

Rep. Adam Smith
Chairman, House Armed Services Committee

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DWG: Chairman Smith, thank you so much for making time for the Defense Writers Group this morning, for a conversation with us. We've got a lot of interest. There are over 30 people who should be listening in. Not everybody will get a chance to ask a question, and I think some of you know, we let you know as you signed up that you missed the cut on that. We'll get to some people, depending on how long or short the answers are and how much time we have, but let's see how we do and let's dive straight in.

Mr. Chairman, as usual, I'll start with a question.

You put out a scorching statement yesterday speaking of the President stealing for his vanity wall from the European Deterrence Initiative funding and other efforts. And I wonder if you could give us a little more detail. What are some of the things that would be cut under his plan that most concern you? And do you think the pandemic changes the politics of this at all? Might it change votes in either direction?

Rep. Smith: I don't think it's going to change votes in either direction. Obviously, the pandemic has changed the politics of literally everything in terms of how people look at it, the level of importance attached to it, but look, what has I think been a little bit under-reported is the impact on DoD in a number of different ways. That's where he's gone to take the money. We had delayed military construction projects across the country. There are many examples.

The one that always stands out for me is when I visited White Sands Test Range in New Mexico and they had a fire at their tech

center and they need a massive upgrade in their technology capability in order to process the tests. They test absolutely everything. But once the data comes in you've got to be able to use it. They don't have the full capability to do that. I can't remember, I think it was like a \$40 million project but I could be wrong, it could have been more than that, and now it's off the books because we're waiting for it.

There was a significant chunk of money taken out of the Guard and Reserve account when they transferred money from procurement into the drug interdiction account and then take that \$3.8 billion out of that account to put towards the wall.

The European Defense Initiative is another example of something that's been shot down. When I was over in Europe in February, before all this broke, there were a couple of projects that were ready to go with partnerships that are now stopped. In Eastern Europe as we're trying to work to shore up our relationships and help discourage any further maligned activity by Putin, all that stuff gets put into jeopardy.

I would also add to the top of it is Do D and many others are consistently coming to us and saying this is underfunded, that's underfunded, we don't have enough money for this. Well, over the course of the last two years now, and I'd have to pause and do a little math, but I think they've taken somewhere around \$15 billion out of Defense. Sort of like you pull a quarter out of your change drawer when you need it.

So it undercuts the very argument about how much they need money. And for what?

I've been down to the border and I've seen the wall. It is incredibly expensive. I think they're planning on spending between \$20 and \$30 billion. And does it significantly improve our ability to protect ourselves from people trying to sneak across the border or drugs trying to come across the border? You've seen the stories. A flash flood recently took out a

chunk of it. They are tunneling under it, cutting through it.

Now I understand that you're going to spend money on things that are not perfect, but to spend this much money on something that really doesn't slow people down very much from a policy perspective simply doesn't make sense. Vanity wall, I'm not sure -- I did use that phrase, but a lot of things get put in front of me. The one thing I'll tell you is from a policy perspective the President's desire to build this wall is driven by politics. It's driven by the fact that it is one of his more dependable applause lines at his rallies. Now are there people within the White House who are convinced that this is the right policy? Are there Members of Congress -- Absolutely. I disagree with them, but I'm sure they have a policy argument for it.

The President himself, his determination to get money however he can to build the wall I am 100 percent convinced is driven by the fact that he feels like, well, as I've jokingly said, he's going to all this effort to break his signature campaign promise because his signature campaign promise was that Mexico would pay for the wall and yet here we are stealing money out of the Pentagon to pay for it.

I could go on, but you get the idea.

DWG: Now I'm going to go down the list of people who signed up in the order in which they signed up. We had to have a system and that was the one we came up with. That means that Tony Bertucca, if you're ready with a question, gets the first opportunity and that will be followed by Sandra Irwin of Space News.

DWG: Chairman, thank you very much. I appreciate you being with us.

My question goes to the upcoming stimulus package. The last time you spoke with us you said there were some things you hoped

would get in the stimulus package to help the defense industrial base, to help the supply chain. Now we've got word that Boeing is going to be cutting 10,000 employees. I'm just wondering what your hope is for the upcoming stimulus package and what you think can be done to help defense contractors, especially when some people in your own party might not want to give them the money.

Rep. Smith: Actually, I don't recall exactly what I said. My primary focus in terms of stimulus money for DoD has been on the [PoliCal] side of this. I think you may be conflating, and this happens often, I tend to be very logical about this. People ask me, you know, is there going to be money for DoD? I've heard talk that there is. I don't think that we should in a stimulus package put money in for DoD at this point in terms of the basic \$740 billion budget. Fuel costs are coming down dramatically. Production -- I don't see a need right now of all the needs that we face in this country to spend more money on basic DoD, to go buy more planes or ships or boats or anything like that. I suppose you can make an industrial base argument, but DoD's spending a fair amount of money.

What we do need to spend money on in the supplemental is what's ever necessary to help us deal with the virus. I think DoD can play a role in that. The biggest role that I've been focused on is a more aggressive use of the Defense Production Act because of the many challenges we face. One of them is if we're going to have the PPE -- I'm going off the side here, but one example in our state, we're talking about opening healthcare facilities back up for normal procedures -- elective surgeries is one of them but there's a whole bunch of other things that people regularly and normally get that have been suspended. And nurses -- the main reason to do that is hospitals are in economic dire straits and we don't need hospitals going out of business in the middle of a pandemic. But nurses are concerned about not having enough PPE. We could significantly ramp up domestic production of PPE to help meet those needs. Testing. The need for swabs, the need for reagents, the need for testing kits. We have not

yet to my knowledge increased the domestic production to the degree that we should. I think DoD could take a lead on doing that because of their experience in procurement and the logistics of that procurement.

