

THE BROOKINGS INSTITUTION
WEBINAR
A CONVERSATION WITH
SECRETARY OF DEFENSE MARK T. ESPER
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THE HONORABLE MARK T. ESPER
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P R O C E E D I N G S

MR. O'HANLON: Good morning everyone listening in Washington, around the country, and around the world. I'm Mike O'Hanlon with the Foreign Policy program at the Brookings Institution.

Today we are honored to host the Secretary of Defense, Mark Esper, who after being introduced by my boss, the president of Brookings, retired General John Allen, will offer some remarks on how COVID-19 is affecting the American armed forces, and anything else that he'd like to begin the conversation with. Then I'll ask him some questions and then we'll hear from you with your questions, that if you haven't already submitted, you're welcome to do so through the Events@Brookings.edu email address, with apologies that we may not get to all of them. But, again, Events@Brookings.edu.

And, without further ado, let me hand the baton to John Allen to introduce Secretary Esper.

GENERAL ALLEN: Thank you, Mike. Appreciate it.

Good morning, ladies and gentlemen. My name is John Allen and I'm the president of the Brookings Institution. It is my very great privilege to welcome you all to today's event, featuring our honored guest, the U.S. Secretary of Defense, Dr. Mark C. Esper.

Secretary Esper was sworn in as the 27th secretary of Defense on 23 July 2019 and he had served as the acting secretary in June and July of that year, but also served as the secretary of the Army from 20 November 2017 to the summer of 2019.

Secretary Esper is no stranger to service. He's a 1986 West Point graduate and upon graduation was commissioned in the Infantry -- and, Mr. Secretary, that makes at least two infantrymen on this call.

Upon completion of Ranger and Pathfinder training, he served in the 101st Airborne Division, Air Assault, and participated in the 1990-91 Gulf War with the cherished Screaming Eagles. He later commanded a rifle company in the 3325 Airborne Battalion Combat Team in Vicenza, Italy.

He retired from the U.S. Army in 2007 after spending 10 years on active duty and 11 years with the Guard and Reserve.

For much of the decade that followed, Secretary Esper continued his service in and around the government, notably for Secretary Chuck Hagel, former Senate Majority Leader Bill Frist, and as the deputy assistant secretary of defense for negotiations policy under President George W. Bush.

He would then go onto a distinguished career in our defense industry, most recently serving as the vice president of government relations for Raytheon.

Mr. Secretary, on behalf of all of us at the Brookings Institution, we are so honored to host you today to this crucial on-line conversation, especially given the ongoing COVID-19 crisis. Yours is one of the most important roles in our government today and we thank you for all that you're doing to keep us safe.

Let me also commend you, sir, for making artificial intelligence and tech modernization key priorities for the Department of Defense. This is an issue of utmost significance, to include Brookings, as we struggle to ensure that we maintain our precedence and preeminence in these areas around the world.

Now, moving to today's event, once I've completed my remarks, Secretary Esper will provide his own, then we'll be joined in the conversation by Brookings senior fellow Mike O'Hanlon, who will also field questions from you via the email address Events@Brookings.edu, or by joining the conversation over Twitter at [@SecDefEsper](https://twitter.com/SecDefEsper).

And one final personal note, sir, we know that you are theoretically neutral on this issue, but speaking for the Annapolis graduates probably on this line, we are looking forward to your making happen at the end of this year America's football game, or cadets in the Brigade of Midshipmen. It would be an important moment in the recovery of this country and to bring some light into the darkness that we have been experiencing. So I know you're theoretically neutral, so I'll just say, Go Navy and Go Army.

Over to you, sir. Thank you.

SECRETARY ESPER: Great. Well, thank you very much, General Allen. So good to see you again and thank you also for that kind introduction and for hosting me this morning. And, Mike O'Hanlon, thank you. Good to see you again. It's great to be here today with you and Brookings to talk

about the impact of COVID-19 on the Department of Defense and the way ahead for the Pentagon and for the Force.

You know, I'm very proud of what DoD has accomplished in the few months that we've been tackling COVID-19 since late January, when I first issued my guidance to the Force with regard to protection, and then on February 1 when we activated our global pandemic plan. We've remained ahead of the curve at every turn. And I'm very proud of what we've done.

At this point in time, as we start to see some light at the end of the tunnel, we currently have 62,000 service members deployed across all 50 states, the Territories, and the District of Columbia. Then 45,000 National Guardsman are active in every single state performing a wide range of tasks. We have thousands of medical professionals, doctors, nurses, respiratory therapists, others, who are out on the front lines. And our Army Corps of Engineers, with nearly 2,000 folks deployed, have been out in the streets of America expanding capacity in some of our largest cities and working with governors in every single state. So I'm very proud of what the team has done.

As you know, we've recently re-deployed the Comfort back to Norfolk after performing a multi week mission in New York City and I think the Mercy will soon depart from California in the coming weeks.

We have also at the same time reached out to our friends and allies. I have spoken to many of our partners, many of my colleagues, about what we could share, how we could help them, the supplies we provided them. So we also recognize that during this time of crisis internal to the country, we still have and rely upon friends and allies.

To that point, we also are very cognizant of the threats that we face outside our borders. We remain as sentinels on the guard of the United States. As we watched we've seen Chinese activity pick up in the South China Sea, we see the Russians continue to probe our air space outside of Alaska and in the northern frontier, we see militia groups busy in Iraq, terrorists active from Africa through the Middle East into Afghanistan. And at all points in the turn, we are side by side with our partners and allies.

Just recently we had a defense ministerial with our NATO partners and had a good discussion about how NATO can and should respond to the coronavirus. So I am very pleased with what is happening.

That said, I'm very cognizant of the impacts that we see on the Force and plotting the way ahead. DoD has been very busy using all of our resources and our researchers to work hard on therapeutics and vaccines. We can talk more about that in our discussion. But we're also cognizant about the impacts that this COVID-19 may have on the Force. To date I can tell you that we've had a very low impact on readiness, but over time we are anticipating what could be a greater impact if we don't see a change in trajectory of the virus or how we adapt ourselves. So those are all things that we're taking into consideration, that we're actively planning on. And I look forward to discussing these things as we discuss them in the coming hour here, Mike.

