

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051
<http://oversight.house.gov>

Opening Statement Rep. Elijah E. Cummings, Ranking Member

Hearing on “\$125 Billion in Savings Ignored: Review of DoD’s Efficiency Study” March 21, 2017

Thank you for holding this critical hearing. The Department of Defense is charged with the most serious mission there is—protecting and defending every man, woman, and child in our country. In this dangerous world, the readiness of our warfighters is essential to national security, and Congress has a duty to provide our military with all necessary resources.

However, we also have a duty to ensure that every taxpayer dollar is put to its most effective and efficient use. Every dollar that is squandered through waste, duplication, or fraud is a dollar that is not available for military training, advanced weaponry, and salaries and benefits for our uniformed and non-uniformed personnel. It is also a dollar we do not have for critical domestic programs like education, job training, and feeding the poor.

In January 2015, the Defense Business Board—a panel that provides management advice from a private sector perspective—issued a study finding “a clear path to saving over \$125 billion in the next five years.”

Last December, a *Washington Post* story written by Bob Woodward and his colleagues reported allegations that Pentagon leadership deliberately buried the study amid fears that Congress might reduce the defense budget. On December 8, all Committee Democrats and 31 total Committee Members signed a bipartisan letter requesting information about this report and these allegations.

The Defense Department disputes the amount in the report—\$125 billion over five years—but nobody disputes that the Defense Department could save billions of dollars by streamlining the way it conducts its business.

Senator John McCain and Representative Mac Thornberry, the Chairmen of the Senate and House Armed Services Committees, issued the following joint statement on this study:

The Defense Business Board’s key findings—that the Department of Defense could save as much as \$125 billion over five years by eliminating unnecessary back-office bureaucracy—are not a surprise. Nor are the problems identified by the Board new. We have known for many years that the Department’s business practices are archaic and wasteful, and its inability to pass a clean audit is a longstanding travesty.

This issue is also not new to this Committee. We have done years of work examining wasteful spending at the Defense Department. Just last month, the Comptroller General of the United States testified before us that “probably a third of the areas on the high-risk lists are DOD business management practices.” The Defense Department is the only federal agency that has never passed an independent audit.

But President Trump’s new budget ignores all of this. He proposes boosting defense spending by billions and billions of dollars, and he proposes funding this increase by slashing dozens of critical programs that promote our national security and our nation’s most vulnerable communities—the elderly, children, and the rural working class.

The President would slash funding for the State Department and U.S. Agency for International Development, reducing contributions for U.N. peacekeeping, the International Atomic Energy Agency that monitors Iran’s compliance with the nuclear agreement, and the World Bank’s anti-poverty programs. The President would decimate foreign aid for humanitarian efforts in Iraq, Afghanistan, and Nepal, as well as anti-drug trafficking efforts in Latin America.

Last month, more than 120 former generals signed a letter to Congress warning that “the State Department, USAID, Millennium Challenge Corporation, Peace Corps and other development agencies are critical to preventing conflict and reducing the need to put our men and women in uniform in harm’s way.” In 2013, Defense Secretary James Mattis, who was then serving as the Commander of CENTCOM, testified:

[I]f you don’t fully fund the State Department, I need to buy more ammunition ultimately. ... The more that we put into State Department’s diplomacy, hopefully the less we have to put into a military budget.

The President’s budget also weakens our maritime border and airport security by redirecting billions of dollars from the Coast Guard and TSA to constructing an outrageously expensive wall on the border with Mexico.

But to me, the most disturbing cuts are to critical domestic programs. The President would eliminate Community Development Block Grants, which fund anti-poverty programs like Meals on Wheels, which feeds approximately 2.4 million elderly, veterans, and other homebound individuals every year. The President would also eliminate funding for the 21st Century Community Learning Centers, which helps fund after-school programs serving more than 1.6 million children across the country, many of them in low-income neighborhoods.

The President’s budget does not effectively serve our national security interests. Nor does it serve the interests of everyday American families. The United States must invest in a strong national defense to face our global challenges. This means not just spending more, but spending wisely.

I want to thank all of the witnesses for being here today and for their valuable contributions towards improving the Defense Department’s effectiveness and the national security of all Americans.

Contact: Jennifer Werner, Communications Director, (202) 226-5181.