

Center for Strategic and International Studies

“Defending Defense: A Conversation with Speaker Ryan on Military Readiness”

Featuring:
House Speaker Paul Ryan,
U.S. House of Representatives

Moderator:
John J. Hamre,
President and CEO,
CSIS

Location: CSIS Headquarters, Washington, D.C.

Time: 8:45 a.m. EST
Date: Thursday, January 18, 2018

Transcript By
Superior Transcriptions LLC
www.superiortranscriptions.com

JOHN J. HAMRE: Good to have you here. We have a special treat. Originally, we were going to have a space conference, and I'm sure all of you were going to come to that anyway. But instead we have this rare privilege of having the speaker join us, wanting to say a few words. He's got a very limited amount of time, and so we're not – I'm not – I'm going to be asking questions on your behalf. We don't have enough time to go back and forth.

But we always start with a little safety announcement. Many of you have probably already heard it. I'm responsible for your safety, so follow my instructions. I'm not worried about the speaker, because he's got a couple of guys here with guns and they're going to take care of him, you know? (Laughter.) But I'm going to be responsible for you. So, if something happens, follow my instructions. We're going to go directly behind. We've got three exits. The stairs that take us down the street is right behind this one, but all of them lead that way. We'll take two left-hand turns and go across to National Geographic, and then there's a fabulous show there on the Sepulchre.

SPEAKER PAUL RYAN (R-WI): (Laughs.) See the show.

MR. HAMRE: You can see the show. (Laughter.) Go see the show. I'll pay for it, OK? We'll be just fine.

We are really privileged to have the speaker here today. Can you think of anybody in Washington who's got more on his plate today than the speaker? I can't. And yet he still wanted to take time to come to talk with all of us about a commitment that he has made to himself, which is to lead the House and lead the Congress to understand the depth of peril we face with the state of our military right now. We have serious issues, folks, and he is going to take that on.

I don't want to delay a word and a minute more that you can hear from him. Please welcome the speaker of the House, Speaker Paul Ryan. (Applause.)

SPEAKER RYAN: Thanks so much, John. I really appreciate you and the people here at CSIS, and I thank time – thank you for taking time out of your day. I know you also have a lot you want to get into today.

This institution – the reason I wanted to come to CSIS is because this institution has been an absolute leading voice for America's role in the world for more than five decades. And I cannot think of a more critical time to come and discuss our place and role in the world at this critical time in our history.

You know, the federal government has a lot of responsibilities, but its first and its foremost responsibility is our national defense. Today, the United States has the greatest fighting force in the world, and keeping it that way is absolutely critical and vital to keeping our country and our citizens safe. Kind of goes without saying, doesn't it? Right now, though, our men and women in uniform today are under enormous strain – some of which, frankly, is of our own making. And this is what I want to talk to you about today.

This is why rebuilding our military is one of the highest priorities of our unified government. I can tell you that it is my highest priority today.

The good news is that Congress has made a bipartisan commitment to funding our national defense. Republicans and Democrats worked together to send a strong national defense bill to the president's desk. And right now we are actually engaged in good-faith negotiations to make sure that our budget – that our budget cap agreement reflects those agreements. I'm optimistic we're going to get there, but we cannot allow this vital, primary work to be layered into or minimized as Washington melodrama. And that's our big problem right now.

We have to be clear-eyed in laying out for the American people why so much is at stake. Rebuilding our military is essential to confronting the threats we face, threats that are evolving at an alarmingly rapid pace. North Korea is working to build ballistic missiles capable of hitting the continental United States. Iran is marching forward with its quest for regional hegemony by backing terrorism across the globe. And what is left of ISIS is trying to figure out how to expand and influence terrorism in the Middle East, in Afghanistan, and into the West, including by inspiring attacks right here at home: New York, Boston, Orlando, San Bernardino.

Then there are those countries that want to remake the world order in their authoritarian image. So you can see our list of challenges is quite high. Russia is trying to drive holes through NATO, while threatening some of our closest allies in Eastern Europe; while the Chinese aggression continues to stir instability in the South China Sea. And these threats are particularly serious, because allowing Russia and China to upend the post-Cold War order first and foremost affects us right here at home.

