

**Senator Jack Reed
Chairman, Senate Armed Services Committee**

**Defense Writers Group
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DWG: Ladies and gentlemen, it's just past 8:45 so let's get things rolling.

Senator Reed, congratulations on your elevation to Chairman. I think I'm congratulating you.

Chairman Reed: Thank you.

DWG: And then you very much for taking time so soon after taking a leadership role in the committee to talk to the journalists of the Defense Writers Group.

As you know, our format is pure Q&A. I'm going to start with one quick broad question and then after that we're going to recognize as many people as we have time for. People do a question and if they want to, a follow-up.

I'd just like to ask you to talk for a minute or two on what are your priorities as Chairman? What's going to be different about a Reed committee?

Chairman Reed: I think what we're going to have to confront is transformation of the Department of Defense in so many different dimensions. Just yesterday we had a panel on all of the technological issues that are impinging upon defense. We had Eric Schmidt and Brad Smith and Hawk Carlisle, General Carlisle. We have to change the way we do business. We have to be able to connect with small companies and [inaudible] companies. We have to cut down on the long, long process. We have to look at the issue of how do we effectively protest contracts, for example. So there's a transformation that we have to perform in terms of the processes of Department of Defense. That's one issue.

Then of course we're confronting new dimensions of conflict. Cyber particularly, and space. We have to follow through on the Space command formation, make sure that is effective, and bringing together all of the other services with a coherent plan

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for coordination and for sensor deployments in space and protecting our assets in space. Cyber, as I don't have to remind anyone around here about the criticality of cyber in everything we do. And we're also readjusting to the defense strategy of the near peer rivalry with Russia and China, and how do we do that? What kind of platforms we need. And then the constant effort, and this is nothing new with me, is to improve acquisition, the cost of equipment.

I think we're beginning now to look much more closely at sustainment costs, the life cycle costs. Where before it was just what does it cost? The sticker shock. We can get over that. Now we're looking at sustainment.

And then of course within the services we understand, and I think Secretary Austin's taking a very strong step forward, that we can't tolerate racism or extremism in the service or sexism. He is moving forward and we're going to be supportive of those efforts. The essential ethics of the military, in my view, is selfless service to the nation, together with a profound commitment to protect your subordinates, not exploit them. And this racism and sexism and extremism are directly in conflict with the core principles of the American military.

So those are just some ideas about what we're looking for and I'm sure in the course of the next several weeks and months other issues will pop up and we'll try to deal with them.

DWG: I'm going to recognize people basically in pretty much the order they signed up. Joe Gould of Defense News, if you have a question you're first. And then after that will be Eric Schmitt.

DWG: Thank you so much.

Senator, thanks so much for doing this. Congratulations on picking up the gavel.

In the summer Senator Sanders sought to cut the defense budget and redirect money toward domestic needs, and at the time you said that that across-the-board approach is good for a headline, good to make a point, but we're here to make policy.

I'm wondering how you see this budget cycle playing out. What size defense budget can we expect from Biden relative to the last Trump budget? And how or can progressives achieve the cut that

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they sought previously?

Chairman Reed: I think first off with the fact that we're no longer under the Budget Control Act, and one of the ironies of the Budget Control Act was it was designed to reduce the deficit but after a while it actually became a force to I think increase spending because Republicans wanted strong defense spending with a 50/50 split and we would get strong domestic spending and ironically it led to the budgets we've seen in the last few years. That's now gone.

The other factor is with the significant spending on COVID which is absolutely necessary, in fact we have to get this next deal done, I think there's going to be budget pressure on every budget. So it's not going to be exclusive to defense.

I think also, too, the top line number might not be the best guide of are we getting value for our money, and that's what we're going to try to look for. What are the systems that provide real advantages going forward? What programs and policies make us stronger as a nation?

My guess though, and it's no surprise, I think we won't be looking at the same percentage increases as we saw in the last few years. Again, I ascribed that both to the BCA and to the pressure. The administration won on defense and many Democrats won on domestic spending.

So we're going to deal with I think a much tighter budget going forward, more flat I think than rising. But within that I think we have to make judicious calls about what is worthwhile.

As far as across the board cuts, I do think they're more policy pronouncements than they are good policy. So we're going to look at and we're going to have to justify whatever we put in the budget. That's our task.