So for that, it makes sense. I have not seen an argument that makes sense to me that we should put more money into defense to manufacture things.

DWG: Just one quick follow-up on that. We've got an alert saying that there's probably going to be three-month delays on some of the major acquisition programs. Part of the last CARES package was Section 3610. They said that they would try to reimburse contractors who were having delays because of COVID-19. Is that something then you would support doing? Because that would be money that goes to the Defense Department's procurement budget but it would be to sort of prop up contractors who are in trouble because of delays because of COVID-19?

Rep. Smith: I think that's fine. I don't think there's a need to send the Pentagon more money to do it. Again, this sort of gets back to the point of what we were just talking about. The other thing about the wall, they haven't even spent, there's like \$2 billion, now \$2.5 billion that is uncosted, unobligated, just sitting there because they'd like to have it. Take some of that \$2.5 billion and do that. There are plenty of places within the Pentagon, particularly in light of the slowdown, in light of the fact that there is going to be a record amount of unexecuted money within DoD because of how everything has slowed down. Well take some of that unexecuted money and use that to pay it forward.

I'm not saying that I'm not convinced that there aren't places within the broad Defense Department obligations where more money needs to be spent. What I'm saying is I have yet to be convinced that that money cannot be found within the areas of DoD where less money is now being spent.

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DWG: Sandra Irwin, and next will be Rebecca Keel of the Hill.

DWG: Good morning, Mr. Chairman.

I have a follow-up question to what Tony asked about stimulus. What are you hearing from your constituents in the space industry about the impact of COVID? And I know DoD is looking now at trying to help the space industry because some of the companies developed technologies that DoD needs for space innovation. So what are your thoughts on what the industry's going through right now? And should DoD be in a position to try to help some companies trying to get through this?

Rep. Smith: I don't know the specifics of what's going on in the space industry. Obviously I know that orders have slowed, and it's global. The space industry is a global thing. So every country that's impacted across the world has slowed down. The demand for those goods and services is undoubtedly going to come down. What I don't know is, how does that impact their plans, their industrial plans? I think we'd have to look at it. What resources they have to shore it up.

I stand by my statement that I don't think DoD is necessarily, should turn into a bank on this one. Well, I don't think DoD is a place where we need to put more money in to meet these types of needs. I think there's plenty of money in there now, that if they can pay money forward on a contract, but I would have to see the specific case. I think anyone who attempts to give an answer on something as detailed as the space industry's current and immediate future, economic output, we haven't done the analysis yet. We don't have the data. I would need to look at that and get more information.

DWG: What about DoD's questions about is the money going to the small businesses as opposed to the prime contractors? Do you think there has to be more oversight to make sure that more money goes to small businesses from DoD contracts?

Rep. Smith: Yes. I think a lot more oversight is going to be, because it's a very difficult question. We're pumping a lot of money out. You've got businesses of all manner that have seen in some cases 100 percent of their revenue disappear. Others really, really high numbers. What we're trying to do is we're trying to get enough out there so that until the economy starts to grow again they can survive. How do you distribute those resources? How do you make sure that it gets to the people that most desperately need it? We're going to need to constantly reevaluate what's working and what's not working, who needs the help.

Maybe there's a company that can easily shut down for six months and if they get a loan and a grant, enhanced unemployment for their workers, they can survive. Maybe there's another one that can't. That takes a certain amount of forensic accounting and other things. It's going to take a lot of time, effort and thought.

DWG: Rebecca Keel of the Hill, followed by Alexander Ward of Vox.

DWG: Thanks so much for doing this, sir.

I was wondering about how you see the trend line for the defense budget going after the Coronavirus crisis. We were already looking at flat budgets and now Congress has appropriated over a trillion dollars for the Coronavirus pandemic. Do you think that pressure is going to have any effect that causes Congress to cut the defense budget at all?

And then more ideologically speaking, do you think that there might be any change in what is considered national security that will have an effect on the defense budget?

Rep. Smith: I think no one knows the answer to that first question. You can quite readily surmise that the economy's

going to be slower. We've had to massively increase federal spending. The economics of this get much more complicated than they were before this. It's logical to assume that we're going to have to reevaluate our entire budget, both revenue and expenditures.

Beyond that, it would be pure speculation as to what's going to happen. But yeah, it's going to have to be reexamined.

As far as this idea of reevaluating national security needs, I don't agree with the analysis in the following sense. We need to do more, obviously, to make sure that we're prepared for pandemics and public health crises. One of our challenges is our public health system is, we're significantly less in terms of hospital beds, in terms of the type of expertise that you see in nations in Europe and Asia that they possess. So that is an argument for spending more money on public health. Until you take a step back and realize that we spend nearly twice as much money per capita as any other country in the world on public health which takes us back to the ObamaCare debate. I guess the question there is, just like within DoD when we're talking about where are we spending money that we shouldn't be spending money, if we are spending that much money on healthcare, and I'm sorry I haven't looked at the statistics lately, but I used to know this data when we were really involved in the ACA debate. But it's a very large percentage of our GDP that we spend on healthcare. But we're not spending it, in my view, in the right places or in the right way.

