvement makes it safer. Well, if it was safer, you wouldn't be bombing school buses and children and funerals. It seems like whatever we were getting sucked into, we didn't adequately understand it. So it's good the administration backed off on the refueling stuff, but that's our concern.

We don't want to be part of that type of military campaign. And for all of the assurances that Saudi Arabia gave us, they are still hitting a lot of civilians in a way that I don't think is helpful to the long term peace process and that I don't think the U.S. should be a part of.

DWG: Defense Daily.

DWG: There's a provision in the mark that kind of goes after addressing the challenge of technology innovation outpacing policy formulation, especially in regards to 5G, AI, hypersonics. And we heard in one of the background briefings last week about not only wanting the Pentagon to address how those questions will be answered, but start to come back with some of the answers. I was wondering how important is it? Especially since those technologies seem to be coming on-line faster and faster to get an answer from the Pentagon about how they'll deal with the ethical questions and such. And for you, what are some of the specific answers you'd like to see addressed with 5G, AI?

A. Smith - 6/10/19

Congressman Smith: I think the basic question is, how are we going to use the technology? I don't think we have an adequate answer to that. We all understand how important it is.

It's kind of like when you get a new capability, it seems really cool, but how is it applicable? What's really going to be the killer app, if you will? And we don't have an answer on that. How are they going to use unmanned assets? A little bit, but in terms of ships, in terms of planes, where do they see it going? So we want to get a clearer picture and we want them to give us a clearer idea what they're doing. Admitting it is difficult, because you don't know exactly how the technology's going to turn out. When they invented the computer nobody imagined what's going on right here. Or initially email, was the thing that made everyone say I've got to have a computer, or actually initially just word processing. What is the application particularly for AI? Those are the type of answers that we need to push the Pentagon to get sooner rather than later. Instead of just developing the technology, not knowing clearly where they're going. That's going to be a collaborative process amongst all folks who are involved in national security policy for quite some time, I would suspect.

DWG: Would you say within those areas, are they kind of on an equal plane in terms of we want answers for all? Or is it specifically okay, the first priority, AI, or is 5G at the top of the list?

Congressman Smith: I think 5G and AI, I think those are the ones that are most open to interpretation. There's more where like hypersonics is pretty straightforward. It's a really fast missile. It's hard to shoot down. So if you develop it, it's going to give you an advantage. I think AI, 5G, that's a little bit more where does it go, how do you use it, and how do you use the technology.

An example, they're working on a new heads-up display for your average Infantry soldier. And basically they're on patrol and now all of a sudden you've got all this stuff in your face that's

A. Smith - 6/10/19

telling you what's over the hill. Okay, is that going to work? Personally, I'm intimidated about the concept of at some point having to have bifocals. So if I'm worried about looking up and looking down, and no one's shooting at me, is that screen going to make -- how is it going to work? How are these technologies really going to work [inaudible].

And when I think about that, I always think about the conversation I had with a Special Ops guy down at Fort Bragg ten years ago when they were developing a new rifle and side arm for the Special Forces. This guy was not excited about it. He said I've had this for a long time. Muscle memory. I know where it is, I know how it works, all of a sudden I'm going out there in a fight and you're giving me something that I've got to figure out. I don't want that.

So I think that is the question we're going to have to answer. Not just what looks good on the computer screen, but actually work with the warfighter and say what do you need? What's going to help you do your job or hinder you? Those are the type of questions we need to answer.

DWG: Jeff Smith.

DWG: Sorry if this question was asked before. I arrived a few minutes late.

One of the areas that your current mark differs from the administration's proposal the most is in the area of strategic weapons. We have a variety of proposals that don't follow the administration's lead.

Can you talk about those a little bit and maybe describe how you reacted to the Nuclear Posture Review and how that has affected what you think the committee is likely to do instead?

Congressman Smith: Well, there are sort of I guess three steps in this process. One is what the President and a whole lot of other people want in our nuclear weapons; two is what I would personally want; and then three is what we're doing in the mark.