DWG: What about the political realities? In a Senate that is split 50/50, do you think there's support for the kind of cut - I mean Democrats do have a majority. How much support is there and can those cuts be achieved? Or something in between?

Chairman Reed: I think what we'll find is that to get legislation through we're going to need a bipartisan support. So I think there will be individuals on the right where a

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significant increase is never enough, and then others on the left which say we have to just cut it dramatically and they can figure out what to do with what's left. I don't think that's going to be the prevailing sentiment. I think both sides are going to recognize, the majority, in fact more than the majority are going to recognize that we have to continue our investment in national security and defense and the men and women who carry the burden for us. I think that will be the prevailing element in the end.

But it's going to require, and that's why we're going to work very hard. It's going to require not the assumption that we're going to get what we ask for. It's we have to be able to show what we're asking for makes sense.

DWG: Next question, Erich Schmitt of the New York Times and Steve [Bannon] of Military.com will be next.

DWG: Good morning, Senator. Thanks.

Just a couple of questions on U.S. force posture. With a May 1st deadline coming up under the U.S. agreement in Afghanistan, what is your advice to the administration right now in terms of do they stick to that agreement that was obviously brokered by the Trump administration to pull out by May 1st? Do you support staying some time after that and perhaps an extension?

Then part two, one of the other places that the Trump administration pulled out quite rapidly at the end was in Somalia, a country you know well. Seven hundred forces there that stayed in the region, but obviously it still seems to have caused some - there's been an impact just with the delayed elections in Somalia. What is your position on whether the Biden administration should actually put some of those troops back in for both training and counterterrorism purposes? Thank you.

Chairman Reed: The first question about Afghanistan is one of the most challenging issues that the President is facing at the moment. And I know he and his advisors are investing a lot of time in this.

I've been to Afghanistan about 18 times since 2001. We were the first CODEL to go in, Senator McCain and I, in 2002. I have been all over the country in different circumstances when it was relatively passive and when it was extremely contested.

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One's got to look back and say that our best opportunity for a successful conclusion was significantly reduce when we pivoted to Iraq. But looking back then will not absolve us from making critical decisions today. I think that should be noted.

There are basically three options which I can discuss publicly. One is to follow the June 1st agreement, although it appears that the Taliban has not followed the details of that agreement. The negotiations have been on and off, mostly off, and that's a function not only of the Taliban but the Ghani government in terms of organizing their efforts.

So you have two very reluctant parties and we're trying to get them to the table and we haven't really gotten them to the table. I think the hope was, and hope is not a plan, the hope was that by this time there would be a framework for a participatory government in Afghanistan that would provide some confidence going forward for stability. And second, there would be a clear and irreversible rupture between the Taliban and al-Qaida and ISIS and the Khorasan and others.

So the May 1st deadline I think is, there are conditions, particularly on those that have been in response to the Taliban, have been met. I think also just in terms of operational capacities, to pull out within several months now. It's a very challenging and destabilizing effort.

That's one of the options.

A second option that's been discussed is either to negotiate or indicate that you're going to stay, not indefinitely, but for a period of time to try to accelerate these negotiations. That might be something that could get the Taliban talking and the Afghan government talking.

The third option is just one of simply saying we have to maintain our presence until the conditions, the most favorable conditions are met.

All through this is I think the primary issue that we face and that issue is from our perspective, is counterterrorism. We've got to be able to assure the world and the American public that Afghanistan will not be a source of planning, plotting to project terrorist attacks around the globe. That's the minimum. I'm not quite sure, this is where the intelligence community and the

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President I'm sure are talking, that we can do that now without some presence there.

I think they're looking at very seriously over the horizon, what we could do from afar. And that might be feasible. So that would cover the first major objective, the reason we went in in 2001, and the most significant aspect for the United States; but it does leave the Afghan government up in the air because their ability to maintain themselves has been a function of our presence and our significant financial support.

A final factor, two factors. One is that NATO is there. In fact there are more NATO troops now than U.S. troops for the first time and they seem very much committed to staying the course. If we stay, they will stay. I think that is based on the analysis that they've been doing about the long term security and safety of Europe and also the commitments that we've made over the course of the years.

