

TRANSCRIPT

## Defense Writers Group

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### **Senator John McCain**

Chairman, Senate Committee on Armed Services

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**Senator McCain:** A couple of comments. I think we have to consider what, the specifics of what we're talking about in the context of General Clapper's testimony before the committee week before last. All of us in this room that covered the fence know him well and know his reputation, he's bipartisan, or not partisan, and a very well respected individual, and the picture he painted before the committee, a I'm sure you noticed, is a pretty bleak picture. More crises than any time since the end of World War II. The Chinese behavior in the region. The prospect of further Putin aggression in Ukraine. Of course the Middle East in turmoil. His prediction that, I don't know his exact words, but that there will be other attacks on the United States of America given Baghdadi's proven behavior of sending young men out of Raqqa to -- They've already arrested people and intercepted people, as you know. So it was probably as disturbing, not alarming maybe because all of us here knew, but it was a disturbing picture of the individual who's in charge of our nation's intelligence.

So in the face of that we're looking at a defense budget request that's \$17 billion below last year's spending level. There's a disconnect there I think between reality in the world and the budget request which is now going to be one of these fights, as you've observed, as to whether we have OCO, whether there's a budget or not. We're going to be embroiled in all that.

And the only problem with that as we lurch from year to year, as you well know, is that the ability of the military to plan and to be prepared for future not only contingencies but also acquisition, training, et cetera, is dramatically diminished. It's a hell of a way to do business. It's not right for the men and women who are serving, and we keep hearing all the time from our military leaders that it does have significant impact on everything

ranging from training to retention and across the board. So it's really unfortunate that we have to deal with this uncertainty.

I think it's very likely that we can get some or all of this restored, but at the same time I think we have to continue our effort for acquisition reform and other reforms that we have embarked on. It's hard for me to ask for \$17 billion more when we build an aircraft carrier that costs \$2 billion more than it was supposed to. So that's why so much of our emphasis is on acquisition reform.

And we're going through also proposals for fundamental restructuring of the Defense Department as well.

Our relationship on the committee, as has been our tradition, is very bipartisan. I have the greatest respect for Chairman Thornberry and the work that he is doing. We have constant communication. So as it looks right now we would take the bill up somewhere around the end of May I think before we go into recess. It's always good to take it up before the week before the recess, otherwise you'll be in for two weeks or three weeks until the next recess, in the very efficient way we do business on the floor of the Senate.

On your answer on Guantanamo -- by the way, obviously you know this. But this budget request would cut another 15,000 armed soldiers. This National Commission on the Future of the Army that we just had a hearing on that you're aware of made it clear that that's not sufficient. And some of the reductions that we are making in order to accomplish these new missions which the Secretary has outlined, particularly more presence in Europe, more operations, et cetera, the money's got to come from somewhere, and unfortunately where a lot of it's coming from is reductions in acquisition, whether it be the F-35 or whether it be other weapon systems, and we all know what happens when you do that. When you cut acquisition to less than optimal numbers then you end up costing more in the long run. That's just the Economics 101.

So the administration has trumpeted this, we're going to do more initiatives in Eastern Europe, we're going to show the Russians, we're going to do all of these things which are all expensive. Well where does the money come from? And I think you'll find it's pretty obvious to cut the Joint Strike Fighter by five less; cut the Littoral Combat Ship. So it's just salami slicing, and history shows us that that is not in any way the best way to, in fact it's one of the worst ways of doing business.

What I'm saying is, we need to restore the \$17 billion. That would be a minimum, in my view. Since we did the bill last year we've had an attack on the United States of America. General Clapper basically said there would be more attacks on the United States of America. It seems to me that there should be some better response to these contingencies than what we're looking at now.

As far as Guantanamo is concerned. Yes, I always thought we ought to close Guantanamo and for all the obvious reasons that we know of. I had that conversation with the President seven years ago where he and I discussed that and I said send us a plan. Seven years later he still doesn't have a plan. I'm sure you've looked at their

proposal. It's just a Chinese menu. One from column A and one from column B and 13 different sites, and of the eight pages that they sent over, seven pages are sort of a rehash of the issue and one page is really nothing really specific, because we have to know how these people are going to be treated. We will be capturing a terrorist in the future. What's the plan for that? How are they going to be interrogated? Under what rules of war are we going to be operating under? In this facility if we find it, then what will be the makeup of that? There are so many questions that need to be answered. It just seems to me they decided to throw up something and see if anybody, if anything can come of it.

By the way, it was five months ago that I had seen the President again and he said he would be sending a plan over in a few days, and the Secretary of Defense and counterterrorism expert Lisa Monaco came into my office and said we're going to have a plan for you in a few days. That was four months ago. And I said well, I'd like for you to sort of maybe we could be part of this process and maybe make some input into it, especially Lindsey Graham. Senator Lindsey Graham has the unique qualifications of having been a military lawyer for 33 years. He spent his active duty working at Bagram and at Abu Ghraib. I mean there's nobody that knows better -- they've never even given him a call.

So this is the problem that you get when you don't communicate with people. And so they airdrop it in, so -- Every other administration, Republican and Democrat, that I've done business would have called me, Thornberry, Lindsey Graham, Smith over and said okay, here's our plan. Here's our plan, and what do you think about this, et cetera, and we could have had an exchange. Or before the plan they would have said we want your input. There's none of that with this administration. So they shouldn't have been surprised at the reaction to it. And we will again, probably, have another prohibition on the, on the authorization bill, whether I happen to want to or not. I do happen to want to, but the vote has always been overwhelming. So it's too bad.

And my future answers will be much shorter.

**DWG:** That was great. Thanks.

My question is to follow up, will follow up on Adam's. Has the administration reached out to you at all since releasing the plan? And what's your plan to consider the plan? Are you going to hold hearings, maybe a vote? What's it like going forward?

**Senator McCain:** I got a call from the President night before last saying we're sending over a plan. I thank him and said I wished that we had had more consultation and discussion about it, but you know, what was done was done.

We'll have a hearing on it. We'll have a hearing I think week after next is what we are looking at. I think it deserves a hearing. But on both sides, both Republican and Democrat, I can assure you from my conversations this has been met with great skepticism. Not just amongst Republicans, but also Democrats on the committee as well.

**DWG:** So is the plan doomed? And do you think the administration can take executive action or --

**Senator McCain:** I'm glad you mentioned that because I'm very worried about the President taking some executive action. It would be really a very very unfortunate thing if he did. We're already hearing rumors that the President's legal advisors are telling him that Congress is violating executive powers, et cetera, et cetera. It would be a serious mistake in my view for him to do it. But he's done it in other areas. Whether it be immigration, whether it be the EPA, both of which, by the way, have been stayed by the courts. So we've upset the balance here, the constitutional balance, and it's really very unfortunate that this is happening. And people who otherwise would be agreeable to listening to the administration want to protect the constitutional role of the Congress.

**DWG:** Good morning, sir. I wanted to ask about the current state of U.S.-Russia relations. And being a Russian reporter I obviously would like to use a slightly different approach and ask if you maybe think that the United States also should have done something different so that the relations are not as bad as they are now.

**Senator McCain:** Well, by the way, I was sanctioned by Vladimir Putin, ISIS on their on-line magazine said that Lindsey Graham and John McCain were the two worst crusaders and needed to be eliminated. And the Maricopa County Republican party passed a resolution, anybody but McCain. So I've covered the spectrum pretty much nationally and internationally.

So yeah, I think we could have done a lot better by standing up to Putin, by saying hey, we're going to give the Ukrainians some weapons to defend themselves while you're quote "separatists" are slaughtering Ukrainians with your separatist-built tanks. Yeah I would have been one hell of a lot different in Vladimir Putin. I would have given intelligence on the other side of, in Russia as well, which we refused to give to the Ukrainians. I certainly would have long ago armed the Free Syrian Army. I also would have given surface-to-air weapons to what was left of the moderates. I would have done what Ronald Reagan did after the Russians invaded Afghanistan and that is give people the weapons with which to defend themselves, and then Vladimir might have bled a little bit more.

Vladimir Putin, I have to hand it to him, for the first time since 1973 when Anwar Sadat threw the Russians out of Egypt, now the Russians are playing a major role in the Middle East. Now our Secretary of State is begging them to cooperate in this so-called ceasefire, and we have a pause with, while negotiations are going on, while the Russians are bombing the hell out of schools and hospitals, indiscriminate slaughter going on.

Yeah, I would have been one heck of a lot different, and I hope that Mr. Putin understands that, I'm sure he does by his behavior, that the next President of the United States, no matter what part or who it is, will be a lot different than this President whose feckless leadership has led us to the world's greatest crises since the end of World War II.

**DWG:** Thank you, Senator.

Shifting gears a little bit, I wanted to ask you about defense industry mergers. Do you agree with Secretary Frank Kendall that there should be more legislative tools available to block big mergers? Do you think companies are getting too big and powerful? If you agree with that, anything specific that you would do?

**Senator McCain:** I think you may remember that, I'm trying to remember who was Secretary of Defense at the time and they decided that mergers were good.

**DWG:** William Perry.

**Senator McCain:** Yeah, it was Under Secretary Perry. At the time I was kind of startled that he would take that position because I think it's very obvious that when you're the only game in town then you can name your own price.

I think the classic example of that, of course, is this ongoing fight on the Russian rocket engines. We're paying ULA \$800 million a year to stay in business? To stay in business? What company or corporation in the world wouldn't love a deal like that? And of course we are prohibiting it now, but for years now we've been paying the company \$800 million a year to stay in business. That of course is the classic example, and of course we'll continue this fight on the Russian rocket engines.

The other graphic example is the one I just mentioned, the aircraft carrier. In the defense last bill we put in a requirement for a study to look at other platforms that could be used to compete with the large carrier, and I think that may feed into an issue that I've been looking at hard, and that is the use of drones rather than manned aircraft. Maybe you could use a smaller platform with unmanned aerial vehicles than we have to have today.

But wherever you have the monopoly, we have had the acquisition costs, cost overruns go -- It's not the only cause of the problem. Another cause of the problem is cost plus contracts, as you know. But they seem to go hand in hand and it's got to stop.

**DWG:** But is there any specific legislation [inaudible] across the board to block mergers?

**Senator McCain:** I think that future mergers need to be examined carefully, and I understand industry's argument of the expenses involved and their ability to compete and all that kind of stuff. But I also think that in the long run technology is now in the forefront as we know. Particularly in the area of cyber. And there's no doubt in anybody's mind that out in Silicon Valley they do things a heck of a lot better than they do in the Pentagon. So maybe we ought to be looking to Silicon Valley, and Ash Carter has. He's been out there several times as you know to look at using them more, particularly when we're in these more sophisticated kinds of warfare.

But none of it's easy. I'm not saying that it's easy, because it's so hard to get into the business. Look how long it took SpaceX to get certified for space launches. So I think we need to look at that aspect of it as well. But I don't know of anyone who can make a plausible argument that all these mergers have saved the taxpayers any money. In fact I think they'd argue the opposite.

**DWG:** Yes, sir, I'd like to ask you a couple of questions spinning off the Tuesday hearing you had with Harry Harris.

First of all, is it weird questioning a man who held the same job that your father had all those years? Would that lead to a different sort of questioning? Or dad wouldn't have answered it that way? Or it doesn't even enter into it at all.

**Senator McCain:** No. Those were different times.

**DWG:** Secondly, you did bring up the point about [preemptively] forward deploying a second aircraft carrier. He dodged and weaved on it. Do you think that's something we should do?

**Senator McCain:** You know, one of the things that disturbs me is that they're sending these carriers on ten-month deployments. Ten months' deployment in the Pacific, particularly given the lack of ports and all that, is very bad for retention. You just can't ask these young men and women to go on ten month cruises. Six month, seven month is the absolute limit, and it does affect retention and morale.

So obviously the transit time to, from the West Coast to the Pacific is a big part of that. And so I would like for us to seriously consider it, realizing that basing a carrier is a huge enterprise. The support that goes along with it, the housing, all of those things that are part of that is a very major operation, and it requires the active cooperation of the host country.

Obviously the first choice would be Japan, and I think that Admiral Harris did the right thing because now we're getting into the diplomatic side of things. But in my view, we either need more carriers which I don't see more than, in fact I'm against this reduction of the air wing that is in their present plans, or we cut back on deployments at a time when tensions are higher than they've ever been in the region.

We've got to have an overall assessment of these threats that General Clapper pointed out I think rather graphically, and translate that into a national strategy and then translate that into what we need. There's none of that now. This Commission on the Future of the Army was a telescope, a narrow view, but a very alarming one.

So it depends, obviously, on who the next President of the United States is, but this is almost at the point, in my view, where we were in 1980 when we had the Committee for the Present Danger; we had people like John Tower who worked together with a whole bunch of others to develop plans and strategies, and what we needed to do to

accommodate to those strategies so as soon as they hit the ground, running immediately and started acting. I think that's what we need to do.

I know of no one, no expert, whether they're liberal or conservative or Obamafile or what that doesn't believe that things are going to get worse in the next year rather than better. It just is, that's the unanimous opinion. So we need to, to make a long story short, I think the carrier is still our best vehicle for defending our interests, particularly in the Pacific.

**DWG:** And if you were in charge, where would that carrier come from if you permanently deploy it there?

**Senator McCain:** I think it would be one of the West Coast carriers.

**DWG:** So still in that region.

**Senator McCain:** Yeah. We'd also have to look at carrier acquisition. We'd have to look at if there's other kinds of platforms that we could send there.

**DWG:** Thank you, Senator. Two questions. One [inaudible] Pakistan. What's your take on [inaudible]?

**Senator McCain:** This is really a tough one for me and for a lot of people. I think the timing was really bad on this issue. I would have rather seen it kicked over into the next administration, and it's not that far away. It's been, as you know, the F-16 issue has been hanging around out there for four or five years. So I think we could have waited a little longer.

I've talked to Corker about it and I've recommended to him that he have a hearing on the Foreign Relations Committee so that, I love my colleagues but there's not 1 in 20 that really has focused on this issue, so we really do need some congressional interest in that to make a decision.

Frankly, I'm very conflicted on this issue. I'd like to see an argument made by the administration rather than just an announcement. This is really, this is of the utmost importance to two countries that are very important to us -- India and Pakistan. So it's not very often that I duck on an issue, but honestly, I'm still thinking about it as to what we need to do and I think one of the best ways to do it is have a hearing in the Foreign Relations Committee which is their area of responsibility, and I think Corker's going to do that.

**DWG:** And secondly, [inaudible] India and U.S. doing joint [inaudible]. Do you have any view on this?

**Senator McCain:** Oh, yeah. I think that the future of Asia, if we want to have the kind of influence that we've always had and a deterrence to Chinese behavior is a very close

relationship between the United States and India, which is by the way, the F-16 issue complicates that.

I believe that Modi is probably one of the most important leaders that has emerged from India in my lifetime, and I think and see an area of cooperation. That does not mean a NATO. That doesn't mean a formal military alliance. Don't get me wrong. I understand India's public opinion. But it does mean cooperation such as joint exercises, such as training, such as exercises of search and rescue and all the kind of things that improve our military ties and diplomatic and others. And I'm a great fan of Mr. Modi. I think he is exercising leadership that is commensurate with the size and influence of India.

**DWG:** [Inaudible] South China Sea. Do you think that's a good idea or not?

**Senator McCain:** I think it may be, I think right now we'd have to prepare Indian public opinion, and that would be a presidential decision. I would lean towards it, but I think you'd have to, you'd have to smooth the path out before you just announced it.

**DWG:** So this might not [inaudible]?

**Senator McCain:** I think it's a very good time to announce that you're considering it.

**DWG:** On deck will be Tony Bertuccia, but first, Tony Capaccio.

**DWG:** On the question, you haven't spoken --

**Senator McCain:** My old enemy. Tony. [Laughter].

**DWG:** The old enemy, right.

You haven't said much obviously because of the protest. It's over now. I know you haven't been briefed yet by the Air Force, but what are some of your concerns that you want to get some info on?

**Senator McCain:** My biggest concern is the cost plus provision in the contract. I will not stand for cost plus contracts. It's just not, they say well, because we're not sure of some of the things we need in the development stage. Fine, they don't bid on it. Then don't bid on it until you do know.

If you have a cost plus contract tell me one time when you've had a cost plus contract where that hasn't happened, that there hasn't been additional cost and then I would reconsider.

So the mindset in the Pentagon that still somehow these are acceptable is just infuriating.

**DWG:** Well they may give you an argument whenever you get briefed on this --

**Senator McCain:** Sure they'll give me a decent argument, but we know what the facts are, what the history is.

If a company, if your roof leaks and guy comes to fix it, are you going to have a cost plus contract? Of course not. And everybody says well, the technology and all that. Silicon Valley, the latest one of these wasn't built on a cost plus contract. I mean you know, the technology is such that we're not sure of it. Well somehow, the commercial side of America can do these without a cost plus contract. It's, it is an evil that has grown and grown and grown over the years and I will not stand for it on any weapon system.

**DWG:** What can you do now? It's been signed.

**Senator McCain:** We can disapprove it. We don't have to authorize it.

**DWG:** Really.

**Senator McCain:** The Congress has to authorize.

**DWG:** It's been signed, though. There will be issues --

**Senator McCain:** That's fine with me, but they can do whatever the hell they want. We authorize procurement.

**DWG:** One of the other questions is the excessive secrecy on this program. They've even specified the engine, which seems a bit much. But what's your take on that?

**Senator McCain:** My take on that is that somewhere someone is going to see some engines being made and say hey, -- [Laughter]. Whether it be up in Pratty & Whitney or whether it be at Rolls Royce or wherever the hell it is. I mean some of this is just stupid. So it's kind of the classic Pentagon, I don't know what it is, but it's just, we will find out who makes the engines.

**DWG:** Just as an example, the classification.

**Senator McCain:** Yes.

**DWG:** Do you think they need to expose a little bit more to build congressional support on the Hill?

**Senator McCain:** If someone wants to build an engine for an airplane that requires congressional authorization, then it must be known who's making it and under what circumstances.

**DWG:** Okay, thank you.

**Senator McCain:** But over-classification, that was not invented with this administration.

**DWG:** Clearly. I know. I just wanted to be clear. The contract, you really mean potentially you would decertify or not fund it or --

**Senator McCain:** I am saying that I will not authorize a program that has a cost plus contract.

**DWG:** Okay. Thanks. And I've told them that.

**Senator McCain:** But you haven't been briefed yet, so I'm just wondering why you make your mind up before you've even heard the argument.

**DWG:** Because I know there's a cost plus contract in it. I don't have to have a briefing to know that there's a cost plus contract in it.

**Senator McCain:** Okay.

**DWG:** Tony Bertuccia.

**DWG:** Thank you, sir.

**Senator McCain:** By the way, Tony, you know, they fought tooth and nail for the acquisition reform we did last time, right?

**DWG:** Right.

**Senator McCain:** Now they're all for it. Now they think it's great.

**DWG:** The speed of acquisition reforms that you brought to the bomber, can you give us a sense of thematically what you're looking at this time around in terms of what things you want to --

**Senator McCain:** Looking at the structures, the COCOMs, the roles and missions that, whether they are structured in a way that meets the challenges of unconventional warfare, stateless terrorism, et cetera that we are facing now. But at the same time we're facing conventional issues -- Russia, China, et cetera. And we are looking at the size and roles and missions of all of these.

For example, the OSD staff is huge. I've forgotten now. We have to reduce these. The duplication of decision-makers which basically just slows down the process rather than gets it done.

**DWG:** Are you pleased with the feedback you've gotten from OSD on the Goldwater/Nichols reform yet? Have you gotten --

**Senator McCain:** The ones that we've done now they say we're good and they're glad we did it.

**DWG:** You mean the old one.

**Senator McCain:** Yeah, the ones we did last year. No, they want the status quo. They always do. But that's true of every bureaucracy.

**DWG:** I'm [inaudible] Ryan from the Washington Post.

Can you give your perspective on CENTCOM's management and execution on the anti-ISIL campaign? How much responsibility does CENTCOM's leadership bear for the situation in Iraq and Syria versus the White House? And there have been several sort of notable black eyes including for CENTCOM or for the administration on Iraq and Syria, could [inaudible] program. And Ramadi, who, what's the responsibility of CENTCOM versus the civilian leadership? And if there's anything you can say about Lloyd Austin's tenure as the CENTCOM commander I'd love to hear that.

**Senator McCain:** Well I've known General Austin for many years, including when he was commander in Iraq and I respect him. It's not General Austin or any other military person. It's the White House. It's all in the White House. It's all in the decision-making or non-decision-making there.

Everybody applauded when they decided to hit the fuel trucks. Sixteen months later. Sixteen months we watched ISIS run the fuel trucks so that they made millions of dollars. We didn't go after them. And then when we did, we dropped leaflets telling them that they'd better get out of their trucks. And the problem is that there's not only bad decisions, but there's non-decisions. There's recommendations from these commanders, including from CENTCOM that end up in the black hole called the White House and the National Security Advisor. The frustration level amongst the uniformed military is higher than any I've ever seen in my life.

We decided after watching ISIS grow and metastasize in Afghanistan, okay, now we will go after ISIS. Now you can go after ISIS. For a while there in Afghanistan you could only take defensive action. These people defy all the rules and logic. Because we're leaving Afghanistan, now we find out from General Nicholson, and we knew it anyway, the situation in Afghanistan is worse than it's been since we first came. And what are we doing about it? Nothing. No decision. No decision is made on troop levels and missions in Afghanistan. We're now still going to go back. Are we going to go back to the, remember the embassy-centric force? Remember that one? Every military expert that I know keeps saying you can't tell the enemy when you're leaving. You can't keep telling the enemy when you're leaving.

So I don't blame General Austin and CENTCOM because they have no authority. They're just a funnel.

**DWG:** Just to follow up, you had a pretty tough exchange with him over the TV program a couple of months ago. But you sort of put that on the White House, the conceiving of a program that you think was never going to work? Is that correct?

**Senator McCain:** Yeah, and I thought it was never going to work with young men that, who dislike and hate Bashar Assad equally or actually even more than they do ISIS because they've watched Bashar Assad slaughter their families, men, women and children. So to make these young men commit to only fighting against ISIS when we arm and train and equip them is fantasy. It's crazy. There's no logic to the decisions that come out of the White House and it will be a very, it's reminiscent in many respects to the days of McNamara. But at least then the Secretary of Defense was making decisions. Now it's all up at the NSC. The black hole. These recommendations from these uniformed commanders in the field come pouring in and it's not that they say no, it's that they don't answer and just hold everything in abeyance. It is really a bizarre situation. And I think if you talk to some of these leaders that were there, like General Mattis and many others, General Odierno, you talk to them now and ask them their experiences with the White House and they'll tell you it was one of total frustration.

**DWG:** Sir, I'm curious to get your take on the MOX plutonium disposition program. It's gone pretty far over budget and the White House wants to kill it. So where do you stand on that? What do you think of the way it's kind of ballooned up?

**Senator McCain:** Ballooning up of course is disgraceful. But you know, that's also been the case with anything to do with the nuclear issue. Hanford, Washington, and those places. But we're still trying to hash it out. I've had a couple of briefings on it. There's not a lot of good options, but the cost overruns have been horrendous, as you know, and there is now, the Secretary of Energy came to see me and said that there is other technology which can get the job done at a fraction of the cost. And I think it's our job to examine that as we go through the authorization process.

There's no doubt that it's been a debacle. Its original estimates have ballooned by billions, as you know. So.

**DWG:** Is there some concern that that sort of non-proliferation element of NMSA will start to eat away at their weapons modernization programs?

**Senator McCain:** The money's going to have to come from somewhere. Honestly, I don't know.

**DWG:** Sir, I wanted to ask you a little bit about the Kurds and their current disposition. There have been some reports in recent days that the loyalty of some of their fighting groups may have shifted more toward Russia than to us. I wonder if you've seen that as well, if you have any tangible evidence of that?

**Senator McCain:** I have no tangible evidence, but I've heard it from enough sources to believe it. The Kurds have allied with the Russians, or some of the Kurds. This is not, I'm told, well, I'm confident it's not all the Kurds, but there is a segment that is aligned with the Russians because they want to win and they see the Russians succeeding where we have failed. We've been in a bombing campaign for Iraq and Syria for I don't know how long and now it's the Russians who are the ones who are wiping out the opposition.

Different rules of war. The Russians don't find bombing hospitals, they've done it on purpose. So the Kurds' number one ambition, as you well know, is a Kurdish state and allying themselves with the Russians right now is their, they believe, the shortest route to that. I think it's very dangerous getting in bed with the Russians because Russian ambition is not the same as Kurdish ambitions. But if you look at it from the Kurdish position where they're being attacked by the Turks and they're not being assisted by the Americans particularly, and yet the Russians will give them whatever assistance they say they need, and you can understand. I think it's very short-sighted, but I also understand why they are aligning themselves.

Now the Kurds in Kurdistan are not engaged in this, as you know. It's the Kurdish element that's in Syria. And what we risk here is a conflagration between Kurds and Turkey and that only plays to the advantage of Bashar Assad. Because, as you know, the best fighters now remaining against Bashar Assad, if they would fight, are the Kurds.

**DWG:** Do you think if we lost the support of the Kurds, or if that was [inaudible], that would really affect the military campaign there? We don't really hear much about the Kurds at the Pentagon very much anymore and it's hard to tell whether that's any shift in our actual cooperation with them or if [inaudible] Turkey doesn't want to talk about it.

**Senator McCain:** I think we've got to remember that in Iraq itself, the Kurds have been a vital element against ISIS. And they can be, they won't go into Mosul but they can be extremely helpful in cutting off Mosul if we ever begin a serious offensive.

They won't go into Mosul because it's not their city, but they will be extremely helpful if we ever mount, you know, keep delaying, now they're saying it's a year before we would start to retake Mosul, which is remarkable.

So don't forget that the Kurds in Iraq and in Kurdistan can still be enormously helpful against ISIS. Then it gets complicated with the Syrian Kurds. And as you know, there's a couple of elements there, the PKK and then the others. And so it gets very very complicated. Erdogan right now, his first priority is the Kurds. It's not ISIS and it's not Bashar Assad, although he certainly doesn't like Bashar Assad either.

One of the answers to this, even though it's very late and it's gotten incredibly complicated, again, even Angela Merkel the other day said we should have a safe zone. We should have a no-fly zone for, her concern is the refugees. Rather than having them pour into Europe, at least to give them a safe zone. And everybody that I know literally wants that and realizes it's far more complicated and difficult than it was, than it would have been four years ago or three years ago or two years ago.

So the longer this thing drags out, and it is going to drag out. I have no confidence whatsoever in this cessation now we call it. Cessation. We've watched the Russians bomb the hell out of our people we're supporting and maybe John Kerry's goal is to allow the Russians and Bashar Assad to control enough territory that they'll agree to a

ceasefire because they've achieved their objectives. If you think Bashar Assad is leaving any time soon, I think you're mistaken.

So if we had a strategy and we had a plan which included a no-fly zone and a safe zone, then that would turn this whole thing around. But right now we are faced with a dilemma of some of the Kurdish elements are now joining with the Russians, as you say, because they think that's the best way they have of winning. That is bound to inflame Erdogan and the Turks. And I'm not a big fan of his, but if I were him I could see why, it's logical the way he's behaving.

I know, we could spend an hour on the complexities of what's going on now, but it's not good to have those elements of Kurds inside Syria working with the Russians. That is not in America's interest.

**DWG:** Good morning, sir. I wanted to follow up on two things. One is your comments about the NSC and if they're kind of holding on to decisions. Another area where that's occurred has been in the area of arms sales, [inaudible] industrial production issues, and particularly the Kuwait sale, but also the [inaudible]. And that seems to be bound up in some process that isn't moving forward.

Can you talk to that a little bit and what can be done to sort of speed that up?

**Senator McCain:** Obviously if the President of the United States told him to speed it up, that would speed it up. But second of all, I think part of this problem is not, this is one area where the State Department is as big a culprit as the NSC is. A number of these arms sales have just, there's just no decision in the State Department.

We need to streamline that process, perhaps even with legislation. It's not working. These countries deserve a decision. If it's no, it's no. If it's yes, it's yes. But just to keep them in limbo. You know, all of these people when they come to town, particularly their defense ministers, come and see me. And invariably they complain about a situation where they want to purchase or acquire certain systems and it's not only the systems themselves, but the capabilities within those systems that is controversial or obstacles to decision-making. Meanwhile, there's other countries who fill the breach. You notice that the Saudis went to Moscow and bought \$6 billion worth and UAE went to Moscow and bought \$3 billion worth and Qatar bought \$2 billion worth of purchases from the Russians. You don't think Vladimir has any restrictions on what he sells.

**DWG:** What could you do legislatively?

**Senator McCain:** Look at the process and try to streamline it. I think that would be more of a Foreign Relations Committee issue, but I know that Bob Corker has been frustrated by it as well and we've had discussions about it. I'm very pleased with his leadership on the Foreign Relations Committee, even if he doesn't speak English.

**DWG:** Can I just follow up on the Russian rocket engine issue. Frank Kendall this week said that a preliminary determination was, would be that the sanctions don't

extend [inaudible] despite the changes that you outlined both on the Senate floor and in various letters. Can you explain --

**Senator McCain:** There's a guy named [Ragozen] who has been sanctioned and he's on the Board of [Energomash]. End of story.

**DWG:** So do you think the control issue is being politicized here to avoid --

**Senator McCain:** Do you think that Vladimir Putin and his gang do not have control over that aspect of Russian military, the rocket engines? It's really, it's really remarkable because we're now giving -- let's suppose they're all Boy Scouts. We're still giving them tens of millions of dollars a year which we wouldn't have to because we could develop other rocket engines.

This is all about ULA and it's all about Alabama. And Chicago. That's what it's all about.

**DWG:** But now that they --

**DWG:** Andrea, we need to move on now. We'll go to Joe Gould and then Otto.

**DWG:** Actually I had a follow-up question on arms sales. There's been a, the administration's approved, or there's been a record amount of arms sales to the MidEast and recently you had raised the issue of fighter jet sales that had slowed to Qatar and Kuwait. Do you think the administration is doing their job balancing some of these, the needs of some of our partners there and our traditional allies like Israel and the QME --

**Senator McCain:** I have sympathy for the administration on these issues, particularly as far as the Middle East is concerned. Traditionally, obviously, the security of Israel has been our paramount priority and it still is, but given the new realities on the ground we want our Sunni Arab countries to be capable. And we are asking them to be engaged in places to do actual fighting, and so they should be able to have the best equipment with which to do so.

So these are all reflections, though, of the underlying problem which is chaos in the Middle East. But it also has changed the realities of the relationship between Israel and Sunni Arab countries. It is becoming closer and closer. In fact some see, over time, a de facto alliance since they are facing the same enemy, Iran. So you have seen a bit of a relaxation on the part of the Israelis to their objections to some of these capabilities being purchased by the Sunni Arab countries that they would have objected to in the past.

**DWG:** And on a separate topic, on the NDAA, what's the menu of options as far as acquisitions. If you're able to drill in a little deeper on where that might be going and what structure the Goldwater/Nichols reform might take.

**Senator McCain:** We have to look at the whole COCOM issue. We need to figure out whether we need the ones that we have. We need to look at the size and responsibilities of the various service chiefs. We need to look at the Medical Corps, for example. Do we need three different services to have a Medical Corps? We need to look at the structure and mission of some of these commands as well.

We need to look at the whole issue of AFRICOM. Is it right for us to have an Africa Com headquarters in Stuttgart, Germany? Is that what we had in mind when we formed up AFRICOM?

We need to look at small things such as do we need a NORTHCOM and a SOUTHCOM? Why should there be an arbitrary line at the Mexico-Guatemala border? To the role of the services. The service secretaries. To the role of OSD itself and how it has grown.

It's amazing when you look at over the years the thousands and thousands that have been added on into these various bureaucracies, both military and civilian.

The DoD cannot tell us how many civilian contractors they employ. Nobody knows how many people work for the Department of Defense. Some of my constituents find that disturbing.

**DWG:** And were Congress to change hands, do you think would that work continue?

**Senator McCain:** Oh, yeah. Jack Reed is, I mean we work hand in glove. Jack Reed had a problem with the OCO issue, as you know, last year. But on all these other issues we are very, work very closely together. And I frankly admire him a great deal. Even if he was poorly educated. [Laughter].

**DWG:** Senator, you mentioned drones on the carriers as an option. What's your view of the Navy's current [inaudible] UCLAS and now [CBARS]? Are we going to put all that technology into a drone and have it go out and pass gas?

**Senator McCain:** No. The Navy's argument is that they've got to start slow and they don't want to start out with some FCS type of a mission which is doomed to failure, that they would bite off more than they can chew, and I think there's something to that. But to restrict that as their only goal would be insane.

I happen to believe that the F-35 is the last manned fighter, and so if that's true, then I think you have to look at roles and missions off of aircraft carriers as well as concrete. So it has to be, we have mandated that they look at expanded roles and missions for unmanned aircraft. And by the way, we are, a small item, but we're looking at this whole thing of why do you have to be a rated pilot in order to run a drone? You don't. And the best people at that are probably teenagers that spend the time in their mother's basements on video games. We ought to recruit them. In their underwear. [Laughter].

**DWG:** They should consider some strike capability in that platform.

**Senator McCain:** We need to examine the future of unmanned aircraft in every role and mission. If they want to start out with the simplest, which would be obviously air-to-air refueling, then that's fine. But to limit their ambitions for unmanned aircraft would be just foolhardy.

**DWG:** Senator, thank you for your time. We know you have to hit the road.

**Senator McCain:** Thanks very much. We have another hearing this morning and I think that you are covering the Pentagon and defense and the world in probably the most interesting times that I've been around, certainly since the end of the Cold War. And issues like we were just deciding are increasingly complex, and unfortunately a lot of Members of Congress, understandably, don't spend as much time on it as may be necessary under very complex situations. And thank you very much.

Remember the words of Chairman Mao who said it's always darkest before it's totally black. [Laughter].

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