So I would say that if you're looking at, okay, we have all these huge healthcare needs. That means we need to take money out of DoD. I would say both for DoD and for healthcare, we need to get more for the money that we're already spending.

DWG: So in your view it's not a matter of either/or, like spend more money on public health and therefore spend less on defense.

Rep. Smith: I would say, look, that question is still

legitimate. But when you look at both the Department of Defense, and we've heard all the statistics about how we spend more money on defense than the next, I don't know, seven, eight countries combined, whatever it is, so shouldn't we examine it? I think that's true. As you know, I've argued that for quite some time.

But the same is true of healthcare. We're spending all this money on healthcare and we now appear to be one of the least prepared countries in the industrialized world to deal with a pandemic. Yes, that must come first.

Now logically, the pie is the pie. And if you're going to add more to one piece of it you need to figure out where you're going to get that money from or what you're going to cut. So I would never say that we don't have to make those types of choices. We do.

The budget is at a certain point a zero sum game, so I think if we look at this and say, you know, we're spending money as well as we can, we still think we need more over here, then we need to have a dialogue about where it comes from. And personally, I do think that public infrastructure, I think -- well, infrastructure in general. There are clear needs in this country that I think are greater than the need to expand spending at DoD.

DWG: Thank you very much.

DWG: Alexander Ward of Vox followed by Joe Gould of Defense News.

DWG: Hi, Chairman. Thanks again for doing this.

I just wanted to get your reaction to Acting Navy Secretary McPherson asking for an extended investigation into the COVID situation on the USS Roosevelt.

Rep. Smith: I actually just talked to him before I'm talking to you, and I personally think that Captain Crozier should be reinstated. Now again, we're conflating a couple of issues here.

I do think it's perfectly legitimate to extend the investigation about everything that happened with the Roosevelt. It was the first major outbreak within DoD in a difficult situation. So what happened? How did the various people in the chain of command respond to it? How did the captain respond to it? How did the sailors respond to it? How did the fleet commander respond to it? How did Indo-PACOM. I think, you know, what happened when they got to Guam? What was ready, what wasn't ready? What was the decision-making process? I think a forensic analysis of that is enormously important and I completely agree that that's not something that you can get done in a week or two weeks or whatever it's been.

However, on the question of whether or not Captain Crozier is the right person to continue the command that they gave him in the first place, I believe that question should have been clearly answered to this point and I think it should be answered in the affirmative. From everything that's come out and everything that I've seen, there was no reason to relieve him of his command. And I am deeply concerned at the end of the day Acting Secretary Modly, as he said in an interview with the Washington Post if I'm remembering correctly, that part of the reason that he did it is he felt that it's what the White House and the President would want him to do. That basically Captain Crozier had dared to criticize the chain of command and therefore he needed to be removed.

I will tell you my overarching concern in this aspect of it is I do not want to see the Department of Defense to become yet another aspect of our federal government that the Trump administration has brow-beaten into the position where they view their job as solely consisting of making sure that they're kissing up to the President of the United States.

Now yes, everyone within the government to a certain extent, as the cliché goes, serves at the pleasure of the President and they have to be mindful of that, and there's always a balance. You know, what do you think you ought to do versus what you think the White House ought to do. It's just that in this administration I think the drift towards, you know, you must be a sycophant in order to keep your job is very troubling.

And if you want any evidence of that, simply go to any interview that Dr. Birx has done or will do in the future. One of the foremost epidemiologists in the world, and you can tell that when she's talking she knows that one of the first things she has to do is make sure that she makes the President feel good about himself. Okay? It's almost like she's got a pneumatic device or something to tell her to make sure to spend the first 30 seconds or two minutes of the interview talking about how great the President is. That undermines competence. We have seen it in the White House, we've seen it in the State Department. I don't want to see it at the Department of Defense. I don't want any ethos over there to be if you are in any way critical of the administration -- we saw it with Secretary Spencer when the President inserted himself into military justice and how that whole thing played out. I don't want DoD to lose the competence that they have and simply become yet another organization whose job it is to pump up the President's ego.

So I think a strong statement from DoD, a way they can make a strong statement, it's not where they're going, is to give Captain Crozier his job back. If you then want to investigate the decisions that he made and the decisions that the chain of command made, yeah, we've got to learn from it. But everything I've seen, there's no justification to say that Captain Crozier is not capable of continuing his command.

DWG: Thank you. Joe Gould of Defense News followed by Yasmin Tadjdeh of National Defense Magazine.

DWG: Chairman, thanks for doing this. Thanks to DWG.

Chairman, you and Ranking Member Thornberry put out a statement yesterday saying that Congress could pass the NDAA. Does that mean that this Congress would pass the NDAA before the end of FY21? And what incentive is there for Democrats to support final passage of the NDAA before the election given that the White House and Senate could change hands?

Rep. Smith: Well the incentive is it's our job and we're supposed to do it, and I like to think that that's a sufficient incentive.

Look, will we get it done by October 1? It's going to be a challenge, but I don't know off the top of my head. I can only remember one time in the last ten years when we got it done by October 1.

Normally the sort of unofficial deadline for us is the end of the year. It is still my goal to get it done by October 1, but all that statement meant was we're going to get it done this year like we get it done every year. And obviously the challenges are significant as we figure out how we're going to do that. But there's a bipartisan desire to do our job, to get the bill done, and we're committed to doing that.

DWG: Are you exploring options where the markup is closed? How do you get -- if the committee has 50-some-odd members, what about the logistics of that and what are some of the options that you're exploring for that annual markup?