The second point too, this is always a regional solution. The Pakistan forces and government have been involved from day one. As you know, when you go there the Indian-Pakistan rivalry influences everything about Afghanistan. I was shocked talking to them the first time and I wanted to talk about Afghanistan and they just wanted to talk about India. But that's just a reminder of the regional implications of what's going to happen in Afghanistan.

So those are the three options. I think the, again, I think the President has much more intelligence and perspective on this issue than I do in terms of getting the data from his commanders and the agency, but I think in the short run some extension, I would expect some extension. I just think even operationally I think they would make the case they need more time even if they're coming out.

The other issues is just as transparent and clear-cut as Afghanistan. Your second question was about Yemen, correct?

DWG: Somalia.

Chairman Reed: Somalia, okay. I think it would have made sense to keep a small presence there. I've been, again, in Somalia several times. We were there a few years ago in Mogadishu, but then also out with Marine recon elements training Somali

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fighters.

One is the African Union has been a strong presence there. And the question would be, how much will they continue to provide support to the Somali government.

I think having pulled back most of our forces, to send them back in on a semipermanent basis is probably not the right approach. I think if there is a situation where intelligence presents a serious, serious threat I presume that we could mount some type of kinetic action to go after it either through overt or covert means. I think that's probably the best, at this point, the best approach. But I will consider that a little bit more. I wasn't thinking too hard about the Somali situation.

DWG: Steve [Bannon], if you're on please ask your question. And Tony Capaccio, you're next in line.

DWG: Senator, thank you for taking the time out today.

With all the stuff the Guard has been doing over the past year domestically and still doing their operations abroad, do you foresee any movement on increasing the size of the Guard or giving them any additional resources or anything of that nature? And kind of going on, investing more in space. Do you foresee any movement on a potential Space Force, National Guard or Reserve element in the near future?

Chairman Reed: We've asked I think in the last NDAA for a report from the Department of Defense about the viability and the practicality of setting up a Space Force Reserve and/or National Guard. We'll get that report back and it will be considered in the next NDAA as we look at the whole operational Space Force.

In terms of resources for the Guard, a lot of the resources are being provided through Title 32 and I would hope and we're going to double check that in the COVID bill that's pending there are resources available to compensate the Guard for all they're doing with respect to COVID and that's significant. My Guard in Rhode Island has done a terrific job in terms of organizing vaccination sites, organizing testing sites, providing significant support. So with that I hope we can compensate directly so the Guard will not use some of their training money and operational money for the COVID crisis. That's essentially where I think we are.

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DWG: Do you see a need to increase the overall size of personnel for the Guard?

Chairman Reed: That's not an issue that's been on the front burner here in terms of the last few years. I think like the regular forces, there's a question within the Guard about future missions with Cyber, with Space, and also their capacity, their recruitment, all these issues. But specific sort of proposals to raise end strength have not been, I haven't seen a lot of those come across the desk.

DWG: Tony Capaccio of Bloomberg, are you on?

DWG: Hi, sir. Tony Capaccio with Bloomberg. I have an F-35 follow-up question.

You know that the program still hasn't finished its combat testing and that's undetermined. If the program has not finished its combat testing during the FY22 budget cycle, would you be in favor of cutting even slightly the FY22 request, thus overturning the practice over the last five years of Congress adding over ten planes per request?

Chairman Reed: We need to look at the F-35 program. We've had this discussion before. But we need to look at the F-35 program. It goes to interim reliability, it goes to their finishing the combat testing and evaluation which is long overdue. And I think those assessments will play into our decisions about the procurement of F-35. Because we cannot just sit back and wait much longer for operational testing and acceptance, full acceptance by the Air Force. We're very much concerned about sustainment costs, how can we restructure that? And frankly, we want this aircraft in the hands of our pilots with unrestricted use as soon as possible for our defense and for their defense too. So we're going to look at those things, obviously. No final decision's been made and it won't be made - it will be made in a collegial way, by the way. If you do the arithmetic on the committee, it's going to be a bipartisan decision. But it's going to be influenced by these assessments and also the issues you raised.

DWG: Would it be an option? Would you consider it a viable option to cut even one or two aircraft from the request as a signal to the Pentagon if the testing isn't completed in the '22 budget cycle?