Let me just say again, I'm so very proud of our men and women in uniform, whether deployed here at home in the United States, where many of them are away from home and at the same time risking their own health, or especially those deployed abroad. I'd like to again thank all of them for what they're doing.

MR. O'HANLON: And, Mr. Secretary, thank you. And let me pick up by echoing that last comment in particular. Just as John Allen thank you for joining us and for your service, I know we all owe a huge debt of gratitude to the men and women of the Armed Forces, as well as of course our police forces, our first responders -- all of you who are protecting us and keeping us safe.

I wanted to pick up a fair amount on this question of readiness and how you're going to think about it ensuring that in the period to come and maybe break it down into some specific categories, people, training, maintenance, and equipment/procurement. I know all those things are very much on your mind.

So if I could begin with people, our most important asset of all. And you mentioned the Force has not been hit that hard so far. I don't know if you want to share any statistics on, at least in rough terms, where we are. I think it's about 5-6,000 total diagnosed cases in the entire military, but I'm

sure you've got better numbers than I, and also where do you see that going in the weeks and months ahead.

SECRETARY ESPER: Sure, thank you. And we can talk to each of those categories.

So, first, on the people front. You know, one infection is too many, but I can say at this point in terms of a 2 million strong military, we've had fewer than 5,000 infected and fewer than 100 have been hospitalized. So I think that is a testament to a couple of things. One, we have a young, fit, healthy Force, but secondly, we've been issuing guidance to the Force since late January. I've now issued nine or ten updates to that instruction to our commanders, senior commanders, to get out further in either their service or the respective commands. And, as you know, Mike, each of those commanders has extensive medical staffs and resources by which they can further amplify or refine that guidance.

So at this point in time we're in pretty good shape. It's tragic that we lost two service members, but only two is fairly good when you look at how we rack and stack up against our civilian counterparts. Again, the Force is holding pretty strong when it comes to the coronavirus. What concerns me more would be the long-term impacts as we had to make adjustments to our recruiting and basic military training. Each of the services adapted their basic training given their respective circumstances -- how the new recruits flown to the training. In some cases we did a one or two week suspension in order to build up additional capacity, testing, or whatnot. But for the most part we've seen over the past six, seven weeks a reduced throughput. And that will probably be something that bears itself out in the long run. So we're paying very careful attention that. I did not at any time want to shut off the pipeline because that has ramifications that could affect us for months if not years.

So we continue to improve the pipeline. The services have made a lot of good adjustments to that with the multiple testing of recruits, quarantining before they begin training, and other mechanisms that are taken to ensure that we can maintain that flow of people through the system.

MR. O'HANLON: And all the services are now continuing recruiting and bringing people into "boot camp", continuing that process, even though you suspended it for a short time a few weeks ago. Is that correct?

SECRETARY ESPER: Well, they continue on the recruiting front to do it virtually. In some cases they're picking it back up in person. But at no time did DoD do a department-wide stand down on basic training. Each of the services -- actually the Army and I believe the Navy took a one or two week pause at different points to, again, improve their capacity, make sure they had sufficient testing kits, et cetera. But we never did a department-wide stand down. Each of the services knew what they needed to do, they had the guidance from us, they had medical resources, professionals, and so they adapted it based on their situation. As you know, they have -- you know, they train in different parts of the country, they have a different Force flow input into their system, so they were able to adapt it to their unique situation.

MR. O'HANLON: And while we're thinking about the places where people are concentrated the most, such as boot camp, let me ask about Navy ships, because we know that obviously the Teddy Roosevelt aircraft carrier has been in the news, also I believe the USS Kidd had a number of cases. Are there other ships that are being affected and do you anticipate being able to stay ahead of that problem, or do ships sort of hold a special place in your concern given the proximity of sailors aboard?

SECRETARY ESPER: Well, the statistics show that the safest place to be is on a deployed Navy ship as compared to one that's in port. So of the 90 plus ships we have at sea we only have 2 that have been affected. The Teddy Roosevelt is the most prominent and the second one was the USS Kidd. And we're not sure where she picked it up. It may have been through a counter drug operation. But 2 ships out of I think 94 is a pretty good record. The Navy has taken a lot of good practices, they have learned from the Teddy Roosevelt. And, again, before a ship deploys, it goes through multiple tests of its sailors, they are quarantined for a couple of weeks, and of course we don't bring a ship back in if it's being replaced by one going out. So we've been very careful of that. We have had ships that are portside that have had sailors infected, but that's not unlike what you might see at an Army base or an Air Force base where you have the sailors out in the community who may get infected by the virus. But, again, before they go to sea, we bring them in, we test, we quarantine, and we make

adjustments to make sure our ships get out on time.

MR. O'HANLON: Before I get to training, which I know is a little more complicated topic and as you alluded to in your opening remarks, just one more question about people. Have you seen any trends yet in the proclivity of people to either join through, you know, recruiting or to stay in through retention? We know that there are probably competing pressures here. On the one hand people are sort of locked down and not really sure about their futures, on the other hand we know that, you know, a silver lining of economic downturns is that the Department of Defense sometimes has an easier time recruiting and retaining people. And you need out of that 2 million person force, what, 1.3 million active, 800,000 or so reservist. You need several hundred thousand people a year to bring in, depending on what the retention rates are.

So how do those numbers look so far?

SECRETARY ESPER: Well, we don't have hard data yet with regard to recruiting. As I said, for a period of weeks there each of the services went to virtual recruiting and anecdotally they told me that the pace was maintained. But we'll see; it's only been several weeks. On the backside, we equally have anecdotal information that service members who were scheduled to what's called ETS -- leave the service -- have asked to stay aboard because they either like what they're doing or, as you mentioned, the economic downturn has shown folks that there is greater job opportunities, job security in the military. So we've got to wait and see how that plays out. The statistics, you know, move around month to month, day by day. One thing we've been conscious of, which is why we stepped back a few weeks ago to reset basic training, is we know that May and June and July are big high school graduation months, so we want to make sure that the Force is ready to absorb those young Americans coming in, men and women coming in after they graduate high school, and that we're prepared to absorb as many of them as we can and put them through the system.

MR. O'HANLON: Thank you.