A. Smith - 6/10/19

I forget who asked the question about whether or not the mark reflects my priorities or is sort of a broader balancing act. It's about a balancing act. And personally, I think we're spending way too much money on nuclear weapons, but the mark does not fully reflect that because I'm mindful of the fact that there are even Democrats who disagree with me on some of that.

All we do in the mark is block the low yield submarine-based nuclear weapon. And keep in mind, we have over a thousand low-yield nuclear weapons right now. They're bombs, not attached to a submarine, but it's not like we don't have a low-yield option to respond. Putting one on a submarine I think is unnecessary.

Second, we cut a little bit of the money on a couple of things. I'm trying to remember. Well, we'd like to see if the Minuteman III, if that can have a longer life. If we really need to replace it as soon as the Posture Review says that we need to replace it. This at the moment doesn't block any money. It just says take a look at this before you whole-hog commit to a block summary a little bit. But it doesn't stop ultimately if they want to replace it. It just says take a look at this broader question.

Then we also cut some money for another ground-based ICBM that's really reflective of a new one that isn't ready yet. This matches what the appropriations committee did and it's basically a conclusion that this money would not be executed because they're not ready for it.

That's it. It's not a dramatic departure. We're going forward with the B-21, we're going forward with the Columbia Class nuclear weapons, we're going forward with the LRSO. There's a whole lot of stuff and a whole lot of money. I think our increase in the Department of Energy's nuclear thing is four percent. That's an increase. Increases from last year's budget. The President proposed an eight percent increase.

So what we propose in our mark really isn't that dramatic in my opinion. The most dramatic thing is the opposition to the low-yield submarine-based nuclear weapon. Other than that, it's not

A. Smith - 6/10/19

a huge fight, despite what you may have heard from some of my Republican colleagues.

DWG: Mr. Chairman, it's 10:02. Have you got time for two more?

Congressman Smith: Absolutely.

DWG: Wonderful. The next one is Mr. Sisk.

DWG: Transgender troops. Do you expect something to come out of the Committee or are you waiting to see how that plays out in the courts?

Congressman Smith: I know the answer. [Laughter]. We're not going to do anything in Committee. It is quite likely that we will have a proposal on the Floor. That's ultimately up to the Rules Committee, but we're not going to do anything in Committee on it.

DWG: Question from me for the end.

The administration appears to be negotiating with Poland for a possible increase in U.S. presence there. Do you agree with that idea? What are your views on that?

Congressman Smith: I do. I think the uncertainty of what Russia's going to do in Eastern Europe means that a larger U.S. presence would deter bad actions in that region, potentially, and working with our allies. I would much prefer -- I think Putin doesn't want to start a war, but if he thinks he can get away with something without paying too high a cost, as we saw in Crimea, as we've seen in Ukraine, as we've seen with his interference in our elections. So I just want to make sure that he doesn't think that he could do what he did in Ukraine to another Eastern European country without much in the way of consequences.

Our allies and us need to have a presence there to discourage that behavior. I've not seen the specifics of how many troops or whatever, but in general I support the European Defense

A. Smith - 6/10/19

Initiative. In fact our bill puts more money into it than the President has in it. So broadly speaking, yes.

DWG: And how are you finding being Chairman of the Committee? Any surprises in how the role seems to work out for you?

Congressman Smith: I hate the surprise question. [Laughter]. I've been around a long time. Not much surprises me because I'm aware of the fact that there's a whole lot that I don't know. I think it's fine. It's a lot of responsibility in terms of making a lot of decisions, how we go forward. And I think my general approach is to be inclusive in it. Try to make sure, like I said, that what we're doing in the bill reflects the Congress, reflects the House. Not just my caucus but both caucuses, because I genuinely believe that we have a lot of talent on the committee, a lot of talent in the Congress, and I want to take advantage of those ideas and try to implement them.

It's a lot of work to understand the ins and outs of all of it, but I enjoy it because it's an opportunity to work with my colleagues, work with my staff, and hopefully produce a good product.

DWG: Thank you for coming, sir.

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