Rep. Smith: That is the definitive challenge. We are not going to truncate the process. We're going to have subcommittee marks, we're going to have a full committee mark, we're going to have amendments, we're going to have a Floor process. So we're not going to close the hearing. And yes, we are exploring

options.

This is the difficult question that Congress is facing and I want to make sure everyone's clear on a couple of points because there's been some complaints about why isn't Congress in session and all of that.

We are wrestling with the same thing that every state and every business and every locality is and I'm sure all of you are. How do we do our jobs in the pandemic world?

Essentially as we're looking at those choices, you sort of try to answer three basic questions. And by the way, there are not yes/no questions. The first one, is the job essential? The better question is how essential? To a certain extent, everything's essential. But if you're in the food supply, if you're providing healthcare you're up here and you sort of work your way down from there.

Certainly, Congress, I believe, the legislative process is important. It's not as essential as the food supply, so how do you balance that?

The second question is, can you do the job remotely? Can you do the job so that people don't have to come in? And much of what we do in Congress, yes, you can. I can tell you that since the pandemic broke I am working longer hours and putting in more time on my job than I did before because I'm on the phone, I'm on conference calls, we're trying to help constituents, we're helping businesses. I'm working on -- the job is there. Most if it I'm able to do like this. Would it be better if all of us were sitting around the table in the hotel that we used to meet at? Yeah, I mean it's a little better to be face-to-face but this works. I don't think the product here is going to be any worse than it would have been if we'd been sitting down facing each other. So that's the basic question.

The third question is, how much risk is there involved in doing

that job if you go back to it? The risk we're talking about, and I want to be really clear on this point because I've seen some cheap political shots about well, if grocery workers are brave enough to go to work how come Members of Congress aren't?

This is not about my or any Members of Congress' individual feelings about us catching the disease. I'm not terrifically worried about it. It's a scary disease. I am concerned. But what we are all worried about is giving it to other people. That is the concern. We are trying to stop the spread of the disease, so we're trying to figure out how not to do that. And the reason we have not come back into session on a regular basis yet is because most of the job that we need to do, we can do remotely.

The NDAA needs to be passed. It doesn't need to be passed in May. So we can take some time to try to figure out and see where this goes. So most of the job we can do remotely.

If in fact we come back and do the job there's a lot of people, there's 430 Members of Congress roughly, and then we've got staff and we've got -- you're putting a lot of people in one place. This isn't like, for instance, opening up, I get my haircut just down the hill here, it's a small place. There's rarely more than two people working in there, and a couple, you know, it's like seven, eight people. If you open that back up, it's a very small pool of people. Not a huge risk at spreading the disease. If you open Congress back up and bring all those people back to Washington, DC to interact with each other and fly back and forth on an airplane, there's a little bit of risk there.

Now is that risk acceptable? That's something we've got to balance. But there is a risk of spreading the disease. And then how do you mitigate it? When do we get to the point where that risk is acceptable? And that can get me down a very bit rabbit hole about the epidemiology here and what we're all going to do going forward.

But suffice it to say that those are the questions that I think we have to answer. And in the short term I think it is prudent to get answers to those questions, to take the time to put together that plan. So yes, we're trying to figure it out.

There are rooms big enough around the Capitol where we could have probably 75 or so people in those rooms and maintain a decent amount of social distance. We have most people, if not all people wear masks. If you have particularly vulnerable Members maybe you set up a situation where they can do it remotely from their office. We're walking through all those questions. They are complicated and they are difficult. Right now I think the smart thing is to not rush it and make a mistake that could unnecessarily make people sick and spread the disease.

Think it through, hopefully get a bipartisan solution as to how we go forward, and that's what we're working on. It doesn't have to happen tomorrow. It does have to happen probably in the next month or so where we figure that out, but those are decisions we're trying to figure out and the NDAA is part of that. How do we mark up a bill that is that big and that complicated in this environment?

DWG: Thank you. Yasmin, you're next, followed by Connor O'Brien of Politico if he's on.

DWG: Thank you, Mr. Chairman for doing this.

Earlier you mentioned that the defense budget will need to be reevaluated given the economic effects of COVID-19. Which portfolios do you think may be most vulnerable? Maybe nuclear modernization?

Rep. Smith: Even before COVID-19 as you know I was of the opinion that the defense budget didn't have to grow as much as everyone else says it has to grow by. I think pretty much it's

all on the table to figure out how to spend the money more wisely. You also know that I don't feel that we need to do as much in the nuclear modernization area as others do. So yeah, I think that's an area where we could potentially save money. I am quite certain that there are others.

Even before the pandemic we were in a very difficult to sustain fiscal situation. We were basically spending \$10 for every \$8 of revenue that we were bringing in. Now the macro economics, given our ability to borrow money, given that the dollar is the reserve currency for the world, we have a little bit more flexibility on that. But an effort to get that 10 and that 8 closer together would have been helpful and it's going to continue to be.

I would also say that it would be wrong to -- the defense budget is roughly I think 16-17 percent of the total federal budget. That's not an insignificant chunk. It's part of it, but it's not the only thing that's involved in the conversation, and I'll tell you the other thing I've been saying for a very long time, I think that our current revenue system is not raising the revenue that it should. I think the tax cuts that have been passed have increasingly made it more difficult to raise the money we need even as we've seen just enormous wealth at the very top end. Corporations, top one percent, top twenty percent, however you want to calculate it, it's massive increases in wealth in those levels. But we've got writeoffs, we've got deductions, we've got all kinds of things out there that have made it difficult. So a more consistent revenue picture is part of that as well.

