

051018 Air Force Association, Reserve Officers Association and National Defense Industrial Association Capitol Hill Forum with Senator Heidi Heitkamp (D-N.D.), on “Reviewing the Nuclear Deterrent: Some Senate Perspectives.” (For additional information on AFA/NDIA/ROA seminars contact Peter Huessy at phuessy@afa.org).

MR. PETER HUESSY: Good morning, everybody. I’m Peter Huessy and on behalf of the Mitchell Institute for Aerospace Studies and the Air Force Association, along with NDIA and ROA, I’d like to thank you for being here for this in the next of our series of seminar on nuclear deterrence, missile defense, proliferation, arms control and defense policy. Just as a reminder, the former director of the Missile Defense Agency, General Trey Obering, will be speaking tomorrow here.

Next week we have on the 15th, Frank Miller, who as you know was both in the OSD and the White House and now is with the Scowcroft Group. On the 16th Brad Roberts is not speaking here, he is speaking over at AFA at 1:30 in the afternoon and he’ll be talking in particular about the Russian strategic doctrine of what General Hyten calls “escalate to win.” On the 22nd, Joe Bosco and Bruce Klingner are going to be talking about North Korea and China.

On the same day, the 22nd, from 10 o’clock until noon at the Heritage Foundation, I’m going to be hosting our Reagan Legacy Project, which is on what are the lessons and guideposts from the Reagan administration in terms of their policies on nuclear deterrence and arms control. We’ll also have a luncheon there for the speakers, including Keith Payne and Frank Miller, myself, Sven Kraemer and Ty McCoy, who as you know was an assistant secretary of the Air Force for the entire eight years of the Reagan administration, and Susan Koch, who as you know, is with the National Defense University and a long time specialist in arms control.

On July 12th and 13th we’re having another one of our triad events in Kings Bay, Georgia. Please let us know if you’d like to attend. On October 9th our dear friends from North Dakota are going to be hosting with myself, our next triad event here in this building on October 9th.

I want to thank our sponsors for being here today, as well as some of our guests from some of our embassy friends in town. Thank you and welcome.

We’re honored today to have a good friend and a senator who has spoken often at my triad events. Senator Heitkamp was elected from North Dakota and took office on January 3, 2013. She has particularly done a lot of work on energy. In another part of my life I am director of an organization that is exporting natural gas from America to Europe, and we do breakfasts here. One of the things we did was get the president, the House and Senate to sign a bill that allowed us to export natural gas. That has a lot to do with North Dakota’s resources. Heidi, you’ve done an enormous amount of work in that

area and I want to thank you.

In North Dakota, of course, there is Minot, which has both ballistic missiles and B-52s, which is the only Air Force base in the country to have two legs of the triad. As Senator Heitkamp -- if you go on her web site -- she talks about Grand Forks, which has the reconnaissance group which flies Global Hawk and they have combat support missions and sensor operating missions that benefit our combatant commanders across the globe. Senator Heitkamp co-founded the U.S. Senate Defense Community Caucus, which helps organizations in communities around the country that have military bases, in light of things like BRAC. She is a very active member of the U.S. Senate's ICBM Coalition, which is a bipartisan group of senators who advocate for the efficiency and effectiveness of ICBMs in our nuclear deterrent.

I'll mention one other things which I found very interesting, and that is North Dakotans serve in the National Guard at four times the rate of the national average in this country. It can't be the weather.

(Laughter).

It has to be their patriotism. Heidi, thank you on behalf of General Deptula, my boss, and Larry Spencer, the head of AFA. Would you give a real warm welcome to our friend, Senator Heitkamp?

(Applause).

SEN. HEIDI HEITKAMP: Thank you, Peter. It has finally warmed up in North Dakota and the tractors are running and things are working pretty well. We're feeling a little more optimistic and feeling a little more secure in what we do in economics.

