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A DISCUSSION ON PRIORITIES FOR THE
U.S. ARMY WITH SECRETARY MARK ESPER

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PARTICIPANTS:

Featured Speaker:

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P R O C E E D I N G S

MR. O'HANLON: Good afternoon, everyone, and welcome to Brookings. I'm Mike O'Hanlon with the Foreign Policy program and I have the distinct pleasure and honor today of introducing Dr. Mark Esper, the 23rd secretary of the Army, who has just completed his six-month mark and with a fair amount on the agenda and a fair amount in play and we're going to hear about a lot of it today.

One of the things that Secretary Esper has been focused on, as many of you know, is Futures Command, the idea of streamlining and promoting Army innovation and modernization at a crucial time in support of the National Defense Strategy, in support of many other concerns of the Armed Forces around the world. But he's got to do that. At the same time, we're worried about Korea. At the same time, we're worried about readiness. At the same time, he's got to worry about the 1.4 million people who work for him in the Active and Reserve and National Guard and civilian work force. And so it's a big agenda.

Dr. Esper comes from Pittsburgh. I understand he may have just recently got a chance to meet Terry Bradshaw, (laughter) which I'm sure was as much a thrill for the one as for the other. It certainly should have been, if Terry Bradshaw knows his military affairs as well as Secretary Esper probably knows his NFL. He went to West Point. He and Secretary Pompeo have now developed a little bit of a potential counterweight to the Marine domination of Washington that we even feel at Brookings with John Allen, our president. So, the class of '86 from West Point is doing well in this administration. Dr. Esper was then a soldier and ranger and fought in Desert Storm, stayed in the Army for a while, was part of both the Reserve and the National Guard through his career, which he retired from the Army about a dozen years ago or 11 years ago, I think.

He's also had a diverse array of experiences on Capitol Hill, where he worked for Senator Frist and Senator Hagel, as well as having worked on both the House

and Senate sides and both Armed Services and Foreign Relations. After all of that, he spent a lot of time working industry, so he really knows the full range of players who are crucial to this defense enterprise. So, without further ado, please join me in welcoming Secretary Esper to Brookings. (Applause)

SECRETARY ESPER: Well, thanks, Mike. I appreciate that warm introduction. We've known each other for some time, so it's always good to see you. And yes, it's true, I'm from Pittsburgh and that's because if any of you know that the chief of staff and the vice chief of staff are both from Boston, so we have this argument all the time over Steelers versus Patriots. So, I think I still have the upper hand because the Steelers won six Super Bowls to the Patriots' five. So, I just -- that should be on the record and make sure that's played back, that (laughter) General Milley would get back to the office.

But again, thank you. I really appreciate the opportunity to talk to you today about the Army's role in supporting the National Defense Strategy, to speak to you about the Army vision that we will be rolling out here in the next day or so, and talk about some of the objections as we look forward. And of course, we'll have a conversation afterwards to get into some of the details. I want to pause right now, though, because I would remiss if I didn't.

Today is June 5th. And if you were to go back 74 years in time, you'd realize right now in the U.K. it's about 6:00 p.m. or so, a little bit after 6:00. What would eventually be over 5,300 ships and 1,100 planes were conducting final preparations for the assault across the English Channel. Paratroopers from multiple divisions, the 101st and 82nd, two of which I served in, were in their assembly areas, would probably be rigging up for the jump of their life, maybe the last jump of their life, in a few short hours as part of the beginning of Operation Overlord.

Soldiers from the U.K., U.S., and Canada would be boarding their ships. They would be assembling south of the island and preparing to cross the Channel once

the word was given. Minesweepers getting assembled, as well, to clear shipping lanes. Thousands and thousands of bombers preparing for the preparation of the final assault. And at midnight, those airborne soldiers would launch in 1,200 aircraft and they would drop behind enemy lines. And the story after that was -- is written well, written in blood from the landing zones, from the assault beaches, bloody Omaha, and the -- it was an operation unlike ever in military history. And it's something to reflect upon and these hours before would be, again, the great invasion to think about that. And I think about that in context of my role as Secretary as we prepare for future wars and future conflicts.

Those soldiers, those paratroopers who took part in Operation Overlord were able to break open Fortress Europe because they were ready, they were prepared, they were lethal. They were fully manned as part of the largest Army the nation had ever assembled. They organized into lethal combined arms teams with access to indirect fire, air support, and naval gunfire, what today we would call multidomain operations. They were trained and hardened. But through intensive preparation in the United States and England, as well as in the fires of conflict against access Forces in Africa and Italy, they did not come ready to those conflicts.

We fought some -- we learned some hard lessons early in the war, as we've done in some other wars, as well. They're equipped by a fully mobilized private sector that we called the arsenal of democracy and they were led by some of the finest leaders who have ever worn an American uniform, the likes of Eisenhower, Bradley, Ridgway, Taylor. Together with Allied forces, they triumphed in one of the America's most daring and grueling campaigns ever fought. And although we prevailed in this conflict, the force assembled in England 74 years ago, took three years to properly man-train, equip for this operation.

George C. Marshall once said that the only way human beings can win a war is to prevent it. Now, he and I are from the same home town, so I'll take a little liberty and say that -- on his words and say that the best way to prevent a war is to be prepared

to win it. As outlined in the 2018 National Defense Strategy revised earlier this year, we are at an inflexion point and have reentered an era of great power competition.

Now, while the nature of war's changed, the character of war has changed significantly. Evolving challenges primarily from Russia and China marked the return of great power competition, creating a future battlefield characterized by a few things: increased speed and lethality, constant surveillance, increasingly dense urban terrain, denied access to the theatre, disrupted communications and electronics, and threats in all domains, air, land, sea, space, cyberspace. Despite this changing character of war, the Army's mission remains as constant as it was on D-Day to deploy, fight, and win our nation's wars. The Army has aligned our strategic approach to support the NDS, which mandates that we build a more lethal and ready Force.

To this end, General Milley and I have developed the following Army vision, which we are officially rolling out tomorrow. "The Army of 2028 will be ready to deploy, fight, and win decisively against any adversary anytime and anywhere in a joint, multidomain, high-intensity conflict, while simultaneously deterring others and maintaining its ability to conduct irregular warfare."

Further, the Army will do this through the employment of modern manned and unmanned ground combat systems, aircraft, sustainment systems, and weapons, coupled with robust combined arms formations and tactics based on a modern war-fighting doctrine and centered on exceptional leaders and soldiers of unmatched lethality.

To achieve this vision and support of the NDS, I have identified five objectives. They are man, organize, train, equip, and lead, consistent with my teleton responsibilities. And similar to a transmission that synchronizes inputs through years, producing a stronger output, these objectives will be achieved by, with, and through a new doctrine based on multidomain operations.

So, first let's talk about manning the force. We must sufficiently man for

the force, the Army of 2028. We must grow the regular Army above 500,000 soldiers with associated growth in the Guard and Reserve. And we must recruit and retain the very best. We have already begun to make progress in this effort. We are working to grow the force by 7,600 this year and 4,000 next year, we are exceeding our retention objectives, we are increasing deployability across the Army, and we are raising recruiting standards.