But yeah, whatever the deficits were before, there are a lot more now. We're going to have to deal with that.

DWG: Thank you.

DWG: Connor O'Brien of Politico followed by Leo Shane of Military Times.

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DWG: Mr. Chairman, thanks for doing this.

I'm curious, Max Thornberry said a couple of weeks ago that he thinks because of the [inaudible].

Rep. Smith: Connor, you're kind of cutting out there. I'm having a hard time picking you up.

DWG: I'm sorry, let me try a little louder.

Rep. Smith: That is much better.

DWG: Thank you. Ranking Member Thornberry said a couple of weeks ago that he thinks that a bill that comes out of the House can't, essentially needs to have fewer partisan issues than it did last year, can't afford to come out on a party line vote, things like that, because of this time crunch that's been created by COVID-19 and by the fact that it's already a shortened calendar because of the election.

I'm just curious, how are you going to balance getting Democratic and Progressive priorities in the bill versus negotiating something with Republicans in the Senate and getting it done by the end of the year?

Rep. Smith: Very carefully and with a great deal of thought and effort.

DWG: What have you, if anything, what do you think is going to be different about this year? I know you've said you want to continue to incorporate progressive priorities. But you also have said, many of the big four have said that you have a better idea now of what is doable. So how does that dynamic change?

Rep. Smith: Nothing here is different than what you and I talked about before the pandemic broke. It is an election year which means we have a shorter calendar and we have to do it more

quickly. That was even before we had this little unplanned break. Obviously that impacts our ability to work complicated and difficult issues.

I think the most important thing, and this is very hard to explain. I'm not sure I'm going to do it well. But in 2019 the Democrats took over the House and it's the first time we've run the House in ten years. And I may sound like a more progressive Chairman than Ike Skelton was. And that's the first time it happened. So we were going to explore the realm of the possible, if you will. I think what we learned last year as we went through it, on both sides, you know, what is possible with me and Senator Imhoff and the President? Now we have a better idea of that and a more realistic idea of what you've heard. That narrows the scope down a little bit in terms of what we're all going to be able to accomplish.

So those things mean that the bill will probably be a little bit slower for those reasons. But other than that, I wasn't just being a wise-ass and saying very cheerfully. You know, I've got to get the bill out of committee, off the House Floor, and get a conference report that we all agree to and that means that I've got to get 218 Members, Democrats, Republicans, a combination thereof, and 60 Senators and the President to agree to it, and there's a lot of different issues there and a lot of things involved. It's an art project that you have to sort of put together. That's what I came up with on last year's bill. It's like a painting. You put it up on the wall, it's like it's not sort of thumbs up, thumbs down. You sort of look at it, you see how it all comes together in a way that is pleasing to enough people that it goes forward and that's what we're working on.

DWG: Leo Shane, Military Times, followed by Michael Gordon of the Wall Street Journal.

DWG: Mr. Chairman, I appreciate you doing this.

You mentioned earlier that you don't see a role for more money

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for DoD in the upcoming stimulus in terms of the equipment and what not, but I wonder with personnel issues, we've had a lot of families impacted, do you see any additional money needed for their needs? For the travel needs? For things like PPE? Or is that all stuff that you'll work into NDAA later this year?

Rep. Smith: Look, just so we have the perspective in looking at it. Without question with the pandemic, with the needs in the national security and DoD, we're going to have to spend a lot of money on this. The good news, we have a lot of money. The defense bill last year was \$738 billion. Plus we had a few odd-billion for emergency construction in light of hurricanes and all that.

I'm not saying that there aren't needs within the Department of Defense to spend money. There absolutely are. I'm saying that the Department of Defense has a lot of money and they ought to spend that money to meet those needs.

DWG: Michael Gordon followed by Dmitry Kirsanov. Michael are you there? Maybe not.

Dmitry, are you there? Maybe not.

Let's go to Lauren Williams followed by Jack Detsch.

DWG: Thank you for doing this.

I want to kind of focus a little bit more on the budget issue because of the pandemic. DoD has a lot of tech development efforts that are ongoing. Do you see there being an issue or challenge being presented in being able to meet those efforts especially if [inaudible] for fiscal year might be further constrained?

Rep. Smith: I'm sorry. What specific programs? I think you said tech?

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DWG: Yeah, just different tech development efforts, AI, cyber, that sort of, 5G, that sort of thing.

Rep. Smith: Again, there's programs out there. So no, not really. Yeah, there's going to be challenges. There already were industrial base challenges coming into this. I think we'll learn a lot about what we want to do with our industrial base and it's not always easy to fix when you don't know what it is.

In every area of the budget, in every area of everyone's life there's going to be challenges and surprises in light of how the pandemic has changed economics. And if you happen to be in the video conferencing business life is good from an economic standpoint. But in many other areas it's more difficult. And then how does that, what's the downstream/upstream effect of that? We've seen restaurants shutting down, making it more difficult for the food supply to figure out how do we get our stuff to market? So all of those things are going to have to be asked. I don't know off the top of my head how that would affect AI or some of the other things. I would suspect less so because a lot of that type of work can be done in a remote setting. You know, tech companies are unlikely to be as negatively impacted on this.