Chairman Reed: I think hopefully we might be able to send signals otherwise, more directly. I think cutting aircraft should be based on the force structure of the Air Force, the projected number that they need given the service life of other aircraft they're replacing, given their operational plans in terms of the use of these aircraft. So I think signaling, you can do that occasionally but I think it's better to, other than just automatically cutting equipment, I think we have to make sure that we send the right signal, but also don't compromise the operations of the Air Force, and also there's always the issue of the industrial base. Because when we go ahead and reduce, then they come back and bang on the Air Force's door and say it's more expensive.

One of the issues that we're trying to control is not only the full operation of the aircraft but the cost of the aircraft. We'll weigh all those factors.

DWG: Scott Maucione of Federal News Network.

DWG: Hi Chairman, good to see you. My question was about military sexual assault, something that the Defense Department's definitely looking into much more now. You've added some provisions over the past couple of years in the NDAA. I'm just curious after this review how much of a role does Congress have considering that this is a lot of culture within the military.

Chairman Reed: It is a lot of culture. As you know, the Secretary's just announced the formation of a commission which has a 90-day mission to evaluate sexual assault [inaudible] the military. Again, we can't tolerate, as I said initially, one of the ethical tenets of the military is you protect your subordinates, you don't exploit it. In so many cases the sexual harassment and sexual assault is exploitation. It can't be tolerated. It's antithetical to the American military.

So we're going to be very serious about this. We have a role. If there are changes to the adjudication of these cases it would have to be reflected in changes to the UCMJ which would require some legislative action. I was down at Fort Hood with Senator Inhofe, at that time Chairman Inhofe, and we both went down to show how important this issue was. This is nothing we're going to take for granted. And looking at the Army program - and I would like to say the impression I had is this is not an Army

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program, Navy program, Air Force program. This is a Department of Defense program. But Hood was a good example.

Their [SHOP] program for sexual harassment was below the brigade level was frankly discounted by all the troops. It just didn't work. Counselors or individuals who were selected to run the programs were considered to be not the best troops they had. A lot of young soldiers didn't know where to go. And it has produced a sense of a lack of trust in individual service members and a lack of knowledge by the commanders and non-commissioned officers of who they are and what's going on.

So we've got to do things and we will do things. This is an issue that has picked up momentum over the last years, and particularly with Fort Hood and other incidents.

DWG: And is taking the issue outside the chain of command something that you're considering for the next NDAA?

Chairman Reed: Well, that will be considered because that has been a proposal now going back many, many years, and I hope and I've said that in this commission the Secretary will ask that that issues be raised. I hope and I expect that in this commission that the Secretary will ask that that issue be raised. It's a very complicated one. I think the other factor that I've seen in my colleagues is that over a decade or more we have tried different approaches to limiting sexual assault, sexual harassment, and also retaliation, which is another critical issue. We haven't seen the progress, frankly, that we hoped.

So I think the idea of separation is once again on the table and we'll move forward with the notion that it has to be justified and lead to success.

One impression I had when I was down at Fort Hood is that I think concentrating on prevention effectively is a much better approach. And I think we have to sort of make the link between the judicial, the adjudication of these cases and the prevention. But one of the impressions down at Hood is that if they had a much more aggressive program, [SHOP] program, people would have known, people would have felt comfortable reporting people, et cetera.

Our goal is prevention and that's what we have to get at. And if we - a lot of people have been thinking very carefully about this

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for a long time. If changes to the judicial system accelerate that prevention, well that's a good proof that it should be considered.

The other issue, too, is that leadership, climate, and the Army at Fort Hood took steps. I think they've already relieved three general officers and they're going in and trying. But you can have any law on the books or any policy in place but if it's not embraced at the lowest level, particularly in the non-commissioned officer corps, it's just something in a book. It ain't in the life of a soldier. So that's what we've got to do.

DWG: Ashley Roque of Janes, you're next if you have a question.

DWG: Hi Senator, hope you're well.

I wanted to sort of go back to the budget coming up, and if the budget might stay flat or slow down we might have to come to a point of looking at end strength versus a modernization priority and then some of these looming issues such as the size of the Navy fleet with their modernization.