So our adversaries, they recognize the supremacy that we have in the traditional domains of warfare, so they're developing capabilities that put our most vital interests at risk while avoiding our traditional strengths. And that is obviously the new strategy. This is not some problem that we're projecting to happen years from now. This is a problem that is occurring right now. And this is by far the most complex and challenging security environment that we have seen since World War II, and we know that the greatest antidote to that uncertainty is the ability to depend upon our armed forces to keep the peace. That is just one unequivocal given that will help us fix, face, and address these challenges, is a strong, unequivocal military supremacy.

So that brings me to the second big reason this is important: We have simply pushed our military past the breaking point. Instead of upgrading our hardware, we have let our equipment age. Instead of equipping our troops for tomorrow's fight, we have let them become woefully underequipped. Funding for modernizing the Army has been cut in half in the past eight years. Navy sailors are putting in 100-hour work weeks, and less than half of their aircraft are capable of flying. So we're pushing our sailors to 100-hour work weeks and half of their planes can fly. Roughly 80 percent of the Marine Corps aviation units lack the minimum number of ready basic aircraft. The Air Force is the smallest size in our nation's history, and the average age of their aircraft is 27 years old.

The cost of these readiness deficiencies are really dire, and this is literally costing us lives. Here's the statistic that gets me the most. In total, we lost 80 lives due to training accidents in 2017 alone. That is four times as many were killed in combat. Four times were lost last year in training accidents versus combat. We need to do better.

We ask a lot of our men and women in uniform. We ask them to carry out dangerous missions in dangerous parts of the world. They do so, putting their lives at risk with the utmost courage, bravery, and selflessness. And they do this because they believe not only in this country; they do this because they believe in the idea of this country, that America remains that shining beacon of freedom, justice, and democracy around the world.

But in exchange for their service, we make them a sacred promise. We promise that we will give them the tools they need to do their jobs safely and effectively. And today, quite frankly, we are letting them down. We are breaking that promise, and that is absolutely shameful. And that is what is core at this budget debate we are having right now.

So let me try and be clear about what our goals are. An adequate budget agreement fully funds our troops. An adequate budget agreement means lifting the spending caps that disproportionately hamstringing the defense budget, holding our national security hostage. The Pentagon cannot plan for the future if it keeps operating under these short-term spending bills. The days of budget uncertainty and underfunding need to come to an end because doing so, fixing this budget mess, this will help us modernize our force and maintain a forward presence, bolstered by commanders having the rapid-response capabilities that they need.

Twice now – twice now, the House has passed an appropriations measure to back up our commitments. Two appropriation bills fully funding the military passed through the House twice, but have remained stalled in the Senate because of opposition from Senate Democrats. They need to stop playing politics with this. And that's my biggest concern, is the politicization of our men and women in uniform. Our men and women in uniform are not bargaining chips. They are our best and our brightest who put their lives on the line for us.

We need to reform the Pentagon too. That means overhauling the acquisition process, the procurement process, facilitating a serious audit of DOD, finding ways to improve efficiency through innovation and new business practices. And I really think we're onto something here on a bipartisan basis. Chairman Thornberry and his members are leading on these issues in the House. In the past two years alone, we've enacted significant bipartisan reforms to streamline the bureaucracy at the Pentagon, to strengthen military health care and retirement systems, and improve congressional oversight. It's a great start. So much more work needs to be done.

And we need a military strategy for the 21st century. That means a military that is more lethal, agile, and robust. And I got to say, nobody understands this better than Secretary Mattis. And tomorrow, he will unveil a National Defense Strategy that provides a clear, unequivocal plan to ensure that our military might never falters. It's the first time an NDS has been released in a decade, and it's going to provide a clear path forward for our national defense. But that path will get longer every day that goes by while we play these budget games. That path will be much darker, much longer if we do not get an adequate budget agreement.

So, as I said at the outset, this country has the greatest fighting force in the world. And we will always do what is necessary to protect the American people. We cannot shy away from the threats we face. And we threaten a – we face a very complex threat environment. We need to confront them. We need to address them. We need to think them through. We cannot shun our alliances. We must strengthen those alliances. We cannot leave our troops unprepared for the battlefield. We have to equip them. I don't care if you're a Republican or Democrat, our troops, our military, our national security, they're not partisan issues. And when it comes to keeping Americans safe, we're all on the same side.