Just to give one example, obviously we've got the whole cloud issue. Amazon, they're economically doing just fine in the pandemic. Microsoft as well. So I would think of the various areas that are going to be a challenge, I would think tech would be fairly low on that list but there could be surprises there that, I was going to say a surprise that I have not anticipated. But all surprises are things that you have not anticipated. That's what makes it a surprise.

DWG: There's been increased use of OPAs as a result to meet demand during this pandemic. Do you expect to include more review or scrutiny or oversight of that [indiscernible] buy more?

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Rep. Smith: Yeah, I have long been a supporter of expanding that. I've long been a supporter, and Mack has worked closely on this issues of how we can sort of unleash the creative energy of our procurement people to give them the ability to find real-time solutions and to avoid what I like to refer to as the tyranny of the program of record. So yeah, I think there's going to be a real opportunity to start using that type of creativity with RTAs and other creative ways of making purchases to hopefully make better, quicker, more cost-effective decisions.

DWG: Jack Detsch followed by Tony Capaccio. Jack? Jack was going to be on. Tony, are you there? Tony Capaccio, Bloomberg?

Okay, Courtney Kube of NBC, are you there?

DWG: I am here, and I'm sorry if everyone groans at me, but since we have this opportunity, Congressman I want to thank you very much for doing this right now, too. I know you're busy.

Can I just follow up on one quick thing on the TR and then ask two other quick ones.

Are you saying that you think that the decision to extend or expand I guess, the investigation, was brought on by political pressure? The announcement today?

And then just on two other quick topics. Can you tell us anything about what you know about what's going on with KJU and his health?

And have you heard anything from, any rumors about what's going on with U.S. troop deployments in Afghanistan? There's been some rumors and reporting that President Trump is getting frustrated once again with Afghanistan and talking about pulling U.S. troops out.

Thank you.

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Rep. Smith: No, I am not saying that the President has weighed in and exercised undue direct influence on the decisions surrounding the Roosevelt. Not at all. I spoke to the latest Acting Secretary of the Navy right before I came on this call. I've spoken with Admiral Gilday. I've spoken with Chairman Milly. I do not believe that in any way the President has directly reached out and told them what to do in this situation. So I want to be 100 percent clear about that.

What I am saying is basically what then Acting Secretary Modly said when he was explaining his decision to relieve Captain Crozier of his command and I'm going to maybe butcher a little bit exactly what Modly said. But he did say directly he did not want to wind up in the situation that Secretary Spencer had wound up in on the military justice issues. All right? He wanted to get out ahead of it. He didn't want to make a decision that he knew the President wouldn't like and then would step in and create a problem, if I'm interpreting this correctly. And maybe he would disagree. But it seemed pretty clearly that what he was saying was if the chain of command gets screwed up, and this President has proven that he's perfectly willing to screw up the chain of command. He proved it in the military justice cases with Captain Gallagher. And others. He said I'm going to get out front here. I'm going to do what the President wants before he has to step in and force me to do it.

That is what I'm worried about. And the President has made it clear that as far as he is concerned the single-most important attribute that anybody in the federal government can have is, forgive me for the bluntness, a willingness to kiss the President's ass as often as possible. I think any objective observer would say that watching President Trump work, that is the single greatest thing that he cares about. I am worried that as -- you know, look.

Every Pentagon is going to shift subtly to meet the needs of their Commander-in-Chief, as well they should. I mean if you're

working within the chain of command, you can be your own chain of command. Whatever. You get a different boss, that boss has a different way of doing things, you adjust to the way that boss does things. Maybe you've got a boss who's not terribly punctual, likes to sort of operate on the seat of his pants, you do that. Then the next guy comes in and says you better be on time. So you adjust. You do it differently to meet that management style.

What I am worried about is that the President's management style is how I've described it and I am worried that that will make us less effective, because if that's all you're concerned about is the President has to feel good about himself all the time, that undermines your ability to be competent. It undermines your ability to make decisions based on what is the right thing to do as opposed to what is going to feed the President's single limitless ego.

So again, not saying at all that I believe there's been undue command influence in the sense that the President has ever talked to anyone in the chain of command or had anyone talk to anyone in the chain of command to tell them what to do in this situation. I am worried, frankly, about something that's worse than that. That would be an isolated example of the President reaching out and doing it. I am worried about a culture developing along the lines of what I just described.

I don't have any idea whether or not Kim Jong-un is alive, in a vegetative state, hanging upside down by his ankles, or any of the above. It's hard to say. To the extent that I would wildly speculate, I would say that speaking of narcissists, that Kim Jong-un is perhaps a little jealous of COVID-19. Nobody's paying attention to him anymore. Maybe this is a play to get the world to start talking about him again. Or maybe he's dead. I don't know. North Korea is an opaque place.

It is definitely something that we should pay attention to. I've heard some criticisms about we don't have particularly good

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intel on North Korea. That's true. But that's because there's no way to have good intel in North Korea because they don't let anybody in, like period. So we'll just have to wait and see.

I'm sorry, what was the third thing?

DWG: On Afghanistan. I'm just wondering if there's any talk about withdrawal of U.S. troops or --

Rep. Smith: We had a brief last week and the plan remains the same. They're coming down to 8600. Anything after that will be conditions based. And there's layers in layers there. Is the Taliban going to be able to get a deal with the Afghan government? How's that going to play out? All that's going on.

So you've got sort of that policy framework and that has not changed.