Are there some other programs that have either piqued your interest in a positive way and you would like to see accelerated? Or some that you would like to take a more critical look as you move through the budget process?

Chairman Reed: I think there are ways to save that we've tried in the past. Senator McCain and I introduced legislation that didn't even get out of the committee - that's how powerful the Chairman and Ranking Member are. But it was to provide a demonstration program for the management of the commissaries and PXes. Our thought was if you have a large enterprise like a Costco or a Walmart, they probably have a lot of expertise. In fact outside the gate of every base I've been to lately there's either a Costco or a Walmart, so there is some appeal to the military audience. And it didn't get out because there's vested interest in the current system.

So there are I think ways but they get complicated and I must confess we tend to complicate it too. There are legacy systems which all the services have asked us to eliminate and there's a certain reluctance because there are stations in our home states or they have an impact. So we've got to look, and if there's a tighter budget we have to look harder. That's one of the

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realities. And it will begin, I hope, by the President and the Secretary of Defense sending over a budget that really looks at cost savings that we can achieve, functional improvements.

The Army will put together their Futures Command and General Murray's done an excellent job down there and they've done a lot of cross-teaming and there are steps that I think every service can take to save resources and reinvest those resources in equipment, training, R&D, et cetera.

That's the first step. What can we generate internally and then where do we have to make other decisions?

DWG: Michael Gordon of the Wall Street Journal.

DWG: Sir, I'd like to follow up that question. Do you think that there are substantial opportunities for savings in the nuclear modernization program or do you think that there really aren't? I mean there's one school of thought that some of the money can be trimmed and shifted to conventional [services]. Another school of thought that it's long overdue.

The obvious candidate for cutting something is the TLAM-N but that's down the road and it doesn't save you all that much. So what's your perspective? What systems do you think should get additional scrutiny? Or do you think the U.S. just needs to accept the need and fund the program pretty much as it is?

Chairman Reed: Well, we have to modernize the triad and maintain, in my view, the triad for strategic reasons. That has been successful for about 70 years. The question of cost though is something we have to explore with every system. The B-21 is being built. We want to make sure that that aircraft is not hugely expensive. It is expensive, no doubt about that, but that it stays within the cost parameters. And again, the focus not only of the price of the platform but sustainment is critical too. We're beginning to move with respect to the Lance systems and the Columbia is under construction right now and we're pushing both the Navy and the contractor to come in on budget and on time. We've got to get it in the water and get 2030 as the objective.

But in every one of these areas we can't avoid looking at cost and trying to minimize those costs. That's going to, again, require the cooperation and the recommendations of the Department

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of Defense together with our overview of their efforts.

DWG: Do you see any specific system that could be deferred? Or is your focus more on making sure that the systems on the book are pursued but in an efficient way?

Chairman Reed: I think it's the latter. I think it's pursuing those systems in an efficient way. But again, you can't sort of, the old analogy, fire and forget. Okay, we decided ten years ago we're going to do that. We have to constantly look at some of these systems. With the technology emerging as it is so rapidly, there might be technological improvements that could modify the system, make it either more effective and less expensive, or there could be even the issue of with new technology do we need this particular, particularly a weapon system or some type of, weapon system is the best description I think, rather than a platform.

So yeah, we have to keep look at those things. And also, by the way, it helps tremendously when issues like this are raised both by the press and by concerned citizens. It gives us a sort of focal point to look at.

DWG: Dmitry Kirsanov of TASS?

DWG: Good morning, Mr. Chairman. Thank you so very much for doing this.

I was hoping you could speak a little about U.S.-Russian relations in light of the bilateral ties going from bad to worse, essentially [deteriorating] on its own. And I understand there is essentially no appetite right now, to put it mildly, in Washington to improve the relations. But as a senior lawmaker do you at least see a need to create maybe some sort of safety net so that the two sides do not walk into the Cold War again or something like that? And can interparliamentary [contacts] play any role in this?

Chairman Reed: I think first of all the Biden administration properly extended the New START Agreement for five years because without that extension we would be for the first time since I think the '70s without a major arms control agreement and both substantively and symbolically that could have been a critical mistake.