Most of you know in North Dakota about 90 percent of the land base is used in agriculture. I always tell people, when people say, why should I worry about a farm bill, I tell them if you look at the history of conflict across the world. Conflict many, many times is the result of food insecurity. So we like to think that we do a whole lot of things for national security, whether it is the oil that we produce, which is now being exported to compete against more dangerous oil producers like Russia and Iran, or whether it is the food that we produce that is being exported to provide food security across the country.

But one of the great national security institutions that we are most proud of in terms of our participation is our relationship with the United States Air Force, whether it's in Minot or whether it is in Grand Forks. We take that role very seriously, and not just because they are a major economic driver for our communities, but because we believe that our participation and our involvement with the Air Force is adding to the national security of this country. It's our contribution.

So I want to just start out by thanking Peter for hosting today, and the work that the Mitchell Institute does with the Air Force Association to support, first and foremost,

our airmen. It's a great pleasure to be here talking about an issue that I think is baseline and fundamental to our national security. I also want to thank John McMartin from the Minot Chamber of Commerce and Task Force 21 for being here. I really appreciate you guys coming all the way.

In 2018 the Nuclear Posture Review set out important elements of the administration's strategic policy. We need to have conversations about this because, as I said, it is central to our national defense and because we are talking about a long-term and significant investment. In October of 2017 the CBO, the Congressional Budget Office, estimated that maintaining and modernizing our nuclear enterprise will cost approximately \$1.2 trillion between now and 2046. Approximately \$400 billion of that alone will be spent just on modernization.

To support these investments I think that the most important thing we need is a bipartisan relationship. We can't let this become a political football, and I see it already when I'm out and about in the country. I get asked a lot about modernization. It hasn't gone without notice among various groups that we are making this investment, and there are going to be challenges to this investment.

Let's not forget that there are still a whole lot of people who would prefer that we not have these weapons at all, not have this deterrent at all. We need to be crystal clear about the mission and we need to be crystal clear about why it is absolutely essential to our national defense to have this deterrent. So we will continue to push back in every way that we can, but I would also say it is critically important that this investment not be dependent on the swings of politics, depending upon who's in and who's out.

We're going to be in or out. If we're going to make a commitment, it has to be dialogued, it has to be bipartisan, and it has to be long-term, or we're not going to achieve what I think we need to achieve. So this bipartisan consensus is absolutely critically important.

Before I share some of my thoughts on the strategic deterrent and its modernization, I'd like to just kind of start out talking about the times that we live in. It's interesting because when you start out you think you know what's going to be on the horizon in terms of the threats, and there tends to be predictability. Then something happens where predictability isn't as obvious or apparent. So let's start out with the threat that Russia presents.

It is clear that Russia is moving in the direction, and will continue to move in the direction, if not pushed back and pushed back aggressively. What they've done in the Crimea, what they've done in Ukraine, what they've done in cyber, and the expansion in short-range missiles, we can't ignore this. There is a game plan here, and if you think that Putin doesn't have a long-term game plan, then you're more naïve than I know you are.

We know that he is not going to be left behind. His national pride depends on

him being a player on a very large stage. What puts Russia as a player on a very large stage right now? They are the single greatest existential nuclear threat to the United States of America. That makes them significant, and not an afterthought.

So we have to be very, very, I think, eyes wide open about the role that Russia is trying to play, whether it's in the Arctic, which we think we can play a role in. Looking at the Grand Forks Air Base, there's a reason why the ballistic missiles are in North Dakota and not in California or in Washington. We share that border with Canada. We share the Arctic across North Dakota. So we have to be very, very realistic about the threat that Russia provides, and getting deterrence right with Russia has to be one of our top national security priorities.

Managing China is a little more tough. I'm going to go out on a limb here and tell you that China has a plan. China doesn't do anything without a plan. I attend the McCain Institute every year and Admiral Harris was on a panel with a couple of American CEOs of large corporations. They were talking about whether you can win in China, and they were talking about, we're going to create scenarios where we have a win-win with China. On trade, we have a win-win on this.