What is always lurking out there is the President's unique approach to leadership, and he has more than once over the course of his presidency said we're pulling everybody out of Afghanistan, just like he did with Syria. He will make these pronouncements and then gosh, if you read what Secretary Mattis had to go through. Secretary Mattis occasionally simply ignored them. Figured the short attention span, he'll forget about it in a day or two. We'll just keep doing what we're doing here. As we learned in Syria, there's always the risk that the attention span will not be as short as it is other times and he'll actually follow through on what he's Tweeted.

Will the President, he was musing I guess the other day about how maybe because of COVID-19 we should just pull out of Afghanistan. I think making the decision like that and doing that would be irresponsible and wrong, but that doesn't mean it won't happen. But as of right now I think what the commanders and the people actually in charge of implementing the policy would tell you, is they're still on the same trajectory. 8600 troops, get a peace agreement, and make conditions based

decisions after that.

DWG: Let's go to Ashley Roque of Jane's, if she's on. And I gather Dmitry Kirsanov is now on so he'll be next.

DWG: Hi. I wanted to ask about a letter that was recently sent from a group of lawmakers to Secretary Esper on the Army's plan to field two Iron Dome batteries. I understand that the Army could potentially, they're going to start training soldiers once they receive them. They can have them ready for potential fielding in 2021.

So I just sort of wanted to get your take on what concerns lawmakers have on the Army sort of slow-rolling this and saying we only want two batteries because we want to build this more enduring system while at the same time the U.S. Marine Corps has been able to move out much quicker and is coming up with additional work-arounds.

Rep. Smith: I think there is concern. The shifting situation in Iraq with our troops there, the vulnerability is to short-range missile attacks. We've seen that happen in the green zone, we've seen that happen [indiscernible]. The actual long-range ballistic missile attack, and it's a different defense system that is necessary to protect against one or the other. You would need a Patriot battery to protect against ballistic missiles. I think the general feeling is that's not the threat. In the short term it is short-range missiles. We have some systems there, and obviously I can't get into the specifics, but I think there is widespread agreement that we need more systems to better protect our personnel in that region as long as they're there. There is a degree of urgency and yes, we have noticed that some are moving faster than others. I would say there's a high level of concern on this issue because it's one of the foremost force protections that we have in the short term. Outside of the pandemic, of course.

DWG: And just along those lines, are you expecting of is there

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a push to require the Army to purchase additional Iron Dome batteries as the committee and Congress has done in the past?

Rep. Smith: It's not guaranteed, but yes, I am expecting that.

DWG: Thank you very much.

DWG: Dmitry, are you on the line? If so, you're next. After that will be [Lamicha Prizther], Press Trust of India.

DWG: Good morning, Mr. Chairman. Thank you very much for doing the call. This is Dmitry Kirsanov from TASS.

The [indiscernible] on the report of April 5 that the Secretary of State and the Secretary of Defense have both agree to proceed with U.S. withdrawal from the Open Skies Treaty. I simply wanted to ask you if this is an accurate portrayal of the situation regarding the Open Skies Treaty. And if the administration has notified you about their intention on how to proceed further on the OSD. Thank you, sir.

Rep. Smith: I confess that I actually don't know the detailed answer to that question. I know that the administration has to varying degrees said that they wished to pull out of the Open Skies Treaty, but I'd have to go back and look and see if they've given a formal notification of intent to pull out and are in fact inexorably going to pull out. I know they want to, just like they wanted to pull out of the Paris Climate Accords and pull out of the Iran Nuclear Deal. But it took a little bit of time before they actually did it. But I'd have to go back and look and see if they've actually done that or not. I apologize.

DWG: There was no formal notification. There was no formal notice.

Rep. Smith: I think that's where we're at. I think they've sort of hinted, said, but have not formally done it yet. But I

would anticipate as with the other treaties that they've pulled out of that they will try to do that, and I think at this juncture that would be a mistake.

DWG: Thank you, sir.

DWG: Lalit [Chad], do you happen to be on the line? And following you Tony Capaccio, I gather is on the line. Lalit, are you there? No.

Tony? Okay. Phil Stewart of Reuters, are you on the line?

DWG: I just wanted to ask a little bit about South Korea. You all put out a statement recently talking about the burden-sharing agreement. We had written a story I think you referred to in that letter. I'm just wondering what your sense is of whether or not there is risk here to the alliance, whether or not -- what is your understanding of the offer that could be made or is being made? What is this all about?

Rep. Smith: There's a couple of things that are concerning about it. In a straightforward way, I mean the offer is the Trump administration is asking for one hell of a lot more money than South Korea is ever going to pay. How do you get back to a reasonable number in between those two things? I don't really know. I've spoken with the administration, I've spoken to the South Koreans. They maintain optimism and forgive me, I don't remember the exact numbers off the top of my head, but they're far apart and they acknowledge that but they're still like hey, we're sure we can work it out. I'm not so sure because the gap is significant.

The other sort of overarching concern is, I stole this from an article in Foreign Affairs. I forget who wrote it or I would attribute it. When you look at Trump's foreign policy it actually does have sort of three consistent themes. It's not the, and it has a fourth consistent theme which I may let go for the moment. But number one is that the President is distrustful

of alliances. Number two is, he feels that the U.S. should to some degree retreat from its global obligations. Number three is he has an affinity for dictators, autocrats if you will. Number four would be he has an affinity for people that he's done business with before in his private life or currently in his private life for that matter. All those things would lead you to be concerned about his willingness to do what is necessary to maintain the relationship with South Korea. It is a place in the world where the U.S. is very present, obviously, with our troop presence and the relationship. It is one of the more important international alliances that we have. And it is done opposite two autocrats -- Kim Jong-un and President Xi in China.