So I'm simply here to ask you for all of your help. You are the men and women who know this issue, who care about this field, who understand the gravity of the moment. So help us make the care to the American people. Help us get our troops what they need to do their jobs. Help us ensure that

United States military remains the best in the world. And thank you very much for letting me take some time out of your day. I look forward to our conversation. Thank you. (Applause.)

Thanks, John.

MR. HAMRE: Thank you. Appreciate it.

SPEAKER RYAN: Thanks for that.

MR. HAMRE: Mr. Speaker, I've been in the defense business for I think 38 years. This is the first time I have heard the speaker of the House give a passionate speech for America's defense. I'm sure it's happened, but I don't remember it. And I want to thank you for that.

This is – of course, you're going to go up to a huge drama back on the Hill. I think when we were walking out he said, I have to –

SPEAKER RYAN: These are artificial dramas, but yes. (Laughter.)

MR. HAMRE: Have to go up to the rock pile, he said. And but, you know, it's a rock pile about the same thing over and over again. We get these continuing resolutions. Now, the problem for defense is, you know, you got contract officers who say: Well, I don't know if the money's going to be there. I'm going to hold back. I'm going to delay this acquisition. These one-month-long CRs really wreak havoc in the department. I mean, other – for most of the federal government they write a check to somebody – either a beneficiary or an employee. We build things. But CRs are really damaging. Can we get a year-long program finally? I know you spoke about that.

SPEAKER RYAN: We can. And this is what's very frustrating to us right now, because tomorrow the government funding lapses. And then the clock on the sequester kicks in. And that's even worse than just a CR. So what's frustrating is how our military – I've been working on budgets pretty much my whole career. And I really didn't get into understanding the gravity of the situation till I took this job and got all the briefings that one takes. I've been down to Fort Bragg. I've been over to Fort Campbell. I've spent time with our war fighters. I've spent time overseas. I'm going overseas next week to Iraq to meet with our people. And it has become so clear to me that this budget system – this CR system, this temporary standpoint really hurts our military and compromises our national security.

What's so frustrating is our military is being used as a bargaining chip for completely unrelated items. So just so you know exactly what's going on right now, the defense budget is being held hostage for DACA, which is not a deadline that expires tomorrow. DACA is down the road. And we want to fix DACA. Let me just be really clear. We think this needs to be addressed. We want to fix this. Good-faith negotiations are underway right now. But we should not be holding hostage the military for this. It's completely unrelated. And those are the partisan games that are being played right now. And quite frankly, it does not just damage to our morale, but it does damage to our military.

As you said, we have to buy equipment. We have to buy munitions. We have to prepare and plan. And it is a dangerous environment right now. And that is why I think we are – we are very close to getting that kind of a cap agreement we need to give the budget certainty that the Pentagon needs, to give the year-long budget and appropriations that they need. But for these unrelated issues, it would have happened.

MR. HAMRE: Sure. You mentioned, Speaker, that if we don't get an agreement we trigger sequester. And of course, that was a negative consensus. We couldn't agree on anything else. We agreed on this suicidal kind of formula. It's really been a plague. Is there some – is there an opportunity to get rid of sequester?

SPEAKER RYAN: Well, there is. It's got a four-year lifespan. I'm confident we can get a two-year deal. I did a deal with Patty Murray when I was budget chair back in 2013 which gave us a couple year breathing room. Then my predecessor, John Boehner, and President Obama did another deal. And we're – that deal expired now. We're trying to do another one. So I do believe we can get out of there and get ourselves a FYDP that counts, that works. At the same time, what's frustrating is I think our appropriations process is basically broken. And that's one of the casualties here.

In the House, we've been doing it. In the House, we passed all of our appropriation bills. We passed every appropriation bill before the fiscal year deadline. Actually, the first time since we've been in the majority in 2004 we've done that. And we've passed defense appropriations twice. The problem is the Senate hasn't brought up a single appropriations bill. The Senate, it takes 60 votes to even consider a bill. And so they have always threatened to filibuster to even bring up and consider appropriations, to use as leverage in negotiations for unrelated issues. And my entire point is this is the first and foremost responsibility of the federal government, keeping the nation safe, giving our men and women in uniform the equipment and tools they need. And it is really dire. The training accidents alone should be screaming: Fix this.