Second, we must be organized to face high-end threats with capability and capacity. The NDS directs us to fill "sufficient capable Forces to defeat enemies and achieve sustainable outcomes." To achieve this, we must ensure adequate quantities of Infantry, armor, engineers, air defense, field artillery, and make sure they exist to provide organic capability in each of our war-fighting echelons. Our units from brigade through corps must also be able to conduct sustained ground and air intelligence, surveillance and reconnaissance, electronic warfare, and cyber operations. And we must have aviation combat support and robust logistics available to all formations.

Two organizational changes you are seeing today are the establishment of Security Force Assistant Brigades to help build readiness and Army Futures Command to bring unity of effort and unity of command to modernization. We are also exploring ways to push additional war-fighting capabilities down to lower echelon tactical units, including medium-range, short-range air defense, MLRS, and other capabilities, such as engineer bridging.

My third objective is focused on training. It must be tough, realistic, and dynamic. And it must be frequent, with sufficient repetition to ensure that the Army of 2028 will be ready for the battlefield of the future. Our training must be focused on high-intensity conflict, again, in urban terrain, under persistent surveillance, and in electronically degraded environments. It must incorporate battlefield innovation and continuous movement to frustrate enemy observation and intelligence collection. And it must include combined arms maneuver with the joint force, as well as our allies and

partners.

To achieve this, we are making changes to Infantry basic training by extending the duration of the training to increase individual soldier lethality, to improve discipline, to improve fitness, and to do all these things to meet the demands of a high-intensity battlefield. I have also initiated an Army-wide review of training requirements, eliminating those that consume time without a commensurate benefit and increased lethality. And we are pulling those obligations as requirements off of our units' back on a weekly basis.

Fourth, to face the battlefield of the future, we must modernize our equipment. We have identified six modernization priorities; I am sure you've heard of them. They are in order. First, long-range precision fires, next generation combat vehicles, Future Vertical Lift, the network, air missile defense, and the one closest to my heart, soldier lethality.

And fifth, lead. A modern Army manned with exceptional soldiers operating technologically superior equipment is only effective when properly led. In order to attract and retain the top talent necessary, for meeting future threats we must reform our outdated personnel system to one that develops smart, thoughtful, innovative leaders of character who are comfortable with complexity and are capable of operating from the tactical up to the strategic level.

These objectives of man, organize, train, equipment, and lead synchronize through multidomain operations. Doctrine are the desired ends that align the Army's strategic approach with the National Defense Strategy and with what Department of Defense call for more broadly. As such, the Army's strategy will execute the NDS over the next decade in a series of time horizons, each associated with a Future Years Defense Plan.

Our top priority through 2022 is prioritizing preparedness for war by rebuilding war-fighting readiness to compete, deter, and if necessary, fight tonight and

win against near-peer competitors. While we focus on rebuilding readiness, we will prioritize research and development on our six modernization priorities. This will enable us to transition technologies to systems for procurement when our priority shifts to modernization in 2023.

Taken together, these objectives will place the Army on a path of irreversible momentum, ensuring we remain the preeminent land-power depicted in the NDS and the Army vision. Our objectives directly support the tenets of the NDS strategic approach, creating a more lethal, ready, and modern Army as part of the Joint Force.

In closing, this is an exciting time, as I believe we are at a critical junction in our nation's and our Army's history where we must adapt to stay ahead of our adversaries. The success of Operation Overlord in -- was due in large part to the buildup and readiness that occurred during the early years of World War II. The North Africa and Sicily campaigns has already referenced, tested our formations, and provided critical lessons for airborne operations and amphibious landings against a capable and well-entrenched enemy. Intensive training in United States and combined arms tactic -- tactics, as well as thorough rehearsals in England prior to the launch of Operation Overlord ensured our soldiers were ready for the difficult fight.

Building sufficient readiness for a successful invasion of Normandy took three years, three years. We will not have that luxury in the next war. Should deterrence fail, the Army will need to take immediately -- will need to immediately take the offensive to seize the initiative from our enemy. Stationary Forces with obsolete equipment and unreliable communications are a liability on tomorrow's battlefield. We are fully aware of how other nations have adapted, changing the character of future warfare. We must respond in kind and better to remain the preeminent Army in the world. This will require time, resources, and leadership.

Success in the next war will depend on how well we prepare today. The vision we have developed for the Army of 2028 will ensure that we maintain a ready,

lethal Force prepared to defeat any adversary anytime, anywhere. So, with that, I thank you for your time and look forward to our conversation today. Thank you, Michael.

(Applause)

MR. O'HANLON: Okay. Secretary Esper, thank you. That was terrific and I really enjoyed the historical reference, as well, and it reminds you what it's all about. I wanted to walk through some of the topics that you mentioned, maybe starting with people and readiness and then getting to your modernization agenda, which I know is a big part of --

SECRETARY ESPER: Sure.

MR. O'HANLON: -- what you're about. And then we'll look forward to Q and A with the audience, as well. You mentioned that retention's been going pretty well. Could you give us a little fuller picture of the -- some total of recruiting and retention? This is obviously a time when a lot of the press is full of specific discussions of gaps in capabilities with pilots, et cetera, in some of the other services, at least, and maybe in the Army, as well. I wondered if you could tell us about the overall health of the recruiting retention sort of in broader personnel of the Force situation today.

SECRETARY ESPER: Sure. Well, you started with retention, so I'll pick up there. We are seeing the highest retention numbers we've ever seen in a number of years. So, that's a positive. It tells us that the soldiers are happy with the career, they're satisfied with the profession, and they are enlisting -- reenlisting at higher rates. Now, that's a good thing. But the downside, of course, is, it impacts the ability of the Guard and Reserve to roll those soldiers into the ranks and that has a challenge there.

On the broader front, though, the -- it is a difficult environment. Thank goodness we have one of the best economies we've had in years. I think the unemployment rate, 3.8 percent, is the lowest it's been since the '60s or something like that. So, that makes it challenging for all the military services to recruit. And again, I wouldn't necessarily trade that off for a strong economy. It's -- strong economy is

essential to everything else we need to do. But it does make for a challenging environment. We have aggressive goals this year, the goals we originally sent out -- set out at the beginning of the year before the final NDA was passed. Had us, I think, at 80,000, but then when the final numbers came through and they improved in strength obviously, we cannot break the legal cap, so we had to reduce that number down. And right now, we're at, I think, 76,500.

So, the -- we're coming now out what we typically call the bathtub of recruiting. Because once kids start graduating from high school and all that, that's where you start seeing the numbers really pick up. So, we won't have a good idea of where we stand until September or so, but we're pushing hard. And the one thing we do know is we need to grow the Army because of the challenges we face ahead and we need to grow it with quality recruits. And so as I said in my former remarks, we are doing a number of things, I am, to tune that up to make sure we raise standards. Earlier this year, I reduced -- I raised the bar on Cat 4 soldiers, so the DOD standard is no more than 4 percent; I cut that in half and said, "We're going to accept no more than 2 percent of Cat 4."

So, there are other things we're doing, as well, that will come out in due course. But overall, we're seeing a good retention, we're seeing a challenging recruiting environment, but still seem to be on path to have good numbers by the end of the year. And we want to see continued end-strength growth year over year over year until we breach that 500,000, have a better idea of our end-state, and then you could really focus in on the specific number and types of formations we're looking for.