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Then I think we've got to again hopefully revive our discussions about nuclear weapons. I think that's something that both Russia and we have to now include China, should have a significant mutual stake in it. We don't want to see proliferation and we don't want to have a situation where we are risking the danger of some type of accidental launch, et cetera.

So those negotiations should be pursued because they're in the mutual interest of the three countries and of the whole world. So that's someplace where I hope we can open a real dialogue.

There are other issues, obviously, that are contentious. The treatment of Mr. Navalny is something that has outraged the world and properly so, and that type of behavior can't be ignored and we're not ignoring it.

There also is, as you are quite aware of, that there is in the world of social media there is a lot of turbulence, at least on the internet, in terms of Russian citizens who feel they're not receiving the kind of freedom and responsibility and respect that they deserve and we take note of that.

We still have sanctions on the Russians for their attack in Crimea, the first time that a free country was invaded since I think World War II or at least that situation is such that we're still waiting for some type of appropriate response or acknowledgement at least that the Russian government exceeded international law.

So there are a lot of issues that divide us, and I think the one that should immediately unite us is the mutual interest in arms control. That might lead to further areas where we can cooperate. I don't think we should rule out cooperation but I don't think we can ignore some of the behaviors of the Russian government over the last several years.

DWG: Can I slip in a question from Caitlin Kenney of Stars and Stripes because her mike's not working. She's asking about the committee. How are you going to promote bipartisanship and camaraderie among the members on the committee with such an evenly split number?

Chairman Reed: I was thinking of a very smart answer, but I won't.

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We're very fortunate. First of all, Senator Inhofe and I have a very good working relationship based on being very forthright with each other. He's an extraordinarily decent man, too. So he's somebody who we've worked with together and we've both been in the Senate long enough to know that there's only one rule. What goes around, comes around. So we have that kind of expectation.

The other factor, too, is that we have a great tradition on the committee. It goes back to John Warner, Carl Levin, Sam Nunn, way, way back, of bipartisanship and that is recognized by the members of the committee and also by our colleagues in the Senate.

So I think those factors are the basis of how the work can go forward.

Again, I've been on both sides of the majority and those principles have held up very very well over time. My challenge is to make sure they do hold up. And I've reached out, I've had meetings with both Republicans and Democrats to sit down and say what are your priorities, what can we do, how do you want to approach the subcommittee structures, et cetera? And they've been to date extremely useful, and I think our first hearing yesterday was appreciated by members on both sides. They thought it was useful, informative and so those are the things you do on a daily basis to keep the relationships going.

DWG: Thank you. Jeff Seldon, Voice of America.

DWG: Senator, thank you very much for doing this.

You mentioned a little bit earlier, talked about extremism in the military and what Secretary Austin's doing to try to root it out. How do you envision the committee helping with this effort? And how concerned are you about how, since truism is transnational, about either foreign groups or even foreign governments using extremists in the military as a way to infiltrate the U.S. military?

And then separately, there's been an ongoing question for a number of years now about how to do great power competition and counterterrorism, wondering if you've been speaking with anybody in the new administration about how to successfully do both.

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Chairman Reed: My sense right now is that there are likely some individuals with extremist views in the military. There are not a large number. Typically they are not outspoken when they're on post, in uniform, et cetera. It's mostly their off-post activities. But those activities are unacceptable.

I think the first step, and we've taken some steps in the National Defense Act in terms of recruitment. We've married the military recruiters up with the FBI portals that report on individuals who have extremist views under appropriate law so that we can start screening more effectively before they even enter the military.

Then I think it goes back again, I'm a broken record, but having commanded a paratrooper company, it comes down really to the young leaders, the NCOs and the lieutenants. If they have that ethic, if they're aware, because people know what's going on in the company. Maybe not the company commander, but the NCOs, et cetera, and if they are well trained, as they should be, if they understand how this is inappropriate, that I think is the best and most effective way to identify these people and to make it clear to them that it won't be tolerated. Make it clear to everyone else it won't be tolerated.

Then I'm very much awaiting, as we all are, the results of the Secretary's stand-down and what information they have. The IG of the Department of Defense is starting an analysis of extremism in the military. I'm sure it will be a thorough, thorough report. When it comes to us as any type of legislative options they suggest or she suggests then we'll look at them closely. But we can't tolerate this and we won't.