On the issue of training, I know that this is very complicated because my sense -- and please correct me if I'm wrong, and also maybe an anecdote or two about an example of how training has

been affected -- my sense is a lot of small unit training continues. Because you can sort of train an Army squad of a dozen people or, you know, maybe even an Air Force combat unit of a pilot and a back seater and associated mechanics and control officers. You can treat those groups almost like small families and you can test, you can quarantine. And my sense is a lot of that training continues, although I have a specific interest in whether flight training continues as before. But I know that as you get to larger and larger echelons, of course you have much more concern about your ability to reliably prevent a few individuals who may be contagious and unaware of it maybe from infecting the broader force. And, therefore, my understanding is that on some of the big unit maneuvers, exercises -- like, for example, in your own Army's Army National Training Center, Joint Readiness Training Center in California and Louisiana, up until now you've suspended the brigade scale exercises that involve several thousand soldiers at a time, but you're looking to resume that, I believe General McConville said last week, with a security force assistance brigade rotation to the JRTC in Louisiana, which would be a little smaller but still more than 1,000 soldiers.

Is that basically how you are thinking about it? That you're going to try to take step by step back towards the bigger exercises? Or what's -- it's too soon to be sure, I'm confident, but what's your basic way of thinking about getting training back to where you think it needs to be?

SECRETARY ESPER: You're basically right, Mike. You summed it up. I mean the smaller the unit, the more capable you are of preserving the integrity of that unit and training. As you get higher, in terms of the size and scale and scope of the exercise the more challenging it becomes and the more risk you absorb that you may get soldiers, sailors, airmen, and marines infected. So the Army is working a new concept by which they would do multi echelon training, but in a disaggregated way to ensure Force protection.

You are right, we had to suspend or cancel some combat training center exercises, red flags, et cetera. And that's the one area when it comes to training that we're concerned about that over time it may have a cumulative impact. At this point in time we're seeing low impact, but over time it could accumulate, particularly as we look at how we train with our friends and allies. And so that's one of the

concerns that we look at.

One of the things we have done, though, is we looked at tiering how we address our forces, how we test them, how we preserve their readiness. So at the top of that tier are what we call, of course, our tier 1 force, whether it's our strategic forces, our premier counterterrorism forces, our premier cyber command forces, all those type of soldiers, sailors, and marines, we want to make sure that they can continue their mission, can continue to train and protect the country. We're taking extra care with regard to their testing, their quarantining, their safeguarding, so that we preserve that capability that we know we absolutely must have.

MR. O'HANLON: So if I could follow up with a couple of specific examples, and with apologies if some of these, you know, get sensitive or classified and you may not be able to respond.

Let's take Korea, for example, where we have an Army brigade all the time as well as two substantial Air Force wings. And, of course, we've also had the broader question as President Trump has tried to engage Kim Jong-un on nuclear negotiations, we've essentially seen the two countries move towards a little bit of a de facto mutual moratorium. We don't do the bigger exercises, they don't do the nuclear and ICBM tests. In my opinion, that's an extremely good deal for the United States, but leave that aside. I know that you, the Secretary of Defense, have to be concerned training of a forward unit in a place like Korea.

Any detail you can offer about that?

SECRETARY ESPER: Well, I'd say, first of all, General Abrams has done a great job on the Peninsula. You know, he was there when the coronavirus first took off I think in January and certainly into February. He implemented -- with the broad guidance we gave him, he took really some bold actions to control it, he raised his health protection control level, he made restrictions, put other things in place. And he's been able to really preserve the readiness of the Force down there. So I can confidently say that we are preserving the "fight tonight" status readiness that we need on the Peninsula with our ROK allies. And General Abrams has been able to sustain that. I mean I hear from him or speak with him weekly. The Force is in very good shape. And you're right, it's all about deterring bad behavior. And

they've been able to do it and preserve the readiness as a result.

MR. O'HANLON: So, for example, and again with apologies if I'm pushing too far, but they might be able to still do, let's say company level training with a couple of hundred soldiers at a time and with some air coordination with Air Force units as well as Republic of Korea units. They can still do enough to mimic what an actual fight would be like and they're not losing those kinds of skills.

SECRETARY ESPER: That's right. We can preserve readiness and our capability. And we also augment that capability and that training with off-Peninsula resources. So whether it's a bomber presence, fighter aircraft, of course a Naval presence. We bring that as well. That doesn't have to be stationed on the Peninsula to do that.

MR. O'HANLON: While I'm on the subject of Asia -- I'm going to come back to readiness and COVID of course, but some people have taken note of bombers no longer being permanently stationed on Guam, but rotating through, others have wondered what's the pace of U.S. Navy deployment in the South China Sea in response to what you said earlier, the increased tempo of some of China's efforts to intimidate or exercise its own claimed authority in the South China Sea.

Any details you could provide about how you're thinking about the B52s and other bombers on Guam, as well as Navy deployments to the South China Sea?

SECRETARY ESPER: Well, since I came into office I said I was going to implement the National Defense Strategy. It was a strategy that I fully supported as Army Secretary. A key tenet of that strategy is called "dynamic force employment". It's the way by which you maintain a degree of strategic predictability to ensure the readiness of your Force, but garner a higher degree of operational unpredictability.

So we've been taking several steps -- some are known, some are unknown -- many more are unknown. But one of the known things that's come out in recent weeks is moving from a continual bomber presence on Guam back to our deployed forces from the United States. So what we can do that case now is we have far greater flexibility, we are able to maintain higher levels of readiness, and not just readiness in a single function or mission, but across a multitude of missions that the bombers perform,

and we can provide as great assurance to our allies and partners than we did in the past.

So this is a win-win for us in terms of again operational unpredictability to our adversaries, but at the same time increasing readiness and maintaining our assurance to our allies and partners.

With regard to the Navy in the Pacific, in INDOPACOM, Admiral Davidson has done a great job. He's actually picked up his tempo when it comes to operations in places like the South China Sea with regard to our presence, whether it's surface, sub surface, or an aerial presence. We're conducting a lot of surveillance flights, we have conducted a number of Taiwan Strait transits, we continue to watch closely what the Chinese are doing. And, as you know, it's been reported the Chinese have been a little bit more provocative in that part of the world. We saw they sunk I think a Vietnamese vessel; they're performing other things that are just very aggressive and not consistent with the international rules that we should all be following.