So if you are interpreting or if these people are interpreting President Trump's foreign policy correctly then there is concern. And then as I said with some of the other agreements that you've seen the President retreat from. He seems to have backed off the idea of getting out of NATO, but there has been a pattern. With the Iran Nuclear Deal, with the Paris Climate Accords. With our presence in Syria. Of the President kvetching about it for some time, a lot of false alarms. Okay, he said but no, we're not going to pull out of it, we're not going to end the relationship. And then in some instances he has ended the relationship. So I think there is definitely case for concern. And also from my perspective, I just think that alliances are one of the most important aspects of 21st century American foreign policy so I very much disagree with his approach on that.

Yeah, we're concerned. Is the President just trying to drive the best bargain here? Or is he trying to use this as a wedge to accomplish the broader foreign policy objective of pulling the U.S. back and reducing yet another alliance.

DWG: On that point, would Congress be willing to pass legislation to prevent him from withdrawing troops if he doesn't get the deal that he wants with South Korea?

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Rep. Smith: We did last year. It was in the NDAA. Some form of it will be in the NDAA this year.

DWG: Sir, we just have a couple of minutes left, but if you're willing to entertain two more questions I have a couple who should ask them. Rachel Cohen, Air Force Magazine, do you have a question?

Sean Waterman, do you have a question?

DWG: Yes. Thanks very much for doing this, Mr. Chairman.

I wanted to ask actually about the Cyberspace Solarium Commission. It was reported earlier this week that its supporters think they can use the NDAA as a legislative vehicle to get its recommendations implemented. Have there been any discussions about that? What's your own view?

Rep. Smith: Yes. The short answer is yes. I think it is quite likely the NDAA can be a vehicle to implement some of those recommendations. That's, frankly, about the only intelligent thing I can say about it because I'd have to go back and look at the details of what those recommendations are and where Chairman Langer is the leader on that issue. I'm sure that Jim has things he wants to put in there. I don't know how the Republicans feel about it. The bipartisan view on it. So I'd have to look at the details but absolutely, yes, the NDAA is a logical vehicle to implement those recommendations that we can agree to.

DWG: Vivienne Machi of Defense Daily. Do you have a question?

DWG: Thank you so much for doing this, Chairman.

I just wanted to ask at this point in the election year to what extent are you speaking with the former Vice President's campaign and sort of gauging his stances on national security

and national defense issues? And what are you sort of looking for as some of his big things that he will be advocating for in those domains? Thank you.

Rep. Smith: We've begun some of those communications and I hope to do more. Certainly we would want to work together to make sure there is a clear democratic national security/foreign policy agenda. It's sort of like the opposite of what I just said when I was talking about President Trump's foreign policy approach. I would say that the biggest key element of that would be the importance of alliances, of building relationships around the world to advance U.S. interests and how we can leverage that. While at the same time making sure, as Democrats we're also working to guarantee people that we are focused on meeting the national security threats that we face. Certainly the pandemic is now at the top of that list but we still have Russia, china, North Korea, Iran and transnational terrorist groups to be worried about, to make sure that our commitment to protecting the country is clear. We've begun those discussions. I hope to do more in the weeks and months ahead.

DWG: And one quick follow-up on something you talked about earlier. You were saying that this last year you and Senator Imhoff and the Trump administration, this was kind of your first go-around to see how far you could get on the NDAA and now you've kind of worked out that process.

But again related to the election, do you think that sort of relationship, I guess that obviously will have to change, or is likely to change after 2020, right? So this is kind of an end all be all?

Rep. Smith: I certainly hope so, but you never know. We will see. But yeah, you work with the people that you have to work with. In the case of my committee that's House Armed Services, Senate Armed Services and the White House, and as those players shift then you shift. There are challenges and opportunities in every shifting relationship in my experience. So yeah, we'll

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keep doing that.

DWG: Mr. Chairman, we're obviously out of time but I do have one question that someone has written in on the chat side here, Rachel Cohen. She wasn't able to get on the line, from Air Force Magazine is asking, wondering what your opinion is on a possible new sort of Budget Control Act to follow COVID, if there's an appetite for one on the Hill and how might that affect DoD readiness/investment?

Rep. Smith: I would imagine that all things seem to come around in a circle in terms of that. I would imagine those types of things will be back on the table.

I will say this. I think the collective experience with the Budget Control Act, the fact that it didn't control the budget particularly well, led to several government shutdowns, a number of continuing resolutions, and more threatened government shutdowns than frankly I can even remember. I think there's going to be considerable skepticism that a Budget Control Act like approach is the right approach to any sort of fiscal policy. I would think there would be considerable pushback on that particular approach to a long-term fiscal policy.

DWG: Thank you very much for speaking with us this morning. Monica and I are plotting, and we're hoping to get you back later this year again. Be well, out there in Washington State and we'll see you back here I'm sure sooner than later. Thank you, sir.

Rep. Smith: You too. I'm happy to do this again any time. I've sat in your chair, David, trying to call -- I know the challenge and I appreciate you doing it and it was very well run, so I appreciate the opportunity and we'll talk again soon.

DWG: Thank you so much.

Members, we have a couple of interesting guests booked for May,

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so look forward to sending out invites to you int eh coming weeks. Thanks for being on the line, and thanks to the Carnegie Corporation of New York for funding this effort to keep the media and leadership in national security talking to each other in useful ways.

Thank you. Bye for now.

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