

Chairman Waxman and Ranking Member Davis, thank you both for scheduling this hearing and for agreeing to hold it with the National Security and Foreign Affairs Subcommittee.

The Government Accountability Office's report that is the centerpiece of our hearing today is striking – and should be a reason for concern by the Congress and the American people – for two central reasons.

First, the scope of money we're talking about here is immense. We currently spend as much on our military as every other country in the world combined. Last year, we allocated 53 percent of all our discretionary spending to defense – \$549 billion – and that does not even include the \$115 billion in supplemental funding for the wars in Iraq and Afghanistan. As the GAO points out, we have \$1.6 trillion in total planned commitments for weapons, and in 2007 the Pentagon exceeded original budget estimates by \$295 billion.

Second, the Pentagon's stewardship of our taxpayer money is getting worse:

In 2000, the Pentagon exceeded costs by \$42 billion; now, it's \$295 billion.

In 2000, original weapons costs grew by 6 percent; now, it's 26 percent.

In 2000, our average delays in delivering initial weapons' capabilities were 16 months; now, it's nearly two years.

Today's hearing centrally asks the question whether we're being responsible to our taxpayers. In other words, when it comes to developing and buying weapons, are we spending Americans' tax dollars wisely?

On that front, the GAO report raises any number of important questions:

Why are things getting worse when it comes to cost overruns and delays, especially when underlying problems have been known about for years and years? In other words, why can't we do better?

Why has the Pentagon failed to meet industry accepted best practices in any of the 72 programs surveyed by GAO?

Why do we continually reward contractors, who now make up nearly half the workforce on these weapons programs, when they apparently aren't delivering under budget and on time?

Is it unreasonable to ask that any proposed weapon system have clear expectations, realistic technology, and appropriate testing?

Why do we continue to "buy before we fly?"

Tomorrow, the Subcommittee will hold its third hearing on the missile defense program, which I feel exemplifies many of these issues. This decades-old program has already cost taxpayers \$120-\$150 billion dollars, and according to the Congressional Budget Office, may cost another \$277 billion over the next 20 years. It has been plagued by delays and cost overruns, and with a lack of realistic testing. Yet, we continue to throw good money after bad.

Our core defense budget – that is, the budget excluding the hundreds of millions of dollars of supplemental funding for Iraq and Afghanistan – has grown by an average of 8 percent per year over the last eight years.

Is part of the problem here in terms of cost overruns the fact that we currently lack any discipline or budgetary pressures in our defense budget?

With these nearly double-digit yearly percentage budget increases, is there any fiscal discipline being exerted to hold down costs and to make difficult trade-offs between what we really need

and can afford versus a system that gives everybody what they want?

Where is the evidence that the Pentagon or this administration have any broad strategy for identifying all threats or risks to our security (from concerns about penetration of our seaports to acts of terror on foreign territory) resulting in any prioritization of defenses to be engaged? If it is claimed that one exists, then let's have the Joint Chiefs of Staff in to explain it to the American people and show how, in fact, there was any prioritization of weapons system production with those threats, and their realistic likelihood of employment against the United States. Further, let's see their cost-benefit analysis comparing them with the value of other defensive systems that could or are being employed and the need to strengthen the core of this country – its physical infrastructure and human capital, for instance. One gets the sense that the Pentagon is functioning as if resources are unlimited and no competing demands exist.

Moreover, as Defense Secretary Gates himself has repeatedly pointed out – national security in the 21st century must emphasize soft power as much as hard. He has stated, and I quote:

“My message is that if we are to meet the myriad challenges around the world in the coming decades, this country must strengthen other important elements of national power both institutionally and financially, and create the capability to integrate and apply all the elements of national power to problems and challenges abroad.”

At a time of economic hardship and these myriad of foreign challenges facing us, couldn't we find a better way to spend \$295 billion, other than for weapons cost overruns?

Thank you again, Mr. Chairman.