So Admiral Davidson has done a good job in terms of maintaining that show of force, that deterrence, that capability and readiness that we need in the Indo-Pacific region.

MR. O'HANLON: One last point on that, then I will come back to training and then maintenance and acquisition, if could. But some people have noted over the years that even as the Chinese have gotten pushier, if you will, in the South China Sea, they've usually handled most encounters with a degree of military professionalism, not all encounters. As we know, tragically, even going back to 2001 with the EP-3 incident and some other recent attempts maybe three or four years ago to have their ships sail right in front of ours on a couple of occasions that were dangerous.

But on the whole, my understanding is that most U.S. military officers and others watching the situation have considered the Chinese to be pushy, but within certain more or less professional bounds. Is that accurate? And do you see any change in recent weeks and months about whether the Chinese show proper professionalism in these close encounters?

SECRETARY ESPER: It depends. I mean generally we classify it as professional. When they don't, we *démarche* them. We're able to call them up and speak to them and cite the bad

behavior. In some cases we would consider it unprofessional, but maybe not intentional. It may just be bad seamanship or bad piloting. We do see cases of that as well where they're trying to perform a maneuver that's outside the skill of the pilot, if you will.

So it's a mix of things, but we stay in close contact with them. I, of course, talk to my counterpart, the defense minister. It's important we maintain lines of communication and we cite their bad behavior, their bad behavior not just being, you know, how they again maneuver their ship or their airplane, but also when they're taking aggressive actions that are outside the norms of the international rules, where they're claiming territory or space that simply is not theirs. And we want to make sure that we maintain, again, the laws of the sea and the international rules that have sustained us all very well for decades now. And we see the Chinese to continue to try to bend those, to change those, and to shape them in their own favor.

MR. O'HANLON: So if I can now return back to training and ask you to also explain, maybe from a different angle, how you are thinking about the path towards resuming training. You've already spelled out some of the things you intend to do and how you're perhaps going to start with units that are in parts of the country that are less affected or that have enough hospital capacity that if there's a problem they can respond, as Secretary McCarthy explained last week in an event we did with him. But I wondered, are you going to sort of also rely on more testing becoming available and therefore as you get into the summer when you're going to resume a red flag or a brigade rotation in California at the National Training Center, that you have even more ability to virtually test almost everyone going in or are you going to rely on the quarantine concept, where you make sure that anybody going to a big, you know, maneuver is tested and sequestered away for a couple of weeks, and therefore you're pretty confident that you don't need to worry too much about the potential for the outbreak?

What are the different pieces of the puzzle as you look at it?

SECRETARY ESPER: Well, again, for the most part we haven't stopped training. Training is critical to readiness, as is maintenance, as are the personnel fills, as is our supply system. So we've had to make some smart adjustments to get there. To the degree we can train and do some

degree of social distancing, we're doing that, depending on the situation.

The challenge here -- and I think you've spoke to it in some of the things you're written and said -- each service is different, each training area is different, each training scenario is different. So you've got to be able to adapt those core principles, those core guidelines to the situation at hand. We've spoken -- for example, folks like Dr. Fauci, and are adapting his principles and his guidelines to the Force and giving the commanders the freedom to do that so that they can maximize training in the safest possible way for their soldiers, sailors, airmen and marines.

Now, that said, as we develop greater testing capacity, we are looking at how do we do that, how do we train the Force and test the Force based on those tiers that I spoke about one. It's the tier 1 were those top end forces, then the next tier were deployed forces, and so forth, until you get to the bottom. That last tier will be, you know, a bulk of your forces who, unless they are displaying symptoms, we won't test them.

Now, one of the challenges that we know is asymptomatic transmission of the disease. And it's something we've known for quite a while, but what we really didn't appreciate until the TR (phonetic) was the fact that we are experiencing very high rates in the military with regard to asymptomatic transmission. So we've got to be careful about that to ensure that if something happens we have the medical capacity to identify those persons, quarantine them, and get them care as soon as possible if and as that happens.

So that's the approach we're taking. You know, the long-term view, which is part of the discussion here today, is what do we do over the next 6, 12, 18 months. My view, the view of the Chairman of the Joint Chiefs of Staff, of our commanders, civilian leaders, is there will be a new normal that we will have to adapt to for an extended period of time, at least until we have a vaccine that we're confident in. And that means the sooner we can adapt our practices, the sooner we can learn from this virus and make changes, the better we will be and the more likely we are to maintain a high degree of readiness for the Force. And we're looking at all those things right now.

MR. O'HANLON: Before I come back to equipment, including maintenance and

acquisition, I wanted to follow up on a point you made earlier, that the Army itself is helping -- or the military -- I'm sorry -- more generally is helping with research on vaccines and other treatments. Is there anything more you could share about the details of that at the moment?

SECRETARY ESPER: You know, I was at USAMRIID up at Fort Dietrich many, many weeks ago at this point in time. They were already on the front end with their public sector and private sector counterparts working on vaccines and therapeutics. They have been on that since then. We have DARPA engaged, Walter Reed is engaged, Walter Reed Hospital. So we're doing a lot on that end. We are participating in Operation Warp Speed, if you will. We are accelerating our efforts. I have had a number of meetings over the past two weeks to figure out how can we accelerate vaccine and therapeutic development, testing, and then production, because the sooner we can get there, the sooner we can get back to a normal that we all recognize. And the military has done a great job in that regard, again, working very closely with both their other public sector counterparts and the private sector.

MR. O'HANLON: A couple of more questions on readiness and getting back to normal, and then I want to ask about equipment.

You're there I think at the Department of Defense today. Doesn't look like your living room. And I know there are some people in the building, some people at CIA, some people at DIA, a lot of people in forward deployed locations, but do you have a concept in mind for the people how are handling paperwork, but often classified, a certain amount of it can't really be done by telework? Is there a concept for how that process plays out and gradually morphs back into something that's a new normal, but that preserves enough of what we used to do that you can really be effective handling classified documents and that sort of advanced planning?