MR. HAMRE: Speaker, you – probably nobody has worked more comprehensively about looking at America's financial future, and our lack of a consensus on where we're heading. You've been pointing out the affordability of entitlements for many years. We don't have a consensus because we don't agree on how we're going to handle all of these burdens. So we're borrowing money instead. Right now, we can afford the debt servicing because, what, 2 percent. What happens when this goes up and it's 5 or 6 percent – normal interest rates? It will be the largest part of the federal budget.

SPEAKER RYAN: It will be. Interest can exceed defense spending.

MR. HAMRE: Yeah.

SPEAKER RYAN: And what I would – what I'd say is discretionary spending is not the driver of our debt. Discretionary spending is not the fiscal culprit here, it is the entitlement side of the budget, it is the mandatory spending. And, yes, we do not have consensus, because you're going to need bipartisan consensus on things, on the big ones like Medicare and Social Security. I think we have to reform those programs sometime in the future if we're going to save those programs themselves from bankruptcy. Medicare is already 50 percent borrowed money. Social security goes bankrupt in the early 2030s. And when that happens, if nothing is done, there will be about a 24 percent across-the-board benefit cut on everybody at that time. So we know that's happening and the sooner we act the better off everybody is going to be. But we obviously do not have a bipartisan consensus to address these issues like we did in, say, the '80s.

MR. HAMRE: Yes.

SPEAKER RYAN: And the other side of the mandatory budget I think we could make a good difference on. One of the things that I think is important that we want to address is we've felt like

we've made the progress we were hoping to make on the economy in 2017 on what I'd call the structures of the economy, the things that get economic growth going: regulatory relief, tax reform. Tax reform, for the first time in 31 years, in the 21st century, was just incredibly important. And now we're seeing the kind of growth that comes from the tax reform. You just saw Apple's announcement yesterday. I mean, incredible. And it is exactly what we were hoping to trigger when we wrote the tax reform legislation, so we've got the economic growth side of things coming.

What we want to do is work on the people side in 2018, and that means the challenge our companies are going to have, our economy is going to need is they need labor, they need people, they need people with skills. And so we want to close that skills gap, we want to close that opportunity gap. And that actually will help us on the fiscal front because people, if we do this correctly, will go from welfare to work. They'll go from living on benefits to actually earning a paycheck, having a skill, getting a career, making more money, reaching their potential. We as an economy and a society will enjoy their talents. They will build a better life for themselves if we smooth and ease this pathway from welfare to work, and that actually will give us better economic fiscal benefits because they'll be paying taxes.

So there is a three-fer here. The morally right thing to do is to get people out of poverty into the workforce, get able-bodied Americans who are on the sidelines into the game, and fiscally it really helps us and economically it will help us grow faster because our businesses will get the labor and the talent that they so desperately need. So I think we can make progress on that side of things. I think we can make progress on that this year. And I think that that's exactly what the economy needs.

And I feel like in a good, faster-growing economy, it's the best, perfect time to focus on people who are in persistent poverty, who are persistently not getting the kinds of opportunities. But on those big-ticket entitlement programs, that will require a bipartisan consensus which, unfortunately, we do not yet have.

MR. HAMRE: You're struggling.

SPEAKER RYAN: But we're just going to keep pushing for it.

MR. HAMRE: You know, I wish we had the whole day to talk with you about this issue. The way artificial intelligence is going to come in and threaten a lot of people's work, we need to get in front of that. But I've got to keep it on defense.

You mentioned, Speaker, that Mac Thornberry – and he's going a great job on a reform agenda – one of your predecessors, Newt Gingrich, once famously said he was going to turn the Pentagon into a triangle, you know?

SPEAKER RYAN: He says things like that. (Laughter.)

MR. HAMRE: Yeah, it was a colorful expression, but it was a sense that, you know, it's a big, fabulous organization, but it is really muscle-bound. It's hard for DOD to make changes because it's so big. Frankly, when they propose reforms, an awful lot of blocking action up on the Hill.

SPEAKER RYAN: Yeah, yeah.

MR. HAMRE: There's an awful lot of, no, you can't do that because it'll affect my little laboratory.

SPEAKER RYAN: Yeah, I think –

MR. HAMRE: How do we get to that problem?

SPEAKER RYAN: Good leadership and I think Mac Thornberry is providing it, I really do. I think Mac Thornberry has convinced our members to get aside the parochial and focus on the strategic. I think Jim Mattis understands this. I think his deputy secretary, Shanahan, I think he's got a – he's a guy with a business background, I think he is doing a fantastic job of bringing sort of the business model, the business sense to the Pentagon.

And they're finally doing an audit. You know, we've been beating up – when I was budget chair, we would beat up the Pentagon for years. I remember Gordon England and I used to have these debates about, you know, getting the Pentagon books audited. They're finally doing that now. So I really do believe that because of good leadership the Pentagon is turning the corner on it.

And in the culture in Congress – which I remember we used to fight over this Crusader weapon system and all these –

MR. HAMRE: Yeah, yeah.

SPEAKER RYAN: – obsolete systems because of people's congressional districts. I think because of the kind of leadership that Mac Thornberry provides in particular, and others, clearly, we're getting past those parochial concerns.

MR. HAMRE: Well, his spirit is there, I know. I've had many conversations with him. It's just – it is tough. You know, you look at a bill now, 2,000-page-long bill for defense; honestly, we don't need 2,000 pages to tell –

SPEAKER RYAN: When you've got a lot of messes to clean up.

MR. HAMRE: Boy, do we ever. One last thing, and I know I'm slightly over, but I do want to take this opportunity to ask. You said, and I was very grateful to hear you say, in your speech about needing allies. We're having a debate in this town now –

SPEAKER RYAN: Yeah.

MR. HAMRE: – about burden-sharing, allies aren't carrying their fair share. But we haven't – you also talked about the complexity of the threats we face.

SPEAKER RYAN: Right.

MR. HAMRE: I can't imagine we do this without allies. How are we going to factor that in? How will you guide us to think about that?

SPEAKER RYAN: Yeah. My own view is we have to lead by example. I did a trip to NATO last spring to meet with our NATO allies, to reaffirm our commitment and support to NATO, but also

to encourage them to step up and just meet the commitments they've already made. I think we get those – and I think – and by the way, more commitments are being made. I think NATO is showing signs of improvement, dramatically speaking.

But I think the best way is to lead by example, clean up our own house, show the moral authority and get our allies onboard as well. And there are other forms of burden-sharing, like paying for bases and things like this, getting host nations supporting us. I had a great conversation with the Poles about this, getting host nations supporting us, so there are other ways of doing burden-sharing.

And then I would say, back to the original premise of your question, we shouldn't be pivoting or necessarily rebalancing, we should be buttressing and we should be reaffirming. Because the post-Cold War era, the post-World War II order is one of peace and democracy and free enterprise. It is one that brings the best –

MR. HAMRE: Absolutely.

SPEAKER RYAN: – possible way of life for the most people in the planet.

MR. HAMRE: Yeah, yeah.

SPEAKER RYAN: And so we have a moral obligation and a duty, not just through altruistic means, but for our own sake, for our own peace and prosperity, our own longevity. So I think we just have to reaffirm that and recognize that. And our allies around the world are desperate for American leadership. I think we're showing – we're beginning to show that.

I think for the last decade or so they were wondering. And then our adversaries, who have different views of the world, who I said would love to make the world or their region in their own authoritarian image, I think if they see a strong America with strong allies supporting democratic institutions, then I believe we can maintain this great order and do the most good for the most amount of people.

MR. HAMRE: I speak on behalf of all of my friends and colleagues in the military establishment and the ecosystem how grateful we are that you, Speaker, are willing to champion this.

Would you all, with your applause, say thank you to the speaker. I've got to get him up to the Hill. All right? (Applause.)

SPEAKER RYAN: Thank you. Thanks for doing this. I appreciate it.

(END)