MR. O'HANLON: And you came down 76,500 or so because of legal mandates, not because of the recruiting environment, per se?

SECRETARY ESPER: No. That's right. So, the -- we originally started off with 80,000 because I think the Senate had a high mark of 10 and the House had a low mark of 5. I may have it the other way around. But they eventually compromised on

7,500, so that meant I had to reduce by 2,500, my number, so that brought us down to 77,500 and then retention bought us another thousand, so that brought us down to 76,500 as of a few weeks ago, so.

MR. O'HANLON: One more question on this subject, on the quality --

SECRETARY ESPER: So, there's --

MR. O'HANLON: -- of course.

SECRETARY ESPER: There's been some reporting that we've lowered our number because we can't meet that. That's not accurate.

MR. O'HANLON: You mentioned quality and I realize this is potentially -- maybe not today, but potentially a delicate subject because you're the Secretary of the Army, you're the leader of the Army, and so obviously you're grateful for the quality of the personnel working for you, but you also have to keep an eye on the new recruits and whether they're meeting standards that you would like to set. How would you describe -- having mentioned the Category 4 already, how would you describe the quality of today's recruits compared to, let's say, when you were in the Army, that sort of golden period of the immediate post-Reagan buildup, the late '80s, early '90s? Compare that to today. How do we look?

SECRETARY ESPER: Well, it's interesting. Each generation is different and so they -- each generation brings in certain strengths that maybe others before them or after them didn't have. So, this generation has an incredible facility with electronics, with software and all that. Certainly, (laughs) my generation didn't have. And so you see that, but maybe -- so, you've got to figure out, how do you adapt and work with that? On the other hand, you -- they may not be coming in as physically fit as previous generations, for one reason or another. So, that's one reason why we're looking at an extended basic training that takes us out to at least 21 weeks and a new physical fitness test, all these things, not just for that generation, but overall to improve the fitness of the Army and to improve the readiness and lethality of the total Force, at the end of the day.

MR. O'HANLON: So, thinking of readiness now leads naturally to the discussion of both training and then equipment maintenance, two other key pillars in the overall readiness and being able to fight tomorrow or fight tonight, as they say in Korea, where I just visited at General Brooks' invitation a couple weeks ago. How would you describe our current -- our state today of training? Which, I know for much of the 21st century has been focused too much or at least asymmetrically and almost obsessively on the fights of the Middle East. And you and Secretary Mattis and others have been trying to change that.

How far have we come towards building a full-spectrum force, the kind that McMaster wrote about when he was at Army Futures -- excuse me -- Army Training and Doctrine Command back before all the White House period and when your predecessors produced the Army Operating Concept? How far have we come now towards restoring our Force to a full spectrum fighting capability?

SECRETARY ESPER: Sure. Well, it's worth going back in time to post-9/11 and then, course, when that happened and then the invasion of Iraq in '03, what we did was, we focused nearly entirely on low-intensity conflict. And not only did we do that, we also told some units to, "Leave your Howitzers and cannons in the motor pool or leave your tanks in the motor pool," and we focused the entire Force on those types of operations with all formations fully in. And so now after 17 years, we've -- in the last couple years now and under the leadership of General Milley when he came in, is to reorient the Force back on high-intensity conflict. And the National Defense Strategy tells us to go that same direction, as well, given they are of great power competition.

So, when -- my first trip as Secretary, I went to the National Training Center at Fort Irwin and I was pleasantly surprised by what I saw. It was the 1st Cavalry Division out there fighting a high-intensity conflict against all the threats you would expect to see on that type of battlefield and they were doing so against the types of operations that the Russians presented to the Ukrainians in a Donbass. And so they were dealing

with drones, they were dealing with intermittent communications, they were dealing with CyberTex, and that really gave me a good feel that we were on the right path. It was reminiscent of when I was platoon leader in the 101st, I trained at the NTC. The same things that we did then, it's the high-intensity fight, that type of focus.

By the same token, it's also great to see that the heavy forces were back out in the field training. Abrams, Bradleys, the field artillery men are out there using their equipment. And it seems counterintuitive, but a good indicator is that we're seeing more repair parts and more maintenance required because we are using the vehicles again at the pace we need to. And those were all good indicators that we were on the right path, we were focused on the right things.

The difference this time around, as compared to coming out of Vietnam in '73, '74, '75 is, we cannot afford to say goodbye to low-intensity conflict. It will be with us for many years to come, unfortunately. So, that's why built in the Army vision, built into the National Defense Strategy is the imperative that we maintain a competency in irregular warfare. And so the challenge that we will have, that this generation will have that my generation did not have is being able to certainly be prepared to deploy, fight, and win that high-intensity conflict, but also have the skills, the competency, the equipment you need to conduct irregular warfare.

MR. O'HANLON: As you continue this effort at high-end training -- and like you said, Generally Milley's been doing it now for a while, and arguably it began towards the midpoint of the decade and has maybe picked up now with the Trump administration. Do you have the sense that we're halfway back to where we need to be, three-fourths of the way back? I mean, when I look at the numbers and the Army budget, it seems like you've been funding for the last three or four years roughly 20 rotations by different brigades and the National Guard and the active Army per year, which suggests that even though you can never fully catch up for all the training cycles that were missed before when people didn't get to train at different ranks and so forth, nonetheless, most

units should have by now, in the last three years, gotten back to the NTC with a higher-end training. And not all of it's been in your tenure and not all of it's been in the Trump administration, but it looks like we're hopefully more than halfway back to recovery. Is that a good way to think about it?

SECRETARY ESPER: I think about it this way. We've seen a good readiness pickup in the last year-and-a-half. We had a nice down-payment from Congress with the FY17 funding. FY18 was fantastic number and FY19, if the budget agreement holds, will serve us well, also. So, it puts us on a great trajectory. We've seen big increases in our readiness, certainly in the regular Army, but also in the Guard and Reserve, as well. We believe that if the -- if funding remains constant and the demand remains unchanged, that by 2022 we will be at that level of readiness we need to meet and maintain.

That's why in my remarks, what I say is come to 2022, 2023 timeframe, you will see in our budgets, in our emphasis, a lot more now at that point of harvesting what we've done in terms of research development, prototyping, et cetera, to put that into modernization and really begin procuring the types of equipment we need associated with big six priorities.

I'd be remiss if I didn't say, as well, we're doing a lot to lift off -- as I mentioned in my remarks, allow more home station training by lifting off the backs of our junior leaders, off of our units a lot of this -- what's called mandatory training, things like that that consumes their training availability, their time at home station. So, all these things together, if everything remains constant, and things rarely do, will put us in a good position in the '22 timeframe.

MR. O'HANLON: Is there any one of those six priorities -- you mentioned that the lethality of the war-fighter is nearest and dearest to your heart, but is there any one of the six where you feel like we have a particular vulnerability now? So, that -- sort of talking about 2022, 2023, while I understand what you're getting at, it's

almost too long to wait for some of the actions we need to take in the shorter term.

SECRETARY ESPER: Well, we prioritized and that's why long-range precision fires is number one for the Army. We think that for a number of reasons we need to make sure we have overmatch and indirect fires, not least for a ground campaign, but also, we need to have the ability to support our sister services. So, if I need to, for example, suppress enemy air defenses using long-range artillery, I have the means to do that, reaching deep into the enemy's rear. What that does, if I can suppress enemy air defenses, either the guns, missiles, radars, et cetera, it helps clear the way for the Air Force to do what they do and what they do well.

The same is true if I'm supporting our Navy colleagues, in terms of cross-domain if we're at a coast line and we can help, again, using long-range -- I'm talking multi-hundred-mile range rockets, artilleries, et cetera, to help suppress them, to open up the door, if you will, so that the Navy can, again, gain access to a certain theatre. And this is something that Secretary Spencer, Secretary Wilson, and I talk about when we meet pretty regularly. How do we work with one another? How do we -- how does each service support one another in the war fight we see ahead? So, long-range precision fire is number one.

MR. O'HANLON: And the network is for -- some people are worried that our networks today are particularly fragile because of cyber vulnerabilities and electronic warfare vulnerabilities. I know you're concerned about that, too, but when you put that number four, is that to indicate that you have at least some reasonable confidence that that -- it's not going to fall apart tomorrow in a high-end fight, that it's -- it's certainly going to be tested, it's going to experience strain, but you don't see this as an emergency, per se. Is that a fair conclusion?

SECRETARY ESPER: It's four, but it's -- the network underlies everything. If you were to look at long-range precision fires, I need a network. If you look at Future Vertical Lift, I need a network. If you look at air missile defense, I need a

network. So, the network's critical to all of them. I think we have capability now, but the biggest concern coming out of, again, what we saw in Ukraine, what various studies have said, is that the network we have now that served us extremely well in Iraq and Afghanistan is too immobile. It's -- there is fragility in it, it's not reliable, and it's -- it emits -- the signals it emits is -- makes us vulnerable.

So, that's why in terms of the network we've talked about halting, fixating -- fixing, and pivoting, so we're now in the fix and pivot part of this. But we're looking at a lot -- a more -- a very robust commercial approach to procuring what we need to build and maintain the network, going ahead. And so you'll see -- we'll see technology turning over a lot more frequently, I think, in the years ahead, with regard to the network.

MR. O'HANLON: As we talk a little bit more about modernization and then I'll wrap up and let other people share in the fun here -- this is really a great, fun conversation for me, so thank you. But I wanted to ask about the National Defense Strategy and how to understand that in the context of where we are today in 2018. Because Chairman Dunford talked about a 4+1 threat environment, Russia, China, but also North Korea, Iran, and then transnational violent extremism. And I guess they've started talking about that as 2+1 instead of 4+1 to make it more consistent with the National Defense Strategy and the emphasis on China and Russia.

But now we know that Secretary Mattis is prioritizing peer-to-peer competition. And yet, you've got to prepare an Army for possible conflict in Korea, an ongoing conflict in much of the broader Middle East. And I guess I'm still struggling with how to understand the National Defense Strategy in that context. And how to understand the fact that it wants to prioritize on two main focal points, whereas most other things that are being done today in the National Military Strategy has a broader range of threats and concerns. Is there a contradiction or is it more that Secretary Mattis, who is aware of all these competing concerns and immediate threats, wants to use the NDS to remind us to keep thinking long-term, even as we do everything else that's sort of in the inbox today?

SECRETARY ESPER: Well, you keep in mind the NDS is only a few months old, at this point. So, I -- we're all going -- there's going to be a period of transition where we're all pivoting or we're making turns in that direction, we're adjusting. The Army, I think, we -- we've been ahead of the curve. I can't speak for the other services, but even now, as I -- as we build our pom (?) for '20 to '24, making a lot of changes there to make sure that we pivot to where the NDS points us and tell us to do.

That said, I think it's -- my logic is, you prepare for the toughest fight. And that's what I think the Sec of Def is telling us if, "Prepare for the toughest fight and I expect we'll be able to handle the others." So, the historical example that comes to mind is my war, Operation Desert Shield, Desert Storm. I mean, the Army that we built in the '80s was geared to fight the Soviets in the Fulda Gap in Germany. And so what happened is the Wall fell, Soviet Union fell apart, and then up comes Iraq in August of 1990 and they just happened to be the unfortunate benefactors (laughs) of this great military we built in the 1980s. And so that Army, that military, Navy, Air Force is the one that defeated the fourth-largest Army at the time in less than a hundred hours.

So, clearly that force we built for the Soviet Union was able to handle a conflict of -- presented by regional power, the -- so, I -- that's how I approach it. If we can build the force, the vision of 2028, the Army of 2028, if we -- when we build that force consistent with the NDS, geared toward great power competition, Russia and China, I'm confident that we'll be able to handle any regional players, as well, with that construct.

MR. O'HANLON: I wanted to really just have two more questions. Want to invite you to just talk a little bit about Futures Command and how that fits into everything else you're talking about today, where we stand with that, what are the next milestones, what do you really hope to get out of that in the next couple of years?

SECRETARY ESPER: It -- that continues to be a work in progress, but we are making progress. We have identified a commander. We are narrowing -- continue to narrow the list of possible locations. But that's not the important thing; the

important thing is how we will assemble the command, the fact that it brings -- it takes this whole disparate modernization enterprise that is spread across the Army in different commands and brings it all under one roof under a single commander.

And at the same time, we're also adjusting processes. We're trying to cut down the layers of bureaucracy radically. So, for example, the cross-functional teams that have been stood up and operating now for several months have reduced the layers from, I think, 13 to three. And we're seeing a lot more action, a lot more speed out of it. We're putting a much greater emphasis on prototyping and demonstrating. I'm putting more emphasis on -- in terms of contracting, making sure that we go with the best value rather than lowest price tag would be acceptable. So, there are a number of things we're doing in addition to standing the headquarters and deciding where to put it. And I think -- and it's going to take time to deliver, but we're seeing some early results, some early successes already from what the cross-functional teams are doing. So, I'm very encouraged by that.

MR. O'HANLON: So, just one last question and then I'll open up to others. As you do all this with Futures Command and pursue the National Defense Strategy and you're trying to streamline, you're trying to reduce bureaucracy, speed things up in some cases, get Silicon Valley involved in some cases, really expedite Army modernization, I know hovering in the back of everyone's memory are the Army challenges of recent decades. And we can think of Sergeant York and --

SECRETARY ESPER: Yeah.

MR. O'HANLON: -- the Future Combat System and artillery and helicopter designs that didn't work out. And I'm wondering how we reduce the odds of having that kind of a problem in the future. Because going faster and streamlining, while it's certainly going to help for some problems, may not help avoid making such big mistakes. I'm not sure the reason why we had a Future Combat System that ultimately fell flat was because we went too slow. In some ways, it seemed like it was because we

were trying to go too fast even then and we just did it the wrong way. So, how do we avoid those kind of problems in the future?

SECRETARY ESPER: Well, there's a lot of ways to answer that. So, you know, one is, as I came into this role, I said, well, we can continue to work within the current system and we can tweak around the margins and I -- my guess is, we'll probably end up with similar problems. And these have been catalogued over the years. There have been reports and panels and experts and hearings and whatnot. Or, we can do something very different. There's some models out there and we can make a bold move and try and change, not just the process and the system, but at the same time, the culture. And that's what we're onto. That's the promise of Army Futures Command and we went back to the basic principles that we learned growing up in the Army are the principles of war. One is you have to have unity of command; you have to have unity of effort, which are things we did not have currently.

Will we suffer big failures like we did in the past? I don't believe so because we are willing to suffer little failures and that is the way we're approaching this now is, let's work with industry; be more open; let them put their dollars on the table; we'll put some dollars; let's prototype; and let's -- if we're going to failure, let's fail early. Let's fail cheap and learn from that. And again, currently, we have, for example, on Future Vertical Lift, we have two demonstrators out there. One's already flown, one will fly. We have some prototypes coming onboard for next generation combat vehicle. And so, it's that approach where we want to -- there will be failure and -- but there will be smaller failures. And the other thing we got to be careful of is to -- is in the spirit of prototyping and innovating, we have to be willing as a leadership team and certainly as we communicate to Congress and OSD that there will be failures. We should not overreact. We should expect that because there is a lot learned from failure, but the key is to learn those lessons and quickly pivot; go with the system you want; identify those requirements and then move forward from there.

MR. O'HANLON: You made me think of one last question, so I'm going to cheat and add one more to my list.

SECRETARY ESPER: That's fine.

MR. O'HANLON: You had a distinguished career in industry as well and a lot of the issues we're talking about now relate to industry which ultimately is the provider of a lot of this technology. Most of, so I was wondered if you had any specific concerns as secretary of the Army about the state of the defense industrial base. Anything we, as a broader community need to keep our eye on, in terms of thinking about that as an independent variable. You know, often, it's the afterthought. How does the industrial base adjust to whatever budget or technology that the broader defense community has and the defense budget process has asked us to provide? But if we think of it as its own entity in its own right as the arsenal of democracy today, are there any parts of it today that really concern you, either because we're down to a sole provider or there are certain gaps in supply chains or anything else that's on your mind?

SECRETARY ESPER: Well, you hit the nail on the head for me. That first came to mind is we have to preserve competition. And we -- that means written large at the macro, but when you get to a specific program, you have to -- I believe you have to preserve competition as far as you can into the program because what that ends up getting you is better price and higher quality. And certainly when you again, step back at the broader industrial base, the more competition you have; the more innovation you get, again, you get a better price.

You get all t hose things. With that said, I also think we also need to do more outreach and I do it on a frequent basis to a broader set of industry partners. So, look at the non-defense sector. How do we involve them? Look at small business. They tend to be the real entrepreneurs, the real innovators. And we need to look abroad. I've said this several times, we need to be willing to look at what our allies, our partners are producing. If it's a good system, we should buy it or buy it and adapt it, whatever the

case may be and we're pushing across the table. But I'll tell you recently that the Chief and I have talked about this, is we got to be willing to buy what our sister services are research and developing as well. We can't afford to be both researching the same type of things and that's where Secretary Wilson and Secretary Spencer and I are really working hard to make sure we breakdown those barriers, wherever they exist between our services too.

MR. O'HANLON: Fantastic. Well, thank you. Let me know allow others to join in as well. So, why don't we start here in the front row? Please wait for a microphone and identify yourself, if you could and here it comes.

MS. MYERS: Meghann Myers, Army Times. So, you mentioned because retention is so good, you're having a harder time manning the Guard and the Reserve --

SECRETARY ESPER: No, I didn't say that.

MS. MYERS: Hmm.

SECRETARY ESPER: I said, it makes it more challenging for the Guard and Reserve to meet their numbers.

MS. MYERS: Potato, Potahto (Laughs) So, what is then the answer there. Is it bonuses for Guard and Reserve; it is up to marketing to figure that out; or recruiters to steer more people to it.

SECRETARY ESPER: I don't think we have to look at all that. I think you have to look at bonuses in areas where you have particular challenges. You know, there are other ways you can do it administratively. For example, maybe you're top choice on next assignment. There are a number of things that you can do and commanders have all those tools available to them to make sure they can keep good soldiers on the team.

MR. O'HANLON: Please, right behind you, yes, Sidney.

MR. FRIEDBERG: Hi, Sidney Friedberg, Braden Defense. I want to pull

the thread here. One thing you've said, you know, many times in the past is, we're concerned about the budget deal only going through '19, sequester may return in 2020. We're taking precautions against that even now, but today, you also said, we are going to build up the in strength to 500,000 active and beyond. Now, you know, in strength is a huge bill for the Army and it's a long-term build. You don't just lay people off after the holiday season like Amazon. So, how do you reconcile those two things? On the one hand, you have a long-term concern that you may go over a fiscal cliff? Other hand, you are taking on a long-term expense of people and people are, you know, the car of the Army, you can treat them lightly.

SECRETARY ESPER: Well, I didn't say we're going off a fiscal cliff. What I said is, I know that I have good numbers in '18. I think if the budget agreement holds, we'll have good numbers in '19. I can't predict the future. So, what I want to do is gain as much control over the Army's destiny as I can and that means, a series of internal reforms which are free of money to pay for my modernization efforts; to pay for extended basic training; to pay for in strength. So, there are things in my control; there are things out of my control.

What's in my control is to layout a clear or clear as possible vision of what the Army of 2028 should like and then it's up to me working with OSD and Congressional partners and all that to help us fulfill that provision by providing the resources we need to get there.

MR. O'HANLON: Over here, Sandy. Keep working back.

MR. APGAR: Sandy Apgar, CSIS, former assistant director for INE. As you know, the Army pioneered a program to privatize military housing now throughout DOD, released roughly \$30 billion in savings and countless innovations. Have you considered ways to adapt -- adopt that model which has been so successful, exceeded all of its goals and over a sustained 20-year period to other non-core functions that represent any assets I caused and potentially low productivity in their current form?

SECRETARY ESPER: Not -- nothing specifically comes to mind when you ask that question, but I do think those are things we need to look at, our different approaches by which we leverage the private sector and what it brings and look at those partnerships and focus first on our core business. I mean, again, in terms of modernization, that's what -- as we look at the budget build, it's how we focus on those key parties and look at other things that maybe can be offset in other ways. So, it's a good idea. I'll welcome any ideas beyond it, if you have it. But we're looking at things like that by which we can free up time, money and manpower to really focus on what's the core of what the Army needs to do in a future war fight.

MR. O'HANLON: Here in the third row, please.

MS. DELANO: Hello, Kathleen Delano, CEO of PMIC. And nice to see you again and thank you again for sharing. I was particularly excited to hear you mention research and development when you were talking about Futures Command and as an avid proponent of U.S. Army and in general, U.S. S&T, I'm wondering about your involvement with Army Research Lab and what some of the foundational labs may be doing to integrate and to bring that beginning of the supply chain, like, in industry terms, I guess, we would say supply chain. I am an accidental GovCon, who is translating the Army parlance, so S&T is the beginning of the supply chain. Is that being factored into Futures Command and how can we get that to happen?

SECRETARY ESPER: Well, it absolutely is. It's being aligned up underneath Army Futures Command and what that means is that the Army Futures Commander will have the ability as he or she thinks about the material solutions we need in the future to have some control -- to have control over where we put our S&T dollars way at the front end so that we get that product or prototypes, if you will, at the right point in time to help us make requirements, decisions or procurement decisions. So, that is absolutely critical.

I will tell you that even for '18, we have realigned 80 percent of the S&T

budget to line up with our priority. So, that's the other piece that is make sure that everything that our great researchers, our scientists, our engineers are focused on is focused on those six priorities and we don't have stray electrons going out in other areas that are of lower priority.

MR. O'HANLON: So, you're in the second row of my friend and then, the first row after that. And then, we'll start working back, I promise. I see you further in the row.

MR. NICOLSON: Sir, George Nicolson at Washington Liaison, a Global Special Operations Force Foundation. Recently, General Mattis -- Secretary Mattis and General Dunford had directed that a range of options be presented of how you rebalance Special Operations. But back what all our people are doing to balance it with emerging threats and ongoing threats. How do you see the sort of dialogue going on with the Army of the kinds of things we're having to do with soft coming and going, what the Army can do in the future to help the alleviate debt?

SECRETARY ESPER: Yeah, I have not been involved in that if it's happening. You know, my focus is really on the conventional Army, but clearly, given the mission that we have to maintain competency in irregular warfare, the soft community will be critical. I think the Army -- the Special Ops community provides the bulk of what SILCOM has or at least the majority, so it's very important. We want to make sure we maintain that capability, but beyond that, that's all I have at this point.

MR. O'HANLON: By the way, just a clarification if I could. We know that the Obama Administration in its 2012 National Defense document and also in its 2014 QDR that your good friend, Secretary Hagel, presided over. At that time, the Army was instructed not to size forces for large-scale stabilization operations any longer, but still to try to retain in parts of the army some degree of the expertise and excellence so that it would be rejuvenated as necessary. Are you making a slightly stronger statement that under the Trump-Mattis-Esper National Defense Strategy and the Army's role within that,

that you're actually going to prioritize retaining that competence and excellence a little more than latter year Obama documents would have had us do?

SECRETARY ESPER: I, you know, I'd have to see the documents. Just -- I don't want to characterize it one way or the other. I'd have to read the -- I'm just saying, what the National Defense Strategy tells us is to focus on the high-intensity conflict against these peer competitors, but maintain this irregular warfare capability because we will continue to fight extremists -- violent extremist organizations. We will have counter-terrorism duties; responsibilities around the world for years to come, unfortunately, so we have to maintain that capability. Certainly on the soft side, but there are also irregular warfare capabilities that we have to maintain in the conventional side. The ability to conduct the low intensity conflict, counter-insurgency, so I'll just characterize it that way.

MR. O'HANLON: Here in the front row, please.

MS. MCBRIDE: Courtney McBride with JAMES. Secretary Esper, you mentioned the need for greater willingness to purchase the products of your sister services' R&D efforts. Yesterday, Marine Corps leaders were at CSIS talking about their services, efforts to develop a sort of interim solution for long-range precision fire, as they also have shortfalls there while they are sort of aligned with the Army on PRISM. Is there some risk of duplication of effort there as the services continue to develop their own solution to a common role?

SECRETARY ESPER: Well, we talk a lot particularly to the cross-functional teams on these top issues. So, I know we're talking on long-range fires. So, I would have to go back and find out what's going on, but clearly, in those areas, we do not want to duplicate. I don't want to spend the time, money or manpower to figure out what the Marines or the Air Force or what the Navy has already figured out. We need to share. I know that, that type of sentiment is also shared by Secretary Spencer and Secretary Wilson. We just can't afford do to otherwise. So, we're looking for any

opportunities that we can to work together or to, again, look at each other's technology. I experienced this the other day last week or two weeks ago when walking around the Pentagon courtyard where we're looking at, for example, personal protective equipment and the Marines are working on a product there and the Chief and I had that same discussion. What are the Marines developing? We should be looking at what they're doing and maybe, you know, buying what they're buying, or vice-versa.

So, I know the Marines, for example -- I think all the services are buying our new handgun. That's an example of where those types of things are happening. We need to do it on a much broader scale and certainly, we need to do it in R&D also.

MS. MCBRIDE: Is there a formalized effort to do that on (inaudible)?

SECRETARY ESPER: Oh, I can't cite for you what the formalized effort is, but, you know, culture is always stronger than agreements and formalization, so we're trying to build a culture of sharing most one another in generating each other in adopting each other's best ideas.

MR. O'HANLON: Go a little further back in the room. Let's see, there's a woman in about the seventh row, over by the wall, yes, please. Get her a microphone. That's good. I made up that number seven. (Laughs)

MS. MILLHISER: Hi, Ellen Millhiser from Synopsis Newsletter. Army Medicine spends a lot of money on research and they do most of the medical research of all the services, as you know. Do you see yourself taking any of their medical research money and putting it into modernization?

SECRETARY ESPER: You know, in all this, everything is on the table, but it's not something that some -- kind of comes to mind right now, but I think, again, with medical research, it needs to be focused on where the NDS tells us to go and that, you know, high intensity conflict; the type of trauma we would see in that type of conflict; the needs of making sure that we can take care of soldiers and their goal now, get them back to a hospital. I mean, that's kind of how I think about it. And I want to make sure we're

focused along those lines, but Army medicine, I should say military medicine to its credit, I think has led many innovations over the years just because of what we've had to adapt to and learn and help our soldiers and sailors, airmen, Marines on the battlefield.

Anyways --

MR. O'HANLON: Stay in that general area. There's a gentleman a couple rows further back in a light shirt. Yes.

MR. ROWE: Thank you, Eric Rowe, the Asahi Shimbun. A few weeks ago, I had the opportunity to attend a panel that the deputy director of the MDA held that and one of the discussions they had is the kind of trade-off between missile defense coverage and cost. Is there a kind of consensus within the Army about what is the best strategy to address this, whether it be point defense or whether it be more coverage at more costs? And is there a consensus between the services as well? Thank you.

SECRETARY ESPER: Well, certainly at the Army, we're looking at making sure we have the air-missile defense capabilities that we need for the future fight. So, as I noted in my former remarks, one thing that we know we need because we took it out of the formation years ago, was mobile short-range air defense. So, we'll be having prototypes come out in the 2020 timeframe. We'll begin fielding them to see how they work. It'll be an interim solution, but we know, again, moving forward we need to have that capability. We also need to have soldiers in our light formations who are able to carry, you know, handheld devices -- man-pads, if you will, to help defend against these threats. I mean, keep in mind, for the last 17 years, we have fought enemies that don't have air forces and we won't see that in the future. The chief of staff likes to say that American soldier hasn't been killed by enemy aircraft since, I think the Korean War. So, those things all are turned on their head when you think about a future -- possible future conflict against a Russia or a China. So, we need to be prepared to defend against that.

MR. O'HANLON: And staying in the back, one row further, please.

MR. ZIELINSKI: Hi, my name is Mike Zielinski from Avison. Thank you

for coming to speak with us. In your modernization priorities, you didn't speak very much about robotics or automation. Could you speak about ways that UDVs and automation like, impact any of the modernization priorities?

SECRETARY ESPER: Yeah, actually, I think robotics has the potential of changing -- fundamentally changing the character of warfare. And I think whoever gets there first will have a unique advantage on the modern battlefield, so as you see my vision, I call out pretty clearly in that second paragraph of the vision that we're going to move to a force that has unmanned vehicles. And that includes the technology is critical to that will be robotics and AI and a number of other things to make that happen, so I think who gets there first will have the distinct advantage. We're going to be putting -- are putting money into those fields and my ambition is by 2028 to begin fielding autonomous, certainly semi-autonomous vehicles that can fight on the battlefield. Fight, sustain us, provide those things we need and then we'll continue to evolve from there.

MR. O'HANLON: I want to follow-up on that if I could before going back to the audience because we know that looming in the country or maybe even underway already is this concern about the long-range of robotics and artificial intelligence and, of course, it's the Terminator vision that it's in some ways on people's minds used to seem like just a complete science fiction fantasy concept, back when the movies were first made. Doesn't seem so fantastical anymore. And I know Elon Musk has warned about civilization itself could be imperiled. I know professors at the Ivy League and the Ivy League who talk about cyber as a WMD of the future. So, this is going mainstream with some pretty impressive proponents that we have to be worried. I don't expect you to put all of our concerns to rest today --

SECRETARY ESPER: But we're not doing a T-3000 or whatever it was.
(Laughs)

MR. O'HANLON: Not yet, but how do we think about -- how do we even start to think about this, knowing that we're not going to solve it today because we're only

at the beginning of technology and this revolution. But also, being aware that there's no way to verify most of what's done with software and so, even if we were, ourselves, to impose restraints, it's hard to know what our adversaries would themselves restrain. How do we even begin a debate, or how does the Pentagon even setup future procedures for decision-making that would wrestle seriously with this question. How do we not let AI go out of control?

SECRETARY ESPER: Well, those are serious questions. I think they need to be addressed and the sooner we begin discussing, the better, but in my view -- my vision, at least, there will be a soldier in the loop. There needs to be. The battlefield is too complex as it, so we'll need to have a soldier in the loop.

In terms of, you know, the vision I've spoken about with regard to using robotics or let's say, some autonomous vehicles on the battlefield, just the comparison is what the Air Force uses with its drones, predators, right, so if I could -- so an unmanned drone with missiles is able to fly over an enemy battlefield and conduct missions and without the risk of losing airmen, then I want that same capability on the ground with a vehicle that I can, again, operate semi-autonomously at some distance so the soldier is not vulnerable. But yet, because of that, I'm willing to take more risk, get closer into the fight and engage in enemy, all with a soldier in the loop working off of a screen, if you will, moving that tank, shooting that man-gun or the case may be.

I want to get to that point and I think at that point, you now see a system whereby, again, soldiers are at less risk -- less vulnerable, you can take more risks. I can then start producing tanks that don't weigh 90 tons because I know longer have to protect the crew. I can be a much -- a less expensive tank. It could weigh less and it gives me strategic mobility in terms of moving these vehicles between theaters and it gives me, arguably, some enhanced tactical mobility as well. So, there are a number of advantages if we can get there; if we can make the autonomy work. But doing that on the battlefield is far different from doing it on the streets of Pittsburgh or the case may be. So, it's going

to take a lot of effort.

MR. O'HANLON: Excellent. Stay a little bit further in the back and then we'll come back for one more sweep to the front. There's a gentleman on the right side -- my right, which I've been generally neglecting in some of this. So, we'll start with him, about 12 rows back on the aisle. Yes, you sir and then start --

SECRETARY ESPER: Take the ones with the easy questions.

MR. O'HANLON: Exactly.

MR. DAVIS: Gillaomo Davis, part of the Brookings Executive Education and I have a two-part question for you, sir. So, it's going back to personnel readiness. In wake of the Supreme Court decision yesterday dealing with same sex marriage, has those type of social issues impacted the readiness of our Army and the second part of that question is, what is your guidance to our single relationship when it comes to trying to make that transition or trying to keep the morale; keep the esprit décor with our soldiers when it comes to barracks; when it comes to on-post housing; when it comes to benefits; when it comes to training, combat arms?

MR. O'HANLON: I'm not sure I chose the guy with the easy question, but anyway, over to you.

SECRETARY ESPER: Wrong pick. (Laughter) What -- I didn't understand the second question though. Can you -- esprit décor.

MR. DAVIS: The issue to guidance to our leadership -- Army leadership, your guidance on how to deal with this (inaudible) issue, socially, legally, and separately?

SECRETARY ESPER: Yeah, so for me it's very simple. The Army is a standards-based organization. And so, I think we need to maintain standards across the board with regard to deployability; with regard to readiness; with regard to legality; I found the -- is I traveled the Army soldiers wanted to be treated fairly. Want to be treated equally, if you will. So, I think to a degree, we can maintain standards; maintain a good order of discipline; maintain those things. I think it has served us well in the past and will

serve us well in the future. My sense, you know, we'll keep soldiers or motivated or maintain esprit is pretty straightforward. They joined the Army for a reason and they want to live it. They want to actualize, if you will. So, you'd be surprised the number the number of soldiers you tell me. I just want to train more; I want to deploy; I want to go abroad; I want to get in my tank; I want to shoot my howitzer. That's what they want, so I think that's why I pushed hard as the chief to get soldiers to the NTC, the JRTC to deploy abroad to Europe as part of Atlantic Resolve over to Korea. Or just simply get these mandatory training requirements off their backs so what when they're at Fort Campbell or Fort Bragg or you name, they're actually training and not doing online -- taking online courses or some type of other training that really is not what they signed up for or what they want to do. So, to me, that's the key -- one key. The other one is making sure that we return power to junior leaders, particularly, NCOs to lead their soldiers; to be responsible for them and not just 9:00 to 5:00, five days a week, but 24-7, 365 days a year. That's what we're heading back to.

MR. O'HANLON: There was another hand here on that same side of the room. I see it. It's the gentleman maybe a row ahead of -- yeah.

SPEAKER: Thank you. Mr. Secretary, as you know, Amazon is looking at various places to relocate their second headquarters, including our hometown of Pittsburgh. And one of the reason they're looking at cities is to maximize the impact of putting a new facility in a location that would just sort of have secondary benefits. When you think of locating the new home for the Army Futures Command, could you reveal some of the ideas that you look for as to the best location and how that can be a multiplying effect, not just for the Army, but for the region you choose. Thank you.

SECRETARY ESPER: Sure, I suspected the Army and Amazon have different requirements and therefore, (laughs) different criteria. I will tell you that the reason why we're looking to go to a location -- the locations we're looking at and I've said this publicly in testimony is, we want to make sure Army Futures Command can benefit

from some of the best talent that is out there. So, we want to go to a location that has innovators. Has folks who are a lot of competency in the STEM fields. Folks who -- we have -- that give us access to industry or more importantly academia because the whole notion of Futures Command, at least part of it is to be able to (a) envision the future and what that future may look like, but then think through what the material solutions and then have at our fingertips access to those persons in those particular fields, scientists, engineers, theorists, whatever the case may be. Have access to them to think about those things. To help us solve the problems and in some cases maybe hire them into the Command. You're not going to get that at a traditional troop post, if you will. So, that's some of the key criteria we're looking at with regard to that as we continue to narrow this down, different filters come into play. We want to make sure at the end of the day, we have good quality of life for whoever, man's Futures Command, military and (inaudible), but again, these things go through a number of filters. That -- what I just outlined with regard to access to talent, academia, those things are one of the key features that have nicked us down to where we are today.

MR. O'HANLON: So, we have time for a couple more questions. I think I'll go here in the front row and then, I'll go to a couple more to wrap up.

MS. YOUNG: Sue Young, reporter from Voice America. Mr. Secretary, you just mentioned that the modernization of the U.S. Army and the U.S. military and I read an article. It's two questions concerning China. China is also (inaudible) modernized it's army and I read an article which says, China just to flight test its new multi-warhead, ICBM, so my question is how many years the U.S. still ahead of China with its -- in terms of advanced weapons system? And the second question is about Senator Marco Rubio's comments, he said, the U.S. officials should plan to destroy the installation in South China Sea. So, my question is do you share his feeling? Thank you.

SECRETARY ESPER: Well, I'm going to stick to my lane and my lane is Title X, manning, training, equipment and force. I'll leave the questions with regard to

war plans and what we can do and this we can do, I'll leave that to the combatant commanders of (inaudible), so...

MR. O'HANLON: Okay, we'll go here in second row, please.

MS. HOLZSMAN: Katie Holzman with the Chamber of Commerce. I think you're familiar. So, my question is in regards to new defense strategy. Do you think that taking a look at the MTCR Guidelines and revisiting those to better equip our allies and partners is something that's feasible? And if so, do you have any recommendations or things that might work?

SECRETARY ESPER: Take a look at -- I'm sorry, which guidelines?

MS. HOLZMAN: MTCR, the Missile Technology Control Regime.

SECRETARY ESPER: That's not an issue that's on my radar screen right now. So, you know, it's something I would kick up to OSD Policy. They handle that. I handle -- having worked in OSD Policy before, I'm familiar with those issues, but it's just not something that affects me, affects our modernization plan right now. We're sitting where we are.

MR. O'HANLON: Gentleman in the third row, please.

SECRETARY ESPER: Is this the lightning round?

MR. O'HANLON: Yeah, exactly. Feels that way.

MR. DONAHUE: Sam Donahue at the Osgood Center for International Studies and I'm wondering in regards to modernization and your efforts to increase the talent level within T&T technology and everything like that, how do you prevent the nation's next level, like, next top group of talent from joining like, Silicon Valley firms or going into the private sector; how do you get them to say, "Hey, don't take that systems engineer job at Google and do this work for the Army?"

SECRETARY ESPER: What we offer is a different line of work and more exciting line of work. And I get to offer them also the opportunity to serve their country; to serve a greater good to help protect the nation. So, that's what we offer in those regards.

I can never compete with the private sector when it comes to salaries and things like that, but we offer a different thing and not everybody is coin operated. Some people aspire to do things, again, for the good of the country or for the nation's defense. So, we got to appeal to that part of each individual or to those individuals who might be interested.

MR. O'HANLON: Here at the third row and then we'll start to wrap-up.

MR. NISHIHATA: Thank you. I'm Satoshi Nishihata from the Liberty Magazine and Happy Science Group in Japan. About foreign policy, North Korean issues is the biggest one for Japanese people and Prime Minister Abe is -- has been concerned about being a little bit sidelined as dealer maker and that's why he's coming to Washington, D.C. the day after tomorrow. And I have been wondering what could be the major role -- the Army's major role regarding North Korea and what would you think are the ideas, scenarios for the meeting on June 12th, thank you.

SECRETARY ESPER: Well, I won't comment on the meeting or those types of issues, but I will say there are responsibilities to make sure wherever Army forces are deployed in the world that we are ready and able to meet the nation's goals. To answer the Commander-in-Chief's call and be prepared to fight and win.

MR. O'HANLON: Someone here in the sixth row and then we'll one more after that and call it a day.

MR. KELLY: Sure, Byron Kelly, Capitol Alpha Partners. I wonder if you can talk a bit about urban warfare and how that affects how you think about equipping the Force in this five-year time period, over a 10-year time period. It's a very different set of problems as you're aware and finding in its (inaudible) the urban in Germany. What kind of requirements do you think will come out of -- what should industry be thinking about how they can help the Army with this problem?

SECRETARY ESPER: Sure. It's a very good question. It's -- I call it out in our vision statement and certainly in the details, the papers that will follow because we've seen more and more people are moving to cities. We see the growth of cities. We

know that the likelihood is we will be fighting -- be fighting more in populated areas than in, you know rolling -- rolling plains of (inaudible) like we used to consider. So, it does present challenges. You need to make sure that you have vehicles that can operate in narrow streets; they can elevate guns that are protected from the top. So, there are a number of things like that as we think through that we make sure that we build into our future weapons systems just for that purpose. So, we are maximized for that type of fight.

MR. O'HANLON: And finally, here in the fourth row. That'll be it.

MR. NOARWE: Chris Noarwe of Senate Row High School in Indianapolis. Under the auspices of the NDS, how is the Army working to assist any of our Baltic-NATO allies as they counteract on Russian aggression?

MR. O'HANLON: Are you sure you're from high school and -- (laughter).

SECRETARY ESPER: Well, you know, the Army deploys on nine-month deployments now to Europe as part of Atlantic Resolve and so, we are heading to Germany and Poland. I was over there this January and February to visit our troops. Spent a good amount of time. We have NATO partners throughout the Baltics who are working with our allies there and so, I think our presence there has two missions. One is to reassure our allies and secondly, to deter any type of bad behavior so, we think about that. I have had the chance to sit down and spend some time with General Scaparrotti to talk about the challenges he faces; to make sure where the Army sits now and where we're focused on is in the right direction. So, we look at that very closely. Again, that regional role; that Russia's a strategic competitor is called out by National Defense Strategy, so that's one area where we're focused on.

MR. O'HANLON: And before I ask folks to thank you and wish you well, join me, you know, the appreciation for your visit today. Let me just have one last follow-up on that same general issue. I've heard over in recent years, John Milliun expressed concerned about the operational tempo of the Army --

SECRETARY ESPER: Mm-hmm.

MR. O'HANLON: -- and partly because the deployments in Eastern Europe and Korea and Afghanistan and Iraq of a different type and elsewhere have -- even though they each individually look relatively small, they require a large base underneath them with the rotation policies that you've used for each of those locations. Is it time that partly, just as a force management issue, we consider stationing forces in Eastern Europe, not in large numbers perhaps, but in order to let a given unit stay there and not require one to prepare; one to be there; one to recover and just make it a little bit easier on the Army, or do you think we're getting to a more sustainable place in terms of Army operational tempo, acknowledging we don't know what the future holds, but that we don't really need that kind of a measure, at least from the point of view of Force Management.

SECRETARY ESPER: I don't think the tempo right now is at a sustainable pace. I think we need to lower it some. That would give us the ability to spend more time at home station. It helps the soldiers with regard to preparing for the next fight. It helps the families. It helps us reset the equipment. It helps us train for that next fight. So, I don't -- I think we need to look at the pace and I would never take anything off the table with regard to poor position, but the model we have right now is the ability to project forces from the United States anywhere in the world to make sure we can be there as quickly as possible. So, that's why the mission statement calls for not just fighting winning, but deploying, fighting and winning is critical. But I think we always - we have to continue to look at those things. We hear from the Combatant Commanders, again, that's more outside my lane, but it does impact the Army, my responsibilities because of the off tempo impacts and what it means.

MR. O'HANLON: Right. Everybody, please join me in thanking Secretary Esper. (Applause)

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