SECRETARY ESPER: Yeah, absolutely. I mean we've been pleasantly surprised by how much we've been able to do when it comes to telework. And, in fact, in some cases we've seen an increase in productivity in certain areas when it comes to telework. That said, for the past few weeks our Chief Management Officer has been developing plans to reopen the Pentagon and other buildings, at least in the Washington, DC area. It will be based on the President's plan and the guidelines given to him

by our public sector experts so we can over a period of time in phases open up the Pentagon and other office buildings that like so we can, again, get back to a normal, but at the same time protect our people. That remains job number one.

I've been saying now for nearly three months, I have three priorities. Number one, protect our service members, our DoD civilians and their families. Number two, ensure that we can maintain our national security capabilities. And, number three, provide full support to the whole nation, the whole of government effort that has been underway now since -- at least for us since January.

As you recall, we opened up our bases in late January to Americans returning home from China who were brought back by the State Department and others. So we've been at this now for several months and we know what's important.

MR. O'HANLON: Thank you. I wanted to ask you about maintenance. You mentioned earlier that most kinds of training, most kinds of maintenance have not been severely impinged upon, although at higher echelons you've got some concerns, as we've been discussing.

But what about the maintenance of equipment? One of the great accomplishments that you've all I think managed in the last three years and, you know, was partly a reflection of increased resources, was to get equipment mission capable rates and maintainability rates back to higher levels, closer to what Secretary Mattis wanted, around 80 percent for aircraft, for example. I think you've achieved a lot of that. Are you able to maintain that now or are you seeing some reduction in work flow, whether it's at the actual depots or even just the spare parts providers who perhaps are a contractor or subcontractor level being affected by the virus more than the big facilities or the main DoD operating areas?

SECRETARY ESPER: Yeah, so again, we've seen a low impact to date with regard to our readiness. But one of the big areas that I'm watching closely and we're adapting our plans for is maintenance. And specifically the impact that COVID-19 is having on the defense industrial base. And not just for maintenance, but for production. So we have a different type of workforce out there than the service members that we have, in some ways more susceptible, more vulnerable to COVID-19. And

because they're out in the community some have shut down, or are on a reduced work load. So that obviously over time will have an impact on maintenance, whether it's local maintenance or depo level maintenance, or if you're on a production like it could have an impact there.

So Ellen Lord, our Under Secretary for Acquisition and Sustainment, she's doing a great job, she been very aggressive when it comes to working and talking with the defense industrial base. I will be sending a letter to them this week expressing my thanks for what they're doing and asking them how we can do better in terms of keeping the dib (phonetic) as we call it, at full capacity. But it is one of our concerns. We want to work closely with them, and Ellen is doing a good job in terms of cash flow, making sure we keep people on the line working. I've talked to governors, I've talked to people in the supply chain about how could provide protective equipment or at least get the access to it.

So all those things are the table. That will be an important factor as we move through this in the coming months.

MR. O'HANLON: Is your greater concern with production at the subcontractor level as opposed to the prime, because sometimes the subcontractors are small, they're in the community?

SECRETARY ESPER: Oh, yeah.

MR. O'HANLON: Can you say a little bit more about that? And also whether there are financial mechanisms to help some of these subcontractors that maybe some of them should be more aware of than they've learned so far.

SECRETARY ESPER: Yeah, absolutely. You know, I worked in the industry for a few years, so I know that the further you go out into the supply chain, the more vulnerable, the more susceptible your producers are, your folks are to -- whether it's financial fluctuation -- in this case it's a pandemic -- and so we have to take care of them first and then work our way back.

The bigger companies, the primes, they have the financial means to sustain themselves and do stuff like that. That doesn't mean we shouldn't pay attention to them, but our priority must be placed on the furthest end of that supply chain first and then work our way back in from there because that's where you see a lot of vulnerabilities where, again, companies simply don't have the depth of

financial means or personnel, whatever the case may be, to maintain those items, those components that are critical to assembling and bringing together the entire product.

MR. O'HANLON: So, so far you haven't really had an adverse reaction on throughput of final finished products, whether it's vehicles, aircraft, ordnance, but you're concerned that there could be some looming vulnerabilities because certain kinds of component parts perhaps don't get produced? That's essentially the crux of the problem?

SECRETARY ESPER: Well, it's things like that. We've seen it acutely here in the past few weeks with regard to our supply chain that extends into Mexico. Of course in Mexico they've shut down a lot of their factories. That's been a concern of theirs. Again, Ellen Lord has been working with her counterparts. She's spoken to the U.S. Ambassador to Mexico, I've spoken to Secretary Pompeo. We're doing everything we can to get that line back up and I'm sure we will here very soon. And that's just an example where the production line extends beyond our borders into Mexico, but nonetheless we still need to keep that supply chain moving forward and putting stuff through the system so we can maintain either our readiness because of maintenance of parts, or because it's a replacement, an entirely new system that needs to come on line.

MR. O'HANLON: I'm starting to get a number of questions from viewers and a few of them sort of could be put together into one broad question about finance for the defense industrial base. And so are there any considerations about specific needs that you may have to focus on more, either spreading the word that certain kinds of loans are available where people may not yet know, or getting some help in any kind of a future financial relief package that has not yet been targeted clearly enough on the defense industrial base, or asking for some more money in the supplemental -- which is maybe a somewhat different question -- but based on different kinds of demands, including the 45,000 guardsman, reservist, and active duty forces that you mentioned are around the country helping with the domestic response today.

So in terms of a supplemental, in terms of another CARES Act, in terms of existing funds that people may not know about, is there any big message that you would want to send out today?

SECRETARY ESPER: Well, the first thing I'd say is congress has been very generous in that first tranche of money, giving us, what, \$11 billion or so under the CARES Act to do a number of things with regard to the defense industrial base. We are leveraging the Defense Production Act, which we've done by the way to purchase medical supplies, equipment, and whatnot. And we need to continue to leverage that money over the coming days and weeks. Again, we are working that, but we anticipate the likely need for additional monies coming out if there's a fourth supplemental because we see again greater demand with regard to medical supplies, we also know we need to restock our shelves, our inventory when it comes to medical supplies. But we also want to continue priming the defense industrial base. We want people at work, we want our base at work, we want to continue with payments, we want to help with cash flow, and we're looking at a variety of ways by which we can do that. Again, it's very important. This is -- you know, DoD is not an island. We really rely heavily on the private sector. And so many of our private sector workforce has been affected by COVID-19, either personally they've been affected or maybe they're in a state where there's a shutdown order or maybe they're working such close quarters that the management doesn't feel comfortable asking them to come to work because of the conditions.