DWG: Tony Bertuca, Inside Defense. Do you have a question?

DWG: I do. Good morning, Chairman. Thank you for your time this morning.

I wanted to talk to you about the upcoming NDAA and the renewed interest we've seen in supply chain on-shoring and Buy America.

In a panel discussion last month Bob Work, the former DepSecDef with Senator Warner was talking about sort of the tension he was seeing between the sort of renewed bipartisan emphasis on on-shoring. He said it might help protect single points of failure but the problem is it doesn't strengthen U.S. allies because

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you're not buying things from them and it cedes the global marketplace to China.

Could you talk a little bit about how you see that tension, if you do see a tension there, and if you think anything in the NDAA will help try to address this.

Chairman Reed: I do think there's a tension there. This is the classic case of there are both benefits to a globalized supply chain in terms of cost, in terms of access, and there are also, which we found out in the pandemic, detriments when we discovered that we couldn't, most of the PPE was being manufactured in China and we stopped and said oh my God, if they stop selling to us what's going to happen?

With microelectronics, 80 percent are produced in Taiwan, South Korea and to a degree in China, that's critical. We have the [oil] [inaudible] issue right now, so they're unable to get sufficient chips to keep their production rates up.

Indeed the President today announced that he was setting up a task force to look at supply chains.

One of the things that we did in the last NDAA was to put in a provision that would require DoD to understand who owns the companies, the major contractors down to the five percent level, beneficial ownership. So that we have an idea of who we're dealing with. Even though the address might be Omaha, Nebraska, if it's owned by the PLA we want to know that. So that's one thing we've done.

In fact I suggested to Secretary Austin that if he has someone who can map out our supply chain it would be very useful for two reasons. One, find out who owns them and who influences these companies; and two we could discover shortages where there only is one contractor for this particular part and that might give the administration information they need to help support or set up an enterprise.

Many of my colleagues, particularly in terms of microchips, have talked about investing or encouraging with subsidies companies to relocate here.

To your question of allies, I don't think we can ever in this global economy sort of say everything has to be produced in

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America, but I think we can try to identify reliable allies who could be our sources of supply and who would be willing and able to provide us supplies in case of tensions or conflict.

So this is going to be a major effort and you're right, it's a bipartisan effort at this point. I think the pandemic gave us a wakeup call in terms of where things are coming from and we have to marry that, and here's the tension, with a global trading system that's not going to go away. It's with us. And I think we can do it judiciously. Pick out those critical elements that we must have and then either through United States production or a close ally have them available to us in all circumstances.

DWG: Rebecca Kheel of The Hill. If you have a question you'll be next.

DWG: Hi, thank you for doing this.

I wanted to ask you about Colin Kahl. Obviously last night it came out that Senator Inhofe said he has serious concerns over the nomination and apparently there is some other Republican opposition over his stance on the Iran Deal. As we're seeing with Neera Tanden now as Republicans oppose a nominee en masse, Democrats have to rally around and support the nominee en masse.

So I'm wondering if you're confident in that nominee's ability to get through the committee and to get through the Senate.

Chairman Reed: I'm hopeful he can get through. I think he's a very talented individual. No question about that. And he's got great experience.

This is a process. The committee hearing will be absolutely critical and crucial because he'll have an opportunity to explain his positions and then my colleagues will make a judgment based on his testimony, based on their perceptions. But again, I think he brings to the job several key factors. One, knowledge; two, experience; and three, he's had a long relationship with the President and I think that will help the department in terms of working more closely with the White House. So all those factors I think will be weighed in. But we have the process, we'll have the hearing, and I think, I hope that his positions come through clear and that he gets the support he needs.

DWG: Do you think the opposition to him is in good faith and is

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about him? Or is it more about general opposition to the Iran Deal?

Chairman Reed: I think that's a very difficult thing to separate, frankly, in terms of motivations around here. Most of life is a combination of things and there's very few it's just one thing.

That's just so hard, and it's so individual. There could be some of my colleagues who are locked into a position and don't confuse them with the facts; but most of my colleagues, I must say, are very thoughtful people and they make decisions based on numerous factors but it's not just, it's not arbitrary. So I think he'll get a fair shot at the hearing, frankly.

DWG: Lauren Williams of FCW.

DWG: Thank you, Chairman for doing this.

I'd like to get your take-away from yesterday's hearing, you brought it up a couple of times, the mention of reforming the procurement process particularly. Do you think there's a possibility that the committee might take that up in the next NDAA?

Chairman Reed: I'm sorry, Lauren, I can't hear you very well. I'm an old paratrooper.

DWG: I wanted to ask what your take-aways were from yesterday's hearing, particularly regarding the suggestions for procurement reform to kind of feed the buying and delivering of new technologies.

Chairman Reed: I thought the hearing was extremely informative and particularly procurement issues. General Carlisle was very good, they all were, but he was someone who was in procurement for the Air Force and now he's on the industry side. But he was able to point out there appears to be an arbitrary sort of two-year time cycle where you can't go and do a lot. You've got to go through all these hoops and hurdles. And nowadays, particularly with electronics and technology, two years is a lifetime. And that's why some companies don't want to cooperate with DoD.

So I think there was a lot of very good insights about

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procurement. Yes, we will follow them up. We look forward to the formal issuance of the report which Eric Schmidt did, one of the principal authors. He mentioned that at the hearing. That was the directive by the NDAA several years ago. When we get those results we're going to see what legislative initiatives we can pursue.

DWG: Just to follow up, do you think that you will take any further consideration or action when it comes to the JEDI of procurement? That's been kind of the --

Chairman Reed: The JEDI is in court, so we try to steer away from pending court cases. I just think we have to wait until the final outcome of the court case. As Brad Smith indicated yesterday, Microsoft is still pursuing JEDI and still investing in it, et cetera. I think they feel that regardless of the outcome they will have a product which will help their enterprise. But I got the impression yesterday that the program itself, the Microsoft effort is not being slowed down or stopped so that we might be able once the court decides to just pick up where we are and move forward.

We definitely have to get up into the cloud in a systematic way in DoD. There's no enterprise today as large as the Pentagon that doesn't have a very sophisticated cloud effort and that's one areas where we're trailing and we shouldn't be.

I'm just waiting for the court.

DWG: Connor O'Brien of Politico. I think you're the last questioner. I know the Chairman has to leave in a minute or two, so I think it's one question, not a follow-up.

DWG: Thanks, Chairman.

You brought up Colin Kahl's nomination but he's only the third Pentagon nominee to be made by the Biden administration. All three were made prior to inauguration. And since then there's kind of been radio silence. No service secretaries, no personnel and readiness, acquisition, anything like that.

What do you make of this kind of process that kind of inches along? Are they going too slow? Why is this process moving so slowly? Have you talked to Austin or the President about nominees? What do you expect down the road?

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Chairman Reed: We've made the point that we need the nominees as quickly as possible. I think we have about 59 confirmations that we have to pursue and the sooner we get the nominees, the quicker we can do that.

Particularly after the last several years of the Trump administration where the department was really in disarray. Acting secretaries, people acting for acting secretaries. So we've got to get back to stability. I've made that point repeatedly both to the White House and to others.

One issue is that there was no real transition. That was quite clear. You had President Trump claiming he was still the President and that permeated down into all the department in many respects. So unlike previous transitions where they've really began seriously November 5th, 6th or 7th, they weren't allowed sometimes even in the building for a long time. So that's one of the reasons it's delayed.

But despite that, we've got the obligation mutually. They have to send the nominees up and then we have to move aggressively, and we will.

I think that's something else. The Department of Defense, both sides recognize that regardless of how you feel about the nominee we should try to expedite the nominations, get them to the floor, get them passed. We did that with Secretary Austin and with Kath Hicks and I think that will be the case in most cases if not all.

DWG: Thank you very much, Mr. Chairman, for your time this morning. We're really grateful to you for doing this early in your chairmanship. I'm hoping that maybe we can make it more frequent now that you're in this role. Maybe we can do this again in six or eight months because I think there's a lot on the table for you and the press to cover that you're working on.

Chairman Reed: David, thank you very much. This is a great opportunity and I appreciate all the work that you and your colleagues do. As I said, sometimes it's difficult, but it's also beneficial to be reminded of the things we're doing and not doing. The professionals in the press do this, so thank you.

DWG: Thank you, sir.

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