JOHN HUGHES: (Sounds gavel.) Good afternoon, and welcome. My name is John Hughes. I'm an editor for Bloomberg First Word, that's Bloomberg News’s breaking news desk here in Washington, D.C. And I am the 108th President of the National Press Club. Our speaker today is Representative Mac Thornberry. He's the Chairman of the House Armed Services Committee.

Before I tell you more about him, I want to introduce this distinguished head table we have with us today. These head table members include guests of our speaker, and they also include National Press Club members. I ask each person to stand when their name is announced. And starting from the audience’s right, Carl Leubsdorf, Washington columnist for The Dallas Morning News; Tom Vanden Brook, Pentagon correspondent for USA Today; Ellen Mitchell, reporter for Inside the Army; Marc Schanz, director of publications for the Mitchell Institute for Aerospace Studies; Jacqueline Klimas, reporter for The Washington Examiner; Captain Miles Miller, who is our speaker’s defense fellow; Kasia Klimasinska, a Bloomberg News reporter who is the incoming chair of the National Press Club Speakers Committee.

Skipping over our speaker for a moment, Pat Host, a reporter for Defense Daily, and the Speakers Committee member who organized today’s lunch. Thank you, Pat. Kevin Wensing, U.S. Navy captain retired, a member of the National Press Club Speakers Committee, and director of the Navy League of the United States; Jen Judson, a reporter for Defense News, and co-chair of the National Press Club Young Members Committee; Josh Martin, chief of staff for our speaker; and Bob Simmons, House Armed Services Committee staff director. (Applause)
I also want to welcome our live audience here in the elegant National Press Club Ballroom. I want to welcome our viewers on C-SPAN and listeners on public radio. You can also follow today’s action on Twitter. Use the hashtag NPCLive. That's hashtag NPCLive.

Our speaker today is a Texas Republican who was first elected to the United States House of Representatives in 1994. That was the year that voters ended Democrats’ 40 year run in the majority. Prior to his election, Representative Thornberry was Deputy Secretary of State for Legislative Affairs in the Reagan Administration, and he also has previously worked as a congressional Chief of Staff. In Congress, he has been a member of the intelligence, budget, resources and homeland security committees. And in 2011 and 2012, he chaired the taskforce on cyber security. Thornberry’s most prominent role, however, is as chairman of the House Armed Services Committee.

In beginning his second year in that job now, he plans to continue an effort he’s already started to change the defense acquisitions process. His goal, which is shared by his Senate counterpart, John McCain, is to make weapons buying less wasteful and more agile and innovative. A 2015 GAO report says it’s not unusual for delivery time and cost to be underestimated by 20 to 50 percent. Critics of the system say the competitive market forces of supply, demand and price are missing when there's a single buyer, and that single buyer being the Pentagon. And there aren’t many incentives to deliver programs on time.

Some changes were included in the defense authorization legislation that was signed into law last year. But Thornberry has said that that piece of legislation was just a first step. What are the next steps? Let’s hear that from our speaker. Ladies and gentlemen, please give a warm National Press Club welcome to House Armed Services Committee Chairman, Mac Thornberry. (Applause)

CHAIRMAN THORNBERRY: Well, thank you all for being here. I certainly appreciate this opportunity to think out loud with you a little bit about the threats that the country faces, and about what Congress, and more particularly, the House Armed services Committee, intends to do about them in the coming year.

Last month, at the Library of Congress, the new Speaker, Paul Ryan, outlined his vision for rebuilding a confident America. And that included an America that is respected and leads in the world. He specifically talked about making sure we have a military for the 21st century.

As I have emphasized since I became chairman a year ago, the constitution puts that responsibility on Congress’s shoulders. Too many of us tend to assume that it’s the executive branch’s job to figure out what we need to defend the country. And then they send the bill to Congress and expect us to salute and write the check. But that’s not what Article 1, Section 8 says. It says it’s Congress’s duty to raise and support, provide and
maintain, make rules for the government in regulation of the military forces of the United States.

And the men and women on our committee, on both sides of the aisle, take that responsibility very seriously. As a matter of fact, as many of you all know, most of the issues we grapple with, we do so on a bipartisan basis. Now, that doesn’t mean that everybody agrees with every judgment call, but by and large, people try to find the right answer for the country.

Now, some of the calls we have made in the last few years that disagreed with the administration proposals, things such as retaining an aircraft carrier, not retiring the A10, keeping both the U2 and the global hawk when we have a severe ISR shortage. Those things in hindsight looked pretty good.

Today, we have to make those judgment calls in a very constrained budget environment and in the most complex, difficult national security environment the country has ever faced. Just think for a moment about the headlines of the last couple weeks or so. Escalating tensions in the Middle East between Saudi and Arabia lead to a greater chance, at least, of sectarian war. North Korea tests another nuclear device while continuing to advance its missile programs. Reports indicate Russia took down the power grid in part of the Ukraine over the holidays. A British film crew comes back from Raqqa with evidence that ISIS is vigorously pursuing chemical weapons, heat seeking missiles and remotely piloted-- remotely controlled vehicles.

More evidence comes out about ISIS operatives who are already in the United States, and in Europe. China lands aircrafts on these islands it has constructed out of the South China Sea. Not to mention Iran shooting missiles in violation-- or shooting missiles at U.S. navy vessels and then, of course, yesterday taking 10 American sailors and their boats.

If you look back just a few more weeks, we read about leaks about a Russian nuclear torpedo that could devastate, of course, coastal areas. And about Iranian hackers infiltrating the control system of a small dam less than 20 miles from New York City at the same time they were attacking the websites of U.S. banks. And, of course, the FBI helping stop four attempts in the last five years by Russian gangs to sell radioactive material to Mideast extremists.

Who knows what the next two weeks or two months in 2016 are going to hold? The world is more dangerous today than it was in 2009. And despite the President’s claim last night, that is not just hot air. That's the facts. That's reality. But it’s also the reality that it’s unlikely the Obama Administration is really going to do anything over the next year that's going to change that fact. And, probably not do anything that will abruptly change that trajectory. No president is irrelevant, but in many respects I think the country and the world are moving on.
So all that means the next commander in chief, whoever he or she may be, is going to inherit a whale of a mess on their first day.

You know, we all follow the news cycle as it goes from crisis to crisis. But as Charles Hill writes in his book, *Grand Strategies*, those of us living through great historical events can rarely even glimpse the significance of what is going around them. See, I believe that those who look back on the events of our time will find that we are living through historic times, the magnitude and the consequences of which we cannot fully appreciate.

But the question is, is it historic in a good way or historic in a bad way? What we know for sure is that the stakes are enormously high. No one can take the place of the United States of America as the primary force for good in the world. And yet, history teaches us that no power stays on top forever. Sometimes, there's a decline and sometimes it’s a sudden decline.

**AUDIENCE:** Representative Thornberry, do you want to know why we're in the most dangerous time? It's because your policies are keeping us in a state of perpetual war. When are you going to speak out about the cozy relationship between the United States and repressive regimes like Saudi Arabia, Egypt and Israel? Are you going to call for an arms embargo against Saudi Arabia who buys billions of dollars of weapons from us? Saudi Arabia is turning a blind eye while weapons, recruits and money goes to ISIS.

I hope you're going to speak out against Saudi Arabia tonight, sir, because it’s time to reevaluate that relationship. It's also time to evaluate the relationship between the United States and Egypt, another repressive regime. Saudi Arabia and Egypt are both repressing their own people and they're using American weapons. We are sending weapons to every side of every conflict in the world right now so we can only blame ourselves for this being such a dangerous time. Your policies are perpetuating endless war, sir. Take a stand against endless war.

**CHAIRMAN THORNBERRY:** Somehow, don’t you just think at the National Press Club that fits in in some ways? I kind of think so. I mean, I tell you, any of us in any of our businesses have to appreciate the first amendment.

**AUDIENCE:** It’s time to take a stand against Saudi Arabia, sir, and the silent [00:09:35] relationship.

**CHAIRMAN THORNBERRY:** And then again, it’s always nice to turn off the television and change the channel from time to time. My point is no country has stayed on top forever. Max Boot looked at the last 500 years of warfare, and he found that many super powers failed to take advantage of revolutions and military affairs and it had a drastic effect. He writes, “The end can come with shocking suddenness, even after a long streak of good fortune. Countries able to take advantage of these changes have been history’s winners, while those who have fallen behind have usually been consigned to irrelevance or oblivion.”
Well, no country is better positioned to continue to be one of history’s winners than the United States. But we also can't assume that it’s always going to be so. We have to take deliberate decisions to insure that we’ll still be able to be this unique force for good in the world.

And for Congress, that means that we have to provide the funding and the capability and the authorities needed to be able to defend the country. And to oversee the activities of the executive branch.

I think there are two primary characteristics that describe the military capability that we need. And they are strength and agility. We know from sports that you can't do with one and not the other. You have to have both. Strength is crucial. Churchill’s insight into Russia 70 years ago has a wider application today, I think. He said, “From what I've seen of our Russian friends and allies during the war, I'm convinced there's nothing they admire so much as strength, and nothing for which they have less respect than for weakness, especially military weakness. We cannot afford, if we can help it,” he said, “to work on narrow margins offering temptations to a trial of strength.”

Now, there's a lot of people that think that's exactly what's going on in the world today, that we are offering temptations for a trial of strength. And that's part of the reason the world is so chaotic. Military strength requires both quantity and quality of capability. The Obama Administration, for example, argues that a ship today is more capable than a ship 20 years ago. Well, generally that's true. But a ship can still only be at one place at one time, and we need enough of them to protect our interests and fulfill their missions all around the world. We do not have enough of them today. Nor do we have enough airplanes, nor do we have enough soldiers, et cetera.

Building a strong military requires money. Last fall’s budget agreement does not provide enough money for defense. But, I agreed with those who believed that it was better to accept less than is required in order to be assured that it would be there. After the budget brinksmanship of the Obama years, budget stability, even if it’s just two years, counts for a lot.

So I'm disturbed at rumors that the administration may not keep to the agreement in the budget submission that it will send to Congress in a few weeks. That agreement was that for fiscal year ’17, $573 billion would be available to meet base defense requirements. And that the OCO account, the Overseas Contingency Account, would receive no less than $59 billion with the exact amount to be decided depending on world events.

Well, that agreement was reached two weeks before the Paris terrorist attacks, and the pace of our military operations is much greater than it was then. But rather than ask for more money to cover the costs of the accelerated level of operations, it is-- the administration may be considering, it seems, lowering the base amount and not asking for the increase OCO. They do that, that cuts people, that cuts weapons, that cuts research,
that cuts military capability. Guaranteeing a minimum level of defense spending was the key to getting last year’s defense budget. The terms were clear to everybody and everybody ought to stick to them.

At the same time, our committee will not relent in our continuing oversight of how our money is spent. Waste and inefficiency drain military strength and erode political support for it. So in addition to vigorous oversight, we put a high priority on reform, which I'll return to in just a moment.

Of course, what we spend the money on, what we buy, is crucial. That gets me to capabilities. We, of course, have to make sure the men and women engaged in today’s fight have what they need. But we also have to take steps to make sure that we have what we need for the fights coming on ahead of us.

I'm paying particular attention to the third offset efforts to cyber, to modernizing our nuclear deterrent, and to special operations. The President said last night that no nation dares attack us or our allies because they know that's the path to ruin. Well, that's been true, and it's been true for a long time. Unfortunately, that's changing. Our committee has spent more time over the last year on the issue of our eroding technological superiority than it has spent on any other issue.

As you know, Deputy Secretary Work and Vice Chairman Silva are advancing a focused push known as the Third Offset, to make sure that in the future no state is willing to take on America. I applaud their efforts, but no one should be under the illusion that a handful of technological breakthroughs, even if they come, are going to guarantee our dominant position for many years ahead. Technology changes too quickly, information moves too fast, the threats are too diverse and that means bigger change is required.

Obviously, cyber is the new domain of warfare where technology is not the primary problem, but organizations, authorities, people are the most crucial things. This doesn’t just affect the military, but we have to be able to fight and win in cyber space. So the committee will be pushing issues related to people, organizations, rules of engagement in that domain to try to make sure we close the gap between the threat and the policies we now have to employ.

It may seem a little bit odd to put nuclear deterrent in some of those capabilities we need to think about for the future, but as the events over the last week have shown, nuclear know-how is spreading. Our own nuclear deterrent is the foundation for all of our other defense efforts. Unfortunately, our warheads and our delivery systems have all been neglected and are all aging out at about the same time. So we have to put the resources, which studies show will never be more than 5 percent of the total defense budget, but we have to put the resources as well as the focused effort and the willpower into making sure that we have a nuclear deterrent that will continue to protect this country in the future, not just a nuclear deterrent that was designed for a different age.
The world, including our enemies, has gotten a pretty good look at the enormous capability that our special operations forces brings. I have no doubt that we will continue to rely on them very heavily in the future. But there's a temptation, and we've seen it in other nations, to use soft forces for everything. One description of it is kind of like taking a sharp knife and raking it across the concrete. You keep doing that and it's not so sharp anymore. So we will be both supportive but also protective of our soft capabilities because some of them are absolutely vital for the security of our nation.

One of the areas where soft excels is in working with other security forces. And we're also going to be examining ways to help strengthen that capability because undoubtedly we're going to be doing more of that in the future.

While U.S. has always needed a military strong enough to meet the threats of the day, the current situation is unlike anything we've ever faced, for we must have the military capability to protect us against this enormous array of threats that confront us, was well as the unexpected.

In studying the anatomy of failure in war, Elliott Cohen says there's three kinds of failure; failure to learn, failure to anticipate, and failure to adapt. Well, that means the United States has got to learn, anticipate and adapt faster than anybody else does. And that requires institutional agility. So, reforms to help promote that sort of agility is at the forefront of what our committee is focused on.

I grouped these things into three different categories; people, acquisition, and organizations. The most important component of our defense is, of course, our people. We can never relax our efforts to make sure that our country continues to have the benefit of the very best people our nation can provide. Last year, we followed the recommendations of the Military Retirement and Compensation Commission and instituted a new retirement system for the military. Most people thought it could not be done.

This year, under the able leadership of subcommittee chairman General Doctor Joe Heck, we're going to be examining healthcare, which is a crucial part, of course, of all of our compensation as well as our well being.

Year after year, the administration has proposed raising tri-care fees and co pays on service members. But simply taking more money out of service member’s pockets is not reform. Joe and his subcommittee are examining the whole military healthcare system, taking into account the recommendations of the commission but also keeping in mind the primary purpose of military healthcare is to help make sure we can fight and win the nation’s wars.

As was mentioned, last year we made a pretty good start on improving the way the department acquires goods and services, focusing on the acquisition workforce, on acquisition strategies for each program, and on rebalancing the responsibilities between DOD and the services. This year, we're going to build on those reforms. My plan is to
again introduce a stand alone acquisition reform bill, solicit feedback and comments on it, adjust it as is appropriate, and then fold that into the annual defense authorization bill.

One goal I have this year is to encourage more experimentation and prototyping. If you study the great military innovations of the past, the clear conclusion is that experimentation was at the heart of every success. It encourages innovative thinking, not just in developing the technology but in how you use it. It helps insure that there is mature technology before you start production so that you don’t have those unexpected surprises. It reduces the odds that you're going to spend a lot of money on a program of record that you then have to cancel and have it all wasted.

And if you couple that with open architectures, it helps you upgrade your systems as you go along at a lower cost. One of our nation’s leading industrial design firms has as its motto, “Fail often in order to succeed sooner.” Because they believe that enlightened trial and error is the key to success. I think that's right, and I think history bears that out when it comes to military innovation.

Today, it’s hard to get money for experimentation without being attached to a program of record. And programs of record seem to be sacrosanct because once they get started, they hardly ever get stopped. I want to look for ways to foster experimentation and prototyping both in developing the technology and in their application and insure that only mature technology goes into production.

To do that, a cultural shift is needed, not only at DOD, but within the Congress. We have to accept or even expect regular, small failures in order to have greater success. For if every experiment is a success, we're not learning very much.

Another key area of reform is organizational. We have to make sure that the organizational structure in the Pentagon and around the world fit in today’s world. While most everybody agrees that the Goldwater Nichols reforms of 30 years ago were a success, I think most people agree that it’s time to take a new look at some of those reforms and not be afraid to make improvements where it seems appropriate.

Last year, we made a start at requiring the department to reduce the number of bureaucratic layers that not only cost money, but slow decision making. The first step in dealing with a sluggish bureaucracy is simplification. But I got to tell you, we have a long way to go. Michèle Flournoy testified that the tyranny of consensus has come to dominate the Pentagon, and if you look at the growth of staffs in the Pentagon and at the commands, if you're trying to get everybody to consensus, it's going to take a long time to make a decision.

The defense business board says that about half of all uniform personnel serve on staffs that spend most of their time going to meetings and responding to tasks from the hundreds of offices throughout DOD including 17 independent agencies, 9 combatant commands, and 250 joint taskforces. Needless to say, we've got a lot of simplifying to do.
Again, looking back over 500 years of military history, Boot says that having an efficacy bureaucracy is the key determinant of whether a country manages to take advantage of a military revolution. I don't know about you all, but that makes me a little nervous.

I think history tells us a couple other things as well. One is that necessary reforms have to come from Congress. Some change can come from within DOD, but much of the change that's required has to be required by the legislative branch of government. Secondly, we can't fix DOD, personnel, acquisition, organizations in a single bill, or even in a single Congress. And I don't think we should try. We should take measured steps, listening carefully to everybody involved in the system, especially to the end user, who are the war fighters, and then take further steps.

We will not get everything done this year that needs to be done. But at the same time, we're not going to be sidetracked by all the voices who say, “Oh, there's no use trying. It's just too hard. It's just too complicated, too big a mess. Don’t worry about it.” We are going to fulfill our responsibilities under the constitution.

If I may, let me just address a few more issues that have to do with our country’s security. In addition to building our military, Article 1, Section 8 says it’s Congress’s responsibility to declare war and use military force, authorize the use of military force. As you know, Speaker Ryan has-- wants to see if there are the votes in the House to pass an AUMF against ISIS. And those sessions on both sides of the aisle, I think, are under way. I've always believed we should pass an AUMF on ISIS while at the same time I understand the difficulties in doing so.

One of those challenges, by the way, is that 75 percent of the House was not in office on the morning of 9/11. But those of us who were here will never forget that morning.

Another challenge is that many Republicans are reluctant to authorize this president to use force when there is so little confidence around the country that he has a plan or the willingness to actually accomplish his stated goal to degrade and destroy ISIS.

Now, Democrats seem to share that concern because they are asking for more restrictions on an AUMF than Republicans want. Look, I do not want to tie our service member’s hands when we send them into battle. What Congress does or does not do will have consequences that last beyond this administration, so we need to find a way to do the right thing even if it's not politically easy.

Speaking of tying people’s hands, I've served on the House Intelligence Committee for more than ten years, and continue to sit in on their briefings, as well as the briefings that our committee receives. I have no doubt that at exactly the time we face more diverse terrorist and other kinds of threats than at any time in our history, we know less about what our adversaries are up to. We certainly know less than we did at the beginning of the Obama Administration.
Now, part of the reason is the evolution of technology. Part of the reason is the leaks that have told everybody, including our adversaries what we do and how we do it. But part of the reason is because of the ways we tie our own hands at collecting the information we need for the country’s security.

For example, PPD 28, Presidential Decision 28, gives foreign intelligence targets basically the same rights that American citizens have, overriding the instructions that the IC has gotten from every other president since Ronald Reagan. Now, we are asking more of our intelligence professionals than we have ever asked of them before, and yet we ask them to operate with one hand tied behind their back. That makes the country more vulnerable.

Finally, I mentioned earlier that it’s unlikely, in my opinion, that the Obama Administration will do anything over this coming year that will significantly improve the perilous situation we find around the world. I do not mean to disparage the many good people in the administration who are doing their best every day to try to keep the country protected. And I would include Secretary Carter and Deputy Secretary Work among them.

But the direction comes out of the White House. The White House imposes rules of engagement upon our men and women fighting in Iraq, now Syria, and in Afghanistan and those rules of engagement make it harder for them to accomplish their mission. And in some cases, it increases the danger to their lives. In addition to that, there is an unprecedented degree of micro management from National Security Council staffers not only of the top management at DOD, but of the men and women who are serving out in the field.

And I'd refer you to the books and comments of the last three Secretaries of Defense, and others who have left the Obama Administration just to get a feel for how pervasive and detrimental this practice is. Too often, decisions are driven by political considerations, not security considerations.

This unprecedented overreach endangers our people, complicates their mission and compromises our national security and I think it must end with this administration. Congress chartered the National Security Council in 1947. And from time to time over the years, it has adjusted it. Well, it may be time to look at it again.

I said earlier that the United States is a unique force for good in the world. If we do not have the ability to continue to be that force for good, or if we're unwilling to play that role, somebody else will fill the vacuum. That seems to be part of what's happening around the world today.

I suggested that we live in historic times, but we don’t yet know whether it’s historic in a good way or historic in a bad way. I think we take for granted the world which the United States helped build after World War II and the benefits that that has
provided to us and to mankind. Too many of us assume that human progress just inevitably marches forward.

But as Robert Kagan argues in *The World America Made*, the current liberal order will last only as long as those who built it retain the capacity to defend it. In the end, he says, the decision is in the hands of the Americans. Decline is a choice. I think that's right. It is in our hands. It depends on the choices we make. And for the sake of ourselves, our children and those around the world, I pray that we are able to answer history’s call in fulfilling the obligations that it has placed on the United States of America, and do so in a way that will make us proud. Thank you. (Applause)

**MR. HUGHES:** Thank you, Mr. Chairman. On behalf of the National Press Club, I apologize for that earlier interruption. As I was escorting the protester out of the room, she did not show her National Press Club membership card, so I don't think she's a member of the club, either.

Have several questions about Russia. Could you comment on the Russian navy’s growing presence in the Mediterranean and over flights around our coasts and can we expect any provisions in the National Defense Act for 2017 in response to perceptions of the Russian threat?

**CHAIRMAN THORNBERRY:** Well, two things are happening. One is despite the economic concerns that people have about Russia, and some of them are clearly real. But despite their economic problems, they are putting a priority on defense. And so they are building significant new capability that, as I mentioned, erodes the technological superiority we have enjoyed. Some of the stuff they're building is designed for us. So that's one thing that's happening.

The other thing that's happening is they are being much more aggressive about its use. And there are those who believe that they sense a U.S. retreat from the world and they want to step forward to take advantage of it and to reoccupy the place that they believe they have enjoyed in the past.

So, the tactical use of where you fly your ships and planes, obviously that's up to the military and the commander in chief. The capability to deal with what Russia is doing, that's on our shoulders. So, we will have provisions in the NDAA as far as developing capabilities not necessarily to match them eye for eye, but to have the capability that is needed to deal with the threats that Putin presents.

And just one brief example, every year Russia continues to crank out new nuclear weapons with different characteristics. Meanwhile, we haven't cranked out a new nuclear weapon since 1989, roughly. So, that's just one example of the difference.

**MR. HUGHES:** On ISIS, do you support sending U.S. ground combat troops to Iraq and Syria? And would you like to see an ISIS-specific authorization for the use of military force? And do you think Congress should pass one in 2016?
CHAIRMAN THORNBERRY: Well, as I mentioned, I think we should vote and pass an authorization for the use of military force against ISIS. As you all know, what we are doing is relying on the AUMF that passed a few days after 9/11 and that specifically is tied to those who committed the attacks of September 11, 2001, and those that harbored them. Well, ISIS didn't exist then, and so what the administration has to do is try to draw a link that this is a successor regime.

The problem is in Afghanistan today, ISIS is fighting the Taliban and al-Qaeda, so it’s a little hard to see how they're the same thing that we authorized the use of military force. I think we have to have a new AUMF, and I mentioned some of the challenges, however, in doing so especially on our side of the aisle, but on both sides. On both sides of the aisle.

I do not think that it makes sense to send 100,000 ground troops in to Iraq or Syria as-- or anything like the invasion force we had in Iraq before. But, I don't know if you all saw yesterday, we had three former officials from the Obama Administration, including the acting director of the CIA, Undersecretary of Defense for Intelligence, and ambassador to Syria all testify. All said ISIS is a strategic and lethal threat to the United States, not hot air, and we need to be doing much more, especially to reduce their caliphate. Because towns will come and go in Iraq and Syria, but they are growing in other countries, Libya, Afghanistan among them.

So we do have to have special operations people much more restrictive-- I mean, much more vigorous air campaign. One note came out in our testimony yesterday. The early days of the Afghanistan campaign after 9/11 had roughly eight times the number of aircraft sorties that we have in Iraq and Syria now, just to kind of give you a feel for the different level of effort. So we need to clearly be more serious about it. All of the rules of engagement that I mentioned are handicapping the efforts we are making, and as a result of that, many of our allies who want to do more, who are able to do more, don’t trust that the U.S. is going to lead and so they're holding back.

As you know, King Abdullah has been in town the past few days, met with our committee yesterday for a very good session on where things stand in this fight. So, it is-- I believe it’s serious, it is lethal significant, and I believe the U.S. must do more. It is not a choice between 100,000 troops or tying our military’s hands. There are many options in between, and I'd invite you to go look at the testimony we received yesterday from Obama, former Obama Administration officials to kind of give you the outline of some of that.

MR. HUGHES: Have a couple questions on Iran. Can you tell us anything beyond the limited information we've received so far about the Iranian sailors? And also, do you see any-- I'm sorry, the U.S. sailors that were detained in Iran-- and do you see any benefit in the nuclear deal that was negotiated between Iran and the United States? Any benefit at all?
CHAIRMAN THORNBERRY: Well, I don't know any more details at this point about the sailors who were taken. Obviously, it’s something we have asked the Pentagon to brief us on and we will, of course, follow up with that. Any benefit at all to the Iran nuclear deal? Well, of course if Iran gives up nuclear material, that's a benefit. The question has always been what does it cost? So, do the costs outweigh whatever benefit there is? And so part of the question is have they done this for good or is this a temporary measure to get sanctions relieved? Has this affected any of their other activities? They’ve had two missile tests directly in violation of their agreement with the U. N. since the agreement was reached, and we haven't done anything about it.

You see this aggressive action in the Persian Gulf. They're continuing their activities in Yemen. Hezbollah, all the things that they are doing around the world, none of that has slowed up at all. So as you may know, just before I came here, I voted on a further sanctions measure in the House, which passed, related to the missile tests in violation of their agreements. And I think one of the big frustrations that many people on both sides of the aisle have, is for the administration this has been get the nuclear agreement at all costs. And that's not the way this worked. Are there benefits? Sure, there are also costs and you have to see the whole picture, not just focus on one treaty that you hope becomes your legacy.

MR. HUGHES: Some questions on the new island bases in the South China Sea by China. Does the navy have what it needs to counter the threat in the South China Sea? How far should the United States go in protecting allies in that region?

CHAIRMAN THORNBERRY: We do not have what we need because we don’t have enough ships. I mean, that's part of what I was talking about. You can't be everywhere-- we don’t have enough ships to be everywhere we need to be. There's portions of the year that we were not able to have a carrier, for example, in the Persian Gulf. Pacific is huge. You know, we have lots of things to pay attention to. We do not have enough ships.

I think it’s very important to continue to have on a more aggressive schedule ships and planes to reemphasize the point that these are international waters. These are not owned by the Chinese. But, the other key point for me is that lots of countries in that region, some are allies of ours, some are not so sure, are looking to see what we do. They're trying to decide, okay, how’s this going to go? Is the U.S. going to step back and let China do what it wants to? Now, they may-- these allies, or potential allies, may be very interested in working with us to help push back on China all around their borders. But they need leadership from the United States. And I think if there's a big question in the world today, it’s whether the United States can lead, or will lead.

MR. HUGHES: The additional resources for the military, questioner wants to know where are those resources going to come from? How do you take on the budget restrictions involved in building a larger military? And one questioner says you were dismissive in your remarks about President Obama’s statements about the current strength of the U.S. military in the State of the Union speech last night. Was the President wrong
when he said that the U.S. spends more on defense than the next eight nations spending on defense combined? So how do you get the additional money for defense, and also responding to President Obama's comments that it’s already so robust?

**CHAIRMAN THORNBERRY:** Yeah. The President is not wrong to say we spend more than anybody else. Of course, we pay our people. Not everybody pays their people. So we have costs that other countries do not have. We also have responsibilities that other countries do not have. And so, we have to, if we're to fulfill our responsibilities, spend more.

I'm not dismissive of the President’s comment that we have the best military in the world. My point is that our superiority is eroding and we've got lots of testimony and evidence to support that. I will tell you, the one comment that got groans across the chamber last night was when he said this notion that our enemies are not growing stronger, is hot air. And that provoked a lot of-- I think that is empirically not true. That is certainly not true. Our enemies have grown stronger.

Again, I refer to the testimony we received yesterday on ISIS as an example. Russia is stronger militarily and in the world. China, we talked about, just go down the-- North Korea, Iran, et cetera. They are stronger. And the President seems to want to dismiss all that. You know, “Oh, don’t pay attention to all that stuff that's happening. It’s not real.” It is real. That’s the world.

Where do we get more money? There's only one place, only one way, really, in the long term, in the bigger picture, to deal with the budget issues that face the country. And that is reform of entitlements. That 60-- roughly two-thirds of the federal budget is spent on mandatory spending programs. We are down to about 15, 16 percent of the federal budget is spent on defense today. That's all it is. Now, remember it was about 50 percent during John Kennedy’s administration. Now we're about 15 percent, is spent on defense. Meanwhile, two-thirds of the money is spent on mandatory spending programs. So, that’s where it has to happen.

I just want to emphasize, a lot of people thought, oh, a new retirement system in the military, that's never going to work. You shouldn't try, you're just going to make people mad. What we did was we grandfathered people in who’d we made promises to. There's a group in the middle that can make a choice. If you're in the military for a fewer number of years, I think it’s under 12, you can choose to go to the new system or you can stay in the old system, it’s up to you. If you sign up tomorrow, you have to be in the new system. So that's the way we did it, make sure we keep our promises.

Now, why would some sort of template like that not be appropriate for other sorts of entitlement reform? We've got to. We simply have to. Or else the two-thirds of the budget that is mandatory spending and interest is just going to gobble everything else up. And so not only to adequately fund the military, but to deal with budget deficits and so forth, that's what is required.
One last point. I think the first job of the federal government’s to defend the country. So I think the first dollar that comes out of your pocket ought to be for defense. And everything else, mandatory spending and everything else, is after that. And in the dangerous world that we live in today, defense of our homeland, protecting our lives and our liberties, is more essential than ever.

MR. HUGHES: Will Congress heed the Pentagon’s call to revisit the base realignment and closure process? Why or why not?

CHAIRMAN THORNBERRY: We’ll see. We had a provision in last year’s bill that asked for data from the Pentagon about where they think they had excess bases and in what sort of categories do they have them. Because what's been happening since 2005, which was the last time we had a BRAC, there was a study before that that said we have 25 percent excess infrastructure. Well, they’ve been trotting out that figure based on that ten year old study ever since. So, I'm not saying we won't do another BRAC, but I am saying if we're going to do it, we're going to do it on better data than a ten year old estimate that obviously is outdated for a number of ways. Not only in what our bases are, but what our threats are.

Secondly, I'll have to check with GAO or-- yeah, GAO, but last time I checked last year, the 2005 round of BRAC had not yet broken even. In other words, ten years later, it still costs the taxpayer more money than it saved. Now, people say, “Oh, that was an unusual situation. It was more of a realignment, et cetera, et cetera.” My point is we don’t have any extra money laying around. We better be darn careful we know that we have something that we don’t need, because once we give it away, especially if it’s a training range or a flying range or something, we’ll never get it back. So we better be darn sure that we have more than we need based on good data. If so, we'll look at it.

MR. HUGHES: Cyber becoming such a major threat, this questioner wants to know how you will seek to build out cyber personnel via legislation?

CHAIRMAN THORNBERRY: When we go through our people reforms, as part of the reform effort I mentioned, one of the key questions that I and other members asked is, okay, what if we want to get somebody from Silicon Valley into cyber command and can we do that? Do we have the authorities to do it? We're not going to match them on pay, but at least is it not an embarrassment? Can we take somebody from Silicon Valley for a while and then they go back into the private sector and then can they come back?

Those are the kinds of questions we've got to ask ourselves in order to attract and retain as best we can the kind of cyber talent that we need to help defend the country. Now, I got to tell you, the professionals at cyber command and at NSA are the best in the world. I have no doubt about it. But I also worry when I see the scale of what the Chinese are doing and these terrific people trying to deal with it on our side, there's a mismatch there.
So we're going to have to amp up significantly our cyber efforts. And the key to doing that, as I mentioned, it's not the technology, it's the people as well as the policies and the organizations on how we fight and win in cyber space. So, a lot of that responsibility is on our shoulders and we have a lot of work to do in that area.

**MR. HUGHES:** Before I ask the final question or two, I have some housekeeping. The National Press Club is the world’s leading professional organization for journalists and we fight for a free press worldwide. To learn more about the Club, visit our website, Press.org. And to learn about our nonprofit programs or to make a donation, visit the website of the Journalism Institute, that's Press.org/institute.

I'd also like to remind you about some upcoming programs. The American Association of University Women will release an analysis of federal data about sexual violence on college campuses at a National Press Club newsmaker tomorrow, January 14th, at 10 a.m. Former Senators Tom Dashiell and Trent Lott will discuss their new book, *Crisis Point: Why We Must And How We Can Overcome Our Broken Politics in Washington and Across America.* That's next Tuesday, January 19th at 6 p.m. And on Saturday, January 23rd at 6:30 p.m., the National Press Club will inaugurate its 109 President, Thomas Burr of the *Salt Lake Tribune.*

This is the final lunch I am moderating as President. I want to thank all of the members and the staff for their support over the past year. And I want to thank the listeners and viewers for their interest in these events this past year. It's been a true privilege being the President of the National Press Club. Thank you very much. (Applause)

I would now like to present you with the official mug of the National Press Club. Very much cherished, special and you will enjoy that for years to come.

**CHAIRMAN THORNBERRY:** Thank you. Thank you very much. (Applause)

**MR. HUGHES:** So final question, Mr. Chairman. Got some political 2016 type questions I know you're dying to talk about politics and the presidential race. One questioner says do you support fellow Texan Senator Cruz’s bid for the nomination, and if is unsuccessful, is Donald Trump your second choice?

**CHAIRMAN THORNBERRY:** I told my staff they could not put any questions in, and I think they did. I have not decided who I'm going to support. I have two criteria. One, who has the-- which Republican has the best chance to win. Number two, who would be the best commander in chief. Because as I mentioned, I think they're going to inherit a whale of a mess on the first day in office.

So I don't know for sure who that's going to be. But like a lot of the rest of the country, I think things are now just starting to get a little more serious and we’ll see as the voters begin to actually go to the polls rather than talk to the pollsters how that shakes out.
MR. HUGHES: One more question, Mr. Chairman. On the Democratic side, if it was a President Clinton coming in to succeed President Obama, would there be a different dynamic on defense and other issues between Congress and the White House? Or do you think the dynamic would remain much the same as it is now?

CHAIRMAN THORNBERRY: No, I think there would be some difference. I think Secretary Clinton over her career has shown herself to be for stronger positions when it comes to national security. And I think she has the benefit of seeing all the chaos that the Obama Administration is leaving us with. So, I think it would be somewhat better.

The other thing is I think there would be better relations between the administration and Congress, quite frankly. Talk to Democrats and the Obama Administration approach to Congress has been very dismissive. It was much better during President Bill Clinton's day and surely Mrs. Clinton would learn from that. So it would be different. How big that difference would be, well, we can talk about that later.

MR. HUGHES: How about a round of applause for our speaker? (Applause) I'd also like to thank our National Press Club staff including the Journalism Institute and Broadcast Center for organizing today’s event. And if you would like a copy of today’s program, or to learn more about the Press Club, again go to that website, Press.org. Thank you, we are adjourned. (Sounds gavel.)

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