So we're trying to work through all those. We're looking at them one at a time. Ellen Lord has been all over this now for many, many weeks. And there's more we can do and will do as we try and plan ahead.

MR. O'HANLON: I want to now move to international questions where they may be a COVID dimension, as with Iran or the U.S. military presence in Iraq or Afghanistan. But before I do, because we've been talking about the domestic home front a bit -- I know it's very much on your mind -- is there any additional concern you have, any looming need for the Department of Defense to do even more in the future in some domains?

The reason I ask is that you mentioned the hospital ships perhaps won't be needed since some of the acute caseload didn't turn out to be quite as great and may have already peaked in places like New York City. But one concern that some people have had is the strength of the U.S. police forces

around the country where you've already seen 15 percent attrition in New York, 20 percent in Detroit. I shouldn't say attrition, I mean sick leave. People who either have COVID or are self-quarantining. And the question being raised as to whether the National Guard in particular in compliance with Posse Comitatus may need to go help the police forces in a more direct way than it has so far.

Is that kind of conversation happening? Does it need to happen? How do you view the domestic requirements for military assistance in the future?

SECRETARY ESPER: Well, you know, you hit on something that's very important. Again, I said earlier we had 62,000 service members out on the streets of America right now, 45,000 of them are National Guard who are just doing tremendous work. And at the peak of our presence we had well over 4,000 medical professionals out there. We were very responsive to the needs of the state and local authorities and eventually we got to the model whereby -- to the point you mentioned -- we saw doctors and nurses either getting infected or simply worn out because they were running 24 hour days for weeks at a time. We were able to put our doctors and nurses into hospitals and really either boost them or substitute for a period of time so they can rest up.

I have not heard that we've reached that point yet with the police forces. Again, the National Guard would be well suited to do that, certainly better than the active component for the reasons you mentioned. We have not seen that yet, but that would be a mission available to them depending on how the governor of each respective state wants to leverage them.

MR. O'HANLON: I wanted to pose a broad question about how COVID-19 is affecting potential American threats or adversaries. And we know the Pentagon for now a half dozen years has been using this so called four-plus-one framework, but you and Secretary Mattis and others sort of modified it to what some people call two-plus-three for focus on Russia and China first and then Korean, Iran, and Terrorism in a tier right after that. And the National Defense Strategy emphasizes those kinds of concerns.

We've already touched a little bit on China today, I wanted to ask in broad terms if you had any comment about what you're seeing from those other major preoccupations of the Department of

Defense -- Russia, North Korea, Iran, and transnational terrorism. I think you said that terrorism seems unabated, hasn't been affected in the intensity of various kinds of attacks, but do you have any high level view or comment about the behavior of Russia, North Korea, and Iran so far?

SECRETARY ESPER: Sure. Well, I think I said up front, the world remains a dangerous place. So many Americans, rightly so, are focused inside these days, even the media. But we're still seeing all the same bad behavior out there that we saw before, whether it was, again, the Russians trying to probe our air defenses up in Alaska, the Chinese in the South China Sea. We're seeing all that. In some cases it's a little bit more pushier than others, and other places we see them standing down, if you will, because they are affected by COVID-19 as well. It's not being reported as much, they are not reporting it as much, but we know that they are concerned about it.

And so we're very cautious and we're also very conscious of what's happening out there. My watch word to the Force is to remain vigilant. These are uncertain times, you don't know how states or militaries will act, so we've got to remain vigilant out there on the front lines. And the commanders completely get that. I meet with them or talk with them weekly about this and we've done everything we can in terms of pushing testing supplies, hospitals, doctors out to the deployed force to make sure that they can remain as ready as possible to deal with these threats.

MR. O'HANLON: I want to come back to the Middle East in a minute where you have, of course, so many forces deployed, but one more question on Russia if I could. Just now, again, and in your opening comments, you mentioned the probing flights in the northern space and sort of on the eastern flank of Russia. What about Europe and the Middle East? Which of course has been the number one source of concern with regard to Russian behavior, especially since 2014. And some people, some of the audience today, has asked about Defender 2020 and any kinds of exercises that we planned that may now have to be curtailed or postponed, and your overall sense of our preparedness in Europe, specifically in regard to Russia and its potential provocations.

So it's a two part question. Do you see more provocations and do you have worries about our preparedness in that particular theater?

SECRETARY ESPER: You know, I wouldn't say there's been a material increase in provocations. You see certainly the Chinese have been a little bit more aggressive out there in the Pacific. The Russian remain busy in Libya, of course, in Syria, places like that.

But I'll tell you, with regard to NATO, the alliance has held strong. I've talked to many of my counterparts from Europe about their state of readiness, how we can help them, et cetera. But over the last few years, I think we've seen NATO readiness increase. You know, President Trump has been very insistent, as have I, that they contribute more to defense, get above that 2 percent threshold, and they have. SACEUR, the Supreme Allied Command in Europe, has made a NATO readiness initiative a priority, which I have as well. That's 30 battalions, 30 squadrons, 30 Naval ships ready within 30 days. We've seen an uptick in readiness there.

So I think overall the trend for NATO readiness has been positive in terms of both capacity, capability, and the ability to deploy it in a timely manner. And so all that is trending well at this point in time. And that's generally where we see things right now.

MR. O'HANLON: On Iran, we know that Iran has been extremely hard hit by COVID-19 internally. It has also obviously been pressured by the U.S.-led sanctions regimen, and yet, of course Iran tends to conduct activities that are often covert, not always that expensive. And I want to ask you in a minute about Iran and Iraq. But first, if I could focus directly on Iran.

We know that there have been some concerns about Iranian gun boat provocations in the Persian Gulf vis a vis the U.S. Navy. Are you seeing any change in activity there? Do you have any concern that Iran, perhaps because it's getting backed into a corner so to speak with its economy in such dire straits, its healthcare system in such dire straits, is doing the only thing that Iran knows how to do, which is to lash out?

SECRETARY ESPER: Well, Iran has been hit very hard by the Coronavirus. And it's had an impact on the economy, on society. And, as we've been saying, look, if they pay more attention to their people, divert their funds to helping the population instead of funding malign activities from Africa all the way to the Middle East, whether it's more funding Shia militia groups, providing rockets and missiles

and ammunition to the Houthi rebels, if they'd focus their attention and resources on their people, it could be a much better place for the Iranians, the Iranian people themselves. But instead they continue this malign behavior that they've been up to now for, what, 41 years. And that continues, despite the impact of sanctions, despite the impact of the coronavirus, and in spite of all those things.

And, by the way, we the United States have offered to help them provide medical supplies and whatnot, and they've turned that down. So, you know, my hope would be that they would focus on the Iranian people, try and help them through this, try and provide the Iranian people the testing, the medical supplies, the proper policies they need to get through this, because those are the folks who are suffering right now.

MR. O'HANLON: And let me now ask about Iran's role inside Iraq. Now, of course, there's been a lot of news in Iraq in the last few months and it almost seems like the world moves so fast these days that we just forget the seismic developments. And they were all sorts of different types of developments, everything from Iraqi protests against their own political leaders, partly due to economic malaise, partly due to concern that the Iraqi leadership was too close to Iran, people didn't like that. We saw some sniper activity. Perhaps some of that was Iranian sponsored. Then we saw, of course, the United States retaliating against militia groups that were instrumental in shelling our bases, and that led, of course, to a back and forth. Then we had the Soleimani killing, one of the more dramatic developments in Middle Eastern security politics in recent years. But it seems like the conversation about that lasted for about a week before we moved onto other things.

There's been a lot going on and I wondered how you would take stock of the situation today. I think the Iraqis are still trying to put together a new government, they're still trying to figure out if they want us to stay, which is a decision they can't really make until they stabilize that new government. We're still figuring out if we can protect our forces better if the Iraqis don't help us enough protecting our own key facilities.

What's the state of play right now as we get into May 2020 with U.S. forces in Iraq?

SECRETARY ESPER: Well, you've covered a lot of terrain there. Let me just say this up

front, the United States policy remains unchanged. We really want Iraq to be a secure prosperous and sovereign country. And we're willing to support them in any way we can to do that. We are committed to the enduring defeat of ISIS, which means providing train, advise, and assist and those types of things. But the fact is the Iranian government has its tentacles into the Iraqi government at a time when -- and it's been that way for a number of years. It seems like it has escalated. At this point in time the Iraqi government is struggling because they cannot form themselves. You have a new designated prime minister who's trying to pull a government together. He's being influenced by Iran or Iranian proxies through the Shia militia groups. And, at the same time, due to the collapse of oil, the price of oil, you've seen a collapse in their revenues.

So it's a tough time for the Iraqis. Again, what we want to see is the Iraqi people enjoy the sovereignty that they want, that they desire. As you've seen the Iraqi people out in the streets, it's been about two things, corruption and the influence of Iran in their country. And we want to do what we can to help them get through that and become a sovereign independent prosperous nation.

MR. O'HANLON: We still have roughly 5,000 U.S. forces in Iraq, but they are consolidated in a smaller number of bases. Is that a fair summary of how things have evolved in the last few months?

SECRETARY ESPER: Well, we have an obligation. And sure we can protect our people. And as we've seen, again, Iranian malign activity in the area, particularly in Iraq. We know that Iran continues in one degree or another to fund or resource or direct or somehow shape the behavior and actions of Shia militia groups in that country. And that is a threat to us and it's a threat that actually the Iraqi government is responsible for and needs to take control of.

And I've talked to my counterpart about it, as has the chairman of the joint chiefs of staff. But, again, when you have a government that's struggling to form itself and to get control, it's hard for them to do that. And so we have consolidated and hardened our positions. And, again, we support Iraq's sovereignty. We've got to see where that government will come out and what the future of our presence in Iraq will look like in the months ahead.

MR. O'HANLON: So in a minute or two I want to finish up on the broader question of the National Defense Strategy and the implementation of that. And, of course, that is partly related to COVID-19, but also largely separate from COVID-19.

But before I do I want to ask about Afghanistan. And I realize this is a complicated question because I'm inevitably going to be asking you a question that touches on diplomacy and the peace process in Afghanistan. But there is I think at the moment a little bit of confusion, perhaps intentional and perhaps even desirable, about exactly what U.S. policy towards Afghanistan would be if the peace process with the Taliban and the government led team of, you know, political actors, NGOs, civil society, if that peace process continues to stay bogged down, if the Afghan government can't even decide on, you know, how they're going to structure power sharing between the top two individuals, and if there is an uptick in violence, especially by the Taliban against the Afghan police and army, and there is really no headway on seeing even the beginning of a promising negotiation. Are we really going to leave next year, according to the current plan, or is there enough play in the deal that's been discussed, negotiated, and the understanding of that deal, that the United States still reserves the right to say listen, the Taliban is not negotiating in good faith and we're going to rethink our commitments. Certainly we're going to rethink the idea of getting out altogether come 2021.

Any comment on that broader situation, which of course now is complicated by COVID as well. I don't know if it's complicated in a way that makes the fighting over time likely to diminish because people get stuck. But so far at least we've seen no report, I don't think, of any reduction in violence.

So over to you, Mr. Secretary.

SECRETARY ESPER: Yeah, so let's go back to the basics and the basics are this -- that our goal remains that we do not want Afghanistan to ever become a safe haven for terrorists who can attack the United States. That's number one.

Number two is we also know that this conflict between the Taliban and the Afghan government, it's not going to be won on the battlefield. There's not a military solution. We have to have a political solution to this. And that's the process that we set up. The peace agreement that we arranged

between us and the Taliban that eventually will lead to inter-Afghan negotiation, that is the best path forward for all parties, particularly the Afghan people, who have suffered so horribly now for 19-20 years. So that is the path we are on.

It's clear to say that that path has been long and winding and bumpy, and it's behind schedule, if you will. We continue to talk to both sides about what they need to do to fully implement the agreement. There has not been a reduction of violence, if you will, from the Taliban side. On the other hand, they have not attacked us or attacked major metropolitan areas. On the other side, the Afghan government needs to organize itself and reach an agreement.

We understand right now there is a possible new power sharing agreement coming out between Abdullah and Ghani. If that's successful then we can form an Afghan negotiating team that then sit down with the Taliban. We've seen some exchanges of prisoners, but not enough. We need to get this process on track. That is the way forward. The United States will continue to support our Afghan partners in that process. In their defense we have conducted counter strikes against the Taliban and we will continue to do that as well.

But at the end of the day, again, we want to make sure Afghanistan does not become a safe haven for terrorists. We are comfortable we can get down to a lower number and still do that and still adhere to the terms of the agreement. And then from there we'll make decisions that are conditions based.

MR. O'HANLON: Very good. Thank you.

Just a couple more questions. And they relate again to the National Defense Strategy, great power competition, and the path forward more generally.

So I guess I could just put this in broad big picture terms. Anything of particular note that you would want to say, whether it's technologies that are showing more promise, as John Allen alluded to earlier, that you've been pushing and championing in your job, whether it is any kind of other innovation in the Force that you're seeing that you want us to be aware of and remember is ongoing? Anything else beyond the sort of immediate crisis management and COVID-19 dimensions of the National Defense

Strategy?

And it's probably too soon to know if there's going to be any effect on your budgetary top line from all of the developments in the world in 2020, not to mention a presidential election in November, but certainly the way COVID is affecting our GDP growth rates, our debt, everything else is going to presumably be debated at length in the months and years ahead. But I assume you don't have any change yet in your expected top line. Could you confirm that and then say anything else you would like to about implementation of the National Defense Strategy?

SECRETARY ESPER: Well, when I came into office I said my top priority would be implementation of the National Defense Strategy. And we've been working pretty hard on that now in the 11 months or so that I've been Secretary of Defense. And I'll talk about some of those things. Much of it goes unreported, if you will.

On the top line, I've said that we need -- if we're going to continue to increase readiness, make this shift to implement the NDS, et cetera, we need a 3 to 5 percent annual real growth year over year. I am concerned of course that the massive infusion of dollars into the economy by the congress and the executive branch, nearly \$3 trillion, may throw us off that course, if you will, because, look, we all recognize that the United States has an enormous debt and we have to deal with that too. And so there is a concern there that that may lead to smaller defense budgets in the future at the critical time at which we need to continue making this adjustment where we look at China then Russia as our long-term strategic competitors. That means shedding the legacy force and moving to a more modern force. And that more modern force looks like our completely revitalized strategic forces. And, as you know, we're rebuilding all three legs of the nuclear triad, whether it's the ground based strategic deterrent, the new SSBNs, or long range strategic bombers.

But we're also investing a lot of money into AI, into hypersonics, into our space capabilities, into cyber, into directed energy, all types of things. That will continue. At the same time, Michael, last summer we kicked off, and we just had an update on it last month, a new joint war fighting concept that it the successor to air-land battle, that will make sure that we're fighting in all domains as a

coherent, cohesive joint Force.

We have new plans to reach out to our allies and partners and make sure they're well integrated into all of our efforts.

There are a number of things that we're doing on a variety of fronts to get to that point. And, again, I have a 10 point plan by which we're executing that to ensure that we're prepared to deal with the strategic threats we see in the future. And, again, those long-term adversaries being China -- or competitors being China, then Russia.

MR. O'HANLON: Are you concerned that even with the existing pre-COVID-19 benchmarks we're going to see a plateauing of the defense budget? If that turns out to be the case -- let's say we go through COVID-19, all of the fiscal disruption, we go through the presidential election, whoever wins winds up still sticking with more or less a flat budget going forward because of some of the fiscal concerns, are there still smart ways we can implement that National Defense Strategy, even though it's going to be a lot harder for you or your successor? Are there still natural ways that one could imagine make economies that could live within more or less a flat top line? Or is that essentially incompatible with the National Defense Strategy as you see it?

SECRETARY ESPER: Well, there are things we can do that are not budget dependent, if you will, unlike modernizing the Force.

First of all, I think we've got to continue what I started last summer, the Defense wide reviews. And I came in late July or early August and we were able to find over a period of three months about \$6 billion. I was able to immediately put that back into things like lethality, some of our new technologies, and other things we need to modernize the Force.

But there are things we can do, again, that don't require a lot of money that can help us get to that. So I mentioned the new joint war fighting concept. We are now in the process of transitioning to a concept of readiness called -- where we have immediate reaction forces and contingency reaction forces, we have new directed readiness tables, we're implementing the policy of dynamic force employment. I want to move much more toward operational deployments as compared to permanently

deployed forward forces. So there are a number of things we can do to keep our adversaries off balance to improve our own readiness at the same time that don't necessarily involve massive infusions of dollars.

That said, we do need that sustained top line growth. And if we don't, we're just going to have to accelerate the shedding of the legacy force and turning those dollars back into building the force we need in the future. And every service needs it. Look, we need a larger more capable Navy that can implement disaggregated lethality across the Seven Seas, we need to modernize, of course, our Air Force and continue working on sixth generation capabilities. The Army needs to, of course, transition out of the Regan era of big five and get into the next era of big five that will be necessary for high intensity conflict. And, of course, the Marines are doing some really innovative with regard to how they are adjusting their force. And I think they have a pretty good blueprint to do that.

So all those things need to continue. That just means we're going to have to shed the legacy far more quickly. There may be things we need to stop doing in order to free up dollars, but at the same time we can -- there are policy things, adjustments we can make in our training, relying more on our allies and partners to make sure we can get to that future end state we want on time.

MR. O'HANLON: Mr. Secretary, we're lucky as a country to have you in that job and we're grateful at Brookings for the time you spent with us today. Thank you very much and very best wishes going forward.

SECRETARY ESPER: Thank you very much, Michael. Thanks for paying attention to these important topics and thanks for what Brookings does.

MR. O'HANLON: Our pleasure. Best wishes to you. Best wishes to all for coming out from Brookings.

SECRETARY ESPER: You too. Stay safe.

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