Admiral Harris, it came down to his turn, the head of Pacific Command, and they asked him, what do you think about this win-win? He goes, I'll tell you what China does, China wins and China wins. I thought it was a real wake-up call for somebody who is probably one of the highest level experts on China's planning in the region.

Clearly what is happening in the South China Sea should alarm all of us. I think we can be grateful for what's happening with diplomacy on the Korean Peninsula. But I will tell you that an American withdrawal from the Korean Peninsula, going forward, may in fact be a win for China. So we need to be really careful about the geopolitical involvement and what's going to happen if that happens with our relationship, whether it's on trade or whether it's on national security.

Both China and Russia, I think, present very serious risks on cyber. China has figured out ways to steal intellectual capital, intellectual property, from us, and they will continue to engage not only in extending their military interests in the region, but they will continue to attack us by stealing our intellectual products and by maintaining and moving their markets to places where we also want to participate. Without getting into a long discussion, I think one of the most serious decisions that we may look back on as a mistake is pulling out of TPP. If you don't believe me, just talk to Admiral Harris. He'll tell you the significance of TPP to maintaining our national security and pushing back.

So the NPR, I think, correctly noted that we have long sought a dialogue with China to enhance our understanding of our respective policies, doctrines and capabilities, to improve transparency and help manage risks of miscalculation and misperception. For the sake of stability we have to get China at the table when we're talking about nuclear deterrence. I don't think that we can simply say, not a problem so far. I think that we have to look more broadly in terms of the region.

Let's talk a little bit about North Korea. North Korea obviously felt like their program was at such a place that they knew that we had a lot of concern in this country, a lot of concern among the experts, that the capabilities were growing and they were growing quicker than what we thought they would be growing. So it's no accident that everybody's attention now has turned to the Korean Peninsula to try and figure out how we're going to resolve that conflict in ways that doesn't involve military engagement.

One of the concerns that I have -- and I'm not going to get into the comparison with Iran -- I think that we had much better intel on the Iranian capability than we do in North Korea. North Korea, as a matter of understanding what exactly is going on in North Korea I think is extraordinarily difficult. We do not know where things are in North Korea. I don't think that's a big military secret. I think you will hear people say that.

Obviously North Korea's ability to engage in conventional weaponry against South Korea presents a real risk that you're negotiating a little bit with a gun to your head. If in fact they want to destroy Seoul, they don't need to launch a nuclear weapon. They've got other capabilities.

So North Korea, I can only say that I'm encouraged by what you see. But I also think that Kim Jong-un is a very horrible person. I don't think he's an honorable man. I don't think that he's somebody that we can trust. And we need real partners and not partners that are overly anxious to get a deal done.

So one of the things that we have to be extraordinarily careful with is making sure that we don't somehow misalign with our allies, whether that's Japan or whether it's South Korea. We have to be realistic about what's in our national interest and what's in the interest of our partners in the region in terms of what decisions we make about the presence that we're going to have on the peninsula. So to say that you are going to withdraw troops, the last thing we should be doing is making any announcement unilaterally.

I think we need to maintain the THAAD battery. There's a reason why we moved that into the peninsula, into South Korea. That reason hasn't changed, and so we need to be very, very engaged and aggressive. I met with then-nominee Pompeo, and now Secretary Pompeo, and had a long conversation about transparency and better understanding of what in fact is happening in Korea.

Iran, we'll see what happens. We've been having discussions all week about the JCPOA. I don't think we know what the next step is going to be. I will tell you that from the people who talk to some of the people within the national security team, they have told me that the national security team has assured them that the agreement will still be maintained because the Europeans have no idea about pulling out.

If the administration does, in fact, impose secondary sanctions, I don't know how

they cannot. Plus, I think just even the threat -- already you saw a limited investment in Iran because people were concerned about snap-back. People were concerned about getting on the wrong side of a much larger market country called the United States of America.

So we want to see ongoing sanctions under the bill that we passed sanctioning their ballistic missile program. I think there's ways that we can continue to work in the region. But the regional dynamics with proxy wars are getting very, very difficult, and we should all be very mindful that this has the potential for being the next flare-up. I don't know what that looks like, but obviously the Syrian situation is a precursor, or at least I think an illustration, of what we're up against here.

And so engagement and diplomacy is absolutely critical, but also a willingness to prevent Iran from getting a nuclear weapon, a willingness to work with our partners in the region. I would say the partners in the region -- I used to think Turkey -- I don't know what Turkey is anymore. You probably have a better guess than I do, but certainly Israel remains our great partner. I think we have to understand how important that relationship is to our national security and how important our Israeli relationship is to stability in the region.

So with that said, I think we have great challenges. This doesn't even discuss the challenges we have with non-nation states. This is simply running through the region where all the hot spots are. So given the challenges that I think are very real threats, I think we have to think about how we make investments to maintain and to support our strategic forces.

The NPR laid out the administration's vision for our nation's nuclear deterrent, but it's long-term impact will depend on how the review is actually carried out, which I've already talked about. My argument is that these investments ultimately reinforce everything else we need to do in diplomatic and security areas. So if the deterrent isn't real, if our allies don't think our deterrent is real, if it's not maintained, is it really a deterrent? Is it really doing what it's supposed to do, which is to provide that backstop of prevention?

We call it a deterrent for a reason, right? We call it a prevention, a clear message, that we're prepared to defend ourselves against any kind of attack. So we need to make sure that it is maintained, that we maintain it proudly, and that we talk about how it's on the ready. And if we aren't ready, if we can't talk about how it's on the ready, I don't know if it really serves the purpose that it was intended. That's why even skeptics like General and now Secretary Mattis, on this program, have now come around.

General Weinstein has become a great friend of mine, and Senator Tester. Obviously Montana, North Dakota and Wyoming share something in common and we spend a lot of time on this issue. I know that General Weinstein has been very, very aggressive within the Pentagon in making sure that people understand and appreciate the role that this capability plays, and honestly the role that the Air Force plays.

When people think of national security, we have to wonder, when we're boosters and supporters of the Air Force, do they see an airman or do they see a marine or an Army soldier? Who do they think about when they see it? We want people, when they think about our national defense, to see an airman, because they're doing incredible work for us.

Promoting not only doing the job but promoting the job, to me, is a pretty critical piece, because that promotion of the job is going to be critical to maintaining the momentum of modernization. If we don't keep promoting the job, I think that we will, in fact, fall down.

The NPR took some helpful steps by maintaining some fundamental continuity with past administrations. I think they maintained deliberate ambiguity regarding the kinds of attacks that would result in retaliation, emphasizing the U.S. commitment to extending the umbrella to allies, reaffirming the need to keep the triad and not reduce to an ICBM-less dyad. Importantly, Secretary Mattis, I think, reaffirmed that.

The one thing I would say here is, I was at Minot Air Base when Secretary Ash Carter came and basically laid this out. So this isn't, okay, now we're going to do it. This has been a continuation of past policies, and I think it's really important to point that out. As I said, it's really important that this not be subject to political wind, that when we talk about it we say this is not an initiative from the Trump administration. This is the continuation of a policy that was started by President Obama and by Secretary Carter.

So it is, I think, when you look at the conversations with Secretary Wilson, General Rand, General Weinstein and other Air Force leaders, it convinced me that the need to invest in readiness is absolutely critical. One of the roles that I can play, quite honestly, is the role of cheerleader, the role of explainer in chief, the role of somebody who puts up my arm when someone says we don't need that and starts going through it chapter and verse. If we just simply let that take hold, and we don't get into audiences where people challenges us that way, we won't be successful.

I think way too often the one thing that happens in any kind of difficult issue is that people go to their corners and as long as they win an election they think they've won the issue. That is really bad policy. I tend to go into the lion's den and try and argue my case. At least then, I've planted a seed of doubt in somebody else's mind about what they're saying.

So we can't just sit in rooms like this where we know -- who doesn't think we should modernize here? Yeah, no one. The attitude that we have of preaching to the already converted is not the best way to pursue this. So being in communities like Minot, being in communities even in New York City talking about how important this is, I think is absolutely critical.

Looking forward, I remain optimistic that there is a bipartisan agreement on

programs that will be necessary to develop further the nuclear force. I think you know the Ground Based Strategic Deterrent will be upgraded. You guys know the whole list.

In modernizing our nuclear force we can't lose sight of the platforms that protect the triad, replacing the outdated helicopters in Minot, which has been -- I think is in the Defense Authorization this time. We've been very aggressive on re-engining the B-52s. We think that's a platform that's worked well for us. I think that platform will continue to fly for a long, long time as long as we maintain it, but we can't have engines falling off in the sky.

Secretary Wilson's recent testimony before the Senate Armed Services Committee noted that both the GBSD and the LRSO are on budget and ahead of schedule in the risk reduction phase of their development. This is what the people of North Dakota expected. I think that one thing about working in North Dakota and one thing about making an investment in North Dakota, people show up, they do their jobs, they give you an honest day's work for a buck, and we think that it's a great place to do business.

So never forget that where you are, in terms of investments, can depend on how far those investments go. We fully expect that investments in North Dakota will exceed expectations in terms of what we will be able to achieve, looking at every dollar. We can talk a little bit about short-range and where we think that's at, if you want to do that.

But I want to close there and just simply say, if you get nothing else out of this, we live in a dangerous world. We cannot say we have a deterrent if we don't maintain it. We have to make these investments. But in order to make these investments for the long-term, we have to win the hearts and minds beyond industry, beyond the staff at the Pentagon or the staff at the Armed Services Committee. It has to be a message that is broader than that. And we have to make sure that someone running for a job somewhere, when they say we're going to cut \$400 billion out because we don't need to modernize, that we're on the ready to say, excuse me, let me explain why that's not true. Because a \$1.4 or \$1.2 trillion investment over this period of time doesn't happen without a lot of public support.

So with that, I'll just close and answer any questions you have. But I want to let you know that one of the things that we all wring our hands and talk about is the lack of civility and bipartisanship in the United States, and certainly in the United States Senate. Think about this, we never missed a defense reauthorization. You can't say that about everything, let me tell you, but we've never missed a defense authorization.

That is because chairmen like Levin, chairmen like Senator McCain, ranking members like Levin, ranking members like Jack Reed, won't let that happen. They are going to bring a defense authorization. That defense authorization is so important because it is the outline of public policy.

Sequestration has been bad. There is no doubt about it, we need to figure out how we unwind that. We unwound it for a little bit here, but the looming threat of

sequestration continues to prevent long-term planning. We've got to think about that, but you also have to realize that as it relates to the national security of this country and defense authorization, it is the single biggest success of the United States Congress because we do it every year, and typically on time.

So with that, I'll take any questions anyone has about where we're at.

(Applause).

MR. HUESSY: Senator, you had mentioned that the Russian threat is existential to the country. But as you know, China is as well, though we don't really have a good feel for what they have. What's your sense of the ability of the Senate to help move China towards more transparency, because we can't do anything either on arms control or balancing that unless we really know what China is up to? I agree with you with respect to the threat, but they're fairly, basically, cloudy when it comes to what they actually have, even though they can't hold at risk a lot of our country.

SEN. HEITKAMP: It's really hard when you think about, what's the leverage against China? We're seeing right now this potential trade war playing out with China. China is playing hardball. China is stopping orders. China is doing the things that they think move them into the best negotiating position.

Now with that said, the United States of America is still the largest consumer market in the world. No one wants to give up the United States of America as a consumer market. But what happens to the American economy if we stop trading with China? So where is our leverage point with China?

I'd argue that while we saw the expansion in the South China Sea, there wasn't much of an American reaction to that, and this is serious. So what Admiral Harris would probably tell you here is, first, you can't separate your economic policy from your foreign policy from your military policy. I would argue that pulling out of TPP was one thing that moved us further away from being able to impose any kind of leverage on China. It left that region open to Chinese economic domination.

We know what's going on in the South China Sea. That's not a mystery. You can take a look at a picture. They're building islands and militarizing them.

So what does that mean? Well, it means that they certainly want regional military dominance. I don't think you can look at this relationship or this diplomacy that we're engaging in with North Korea without thinking about China, without really analyzing what's in this for China.

I always remind people back in North Dakota when they say China should control North Korea, I say, let me give you a little history here about the peninsula. The peninsula was divided right after World War II. It was when North Korea invaded South Korea that we engaged and pushed them back, pushed them all the way back to the

Chinese border.

There was the famous discussion about whether we were going to go into China. China ran to the border and a million Chinese people died in the Korean war. Think about that, a million people. That's a lot of people. China feels pretty proprietary about that relationship, and so it will be interesting to see how this whole thing plays out and what role China plays.

There have been media accounts saying China is feeling like they're being isolated. I don't know whether we have enough transparency on the relationship between China and Kim Jong-un, because you need to remember, Kim Jong-un still is under sanctions, crippling economic sanctions. They're still very heavily economically dependent on China.

So what's the leverage point, Peter? Trade? Is it financial markets? What do you think we'll be able to do given the capitalization of their own economy? How much paper does China have on our country? Our debt now enters into a national security threat, right?

This is all pretty complicated, and so I'd love to give you a quick answer, but I'm not sure. I think that the most important thing we can do is actually get people in the State Department re-engaged. I think that we've had a State Department that has been hobbled, and a State Department that has not been at the ready all across the world.

One of the reasons why I supported Pompeo is I think he has the capability of bringing people in. I think he understands the complexities of the region, all across the world, and I think that he is going to bring experts in that will in fact look at strategies and opportunities. But I am deeply concerned about the economic national security dominance of China in the region.

MR. : Is it true -- (off mic) -- wage in North Dakota?

(Laughter).

SEN. HEITKAMP: No. What I am saying is even though we'll give workers a fair wage, they'll give you a fair hour for a fair wage. That's what I'm telling you. They'll show up and they'll get the job done.

MR. : (Off mic). You mentioned networks. You mentioned cyber. Our strategic communication system networks are extremely important. What are you looking at there with satellite communications or land-sea protection, anti-jam protection against cyber attacks?

SEN. HEITKAMP: I don't think that we should ever have a discussion about national security without talking about cyber, so that's kind of the starting point. One of the things that I think I've been more aggressive on is I'm on the Homeland Security

Committee. I'm not convinced that we are working in a collaborative, collective way to provide that shield for the United States and for the people.

There's two sides of it, right? There's cyber protection at a very high level, armoring the United States, and I think we'll get there. I think there's a whole lot of things going on in that space in terms of technology that could be helpful.

But let's do the easy stuff. Let's start talking about cyber hygiene. The best example of that is the Target attack. Do you know how they got in? There was a vendor that had a contract with Target that had lax security standards that then allowed the back door.

So we've got to get users to be better protected in the entire network. It's a little like a leak in a balloon, right? It may not be a big deal, but eventually it will be a big deal.

So what we're trying to do at Homeland Security is trying to figure out what is the role of who? Unlike national security, with the defense authorization, we don't have ongoing one place to go for reauthorization of homeland security. Do you know why? Because no one wants to give up the Coast Guard and the committee that deals with the FBI doesn't want to give that up to Homeland Security, and so we have multiple jurisdictions with no coordination.

The House did something fairly creative. They created kind of a little super committee to try and come up with a reauthorization, but that's probably not going to happen this Congress. But I intend to stay on the Homeland Security Committee and I intend to make reauthorization of homeland security, including cyber, one of my top priorities, so we have a strategy for homeland security.

It can't just be a border security strategy. It can't just be an anti-trafficking strategy. We have to have a homeland security strategy that works in concert with our defense authorizations.

So I would tell you that there's a lot of work being done. DHS has kind of been the focal point, along with DOD, in terms of new technologies that could be embedded and deployed. But we have to stay one step ahead, and we're always fighting yesterday's hack as opposed to what's coming down the way and how do we harden. But I've seen some pretty creative ideas, ideas that don't depend on software but depend on embedded changes within hardware that harden the security. So there's some good things happening.

MR. : Senator, you mentioned the success of the NDAA over the years. We do have another problem, though, and it's on continuing resolutions. That gets beyond NDAs and I would just kind of make a note of this. Parts of the triad are at risk with continuing resolutions that are in play, including the Columbia-class and keeping that on track going into '19, so we're keeping an eye on that. Can you tell us about how do we

get to a point of success in the appropriations process so we can actually have a process that actually gives us money in a timely manner?

SEN. HEITKAMP: Well, first we have to get rid of sequestration, and then we have to have a long-term agreed upon strategy for reduction of debt and deficits. That is also a threat to the homeland. It is also critically important that we get our debt and deficit. We can't just keep doing what we're doing. We're going to have a trillion dollar debt this year. That's just not sustainable.

So we have to recognize that we all have to eat our broccoli. We all have to sit down and act like we're running this country responsibly, and not like people who just wake up in the morning and say, what's easy for me to do today? So far, we've been doing easy stuff. We've been spending a lot of money and reducing inputs, i.e. a tax reduction.

Now we can argue about whether that's going to generate economic activity, time will tell. But right now, we're on an irresponsible path. And sequestration, as bad as it was, was in fact a check on irresponsible behavior.

So now what we need to do is we need to be serious about putting this country on a fiscal path that recognizes that we need long-term investments in national security, long-term investments in domestic security, things like Alzheimer's research. Alzheimer's can blow up our health care budget in the next 10 years if we don't figure out some path forward. So it's not just looking at the defense side, we have to be responsible on investments. And then we've got an infrastructure crisis in this country.

So at some point here, we need to be the adults in the room, right? We need to sit down and say, if you want this deterrent, which is critical, then you can't play this game of we're going to give you \$100 million in the next two years, but good luck coming back to us. There's got to be a long-term commitment, or a lot of the folks here who developed those plans are going to say there's too much risk. There's too much risk in embedding a lot of our costs, betting that this is going to be a long-term commitment. We need to get out of this.

One of the things that I believe would help us get out of this is a two-year budget cycle. I really hate this year to year budget cycle. Most states don't do it that way.

When I was in the private sector and we sat a board of directors, we did 10 year cap-x budgets. We did 10 year revenue projections. Most corporations in America do it. It doesn't mean that you're locked in, but there's a sense of, if these are the goals this is how we're going to get there.

So the budget process needs a complete overhaul. One of the things I will tell you that came out of the Common Sense Coalition work on immigration was a commitment to work together towards budget reform and appropriation reform so we get out of this mess that we're in. I can say I didn't start it, but I feel a sense of responsibility when we

all should.

To give you, not an optimistic view of how appropriate we are, take a look at the Post Office. The Post Office is a wreck. Guess who's the board of directors for the Post Office? The United States Congress.

The choices are hard, and when the choices get hard and there are consequences politically, we step down instead of stepping up. At some point we need to get beyond that. Making rash and generalized pledges, like I won't ever raise a tax, doesn't get us where we need to go. Does that answer your question? I'm as frustrated as you, I guess.

MR. MIKE TRAUTERMANN: Thank you very much. Mike Trottermann of the German Embassy. As to Iran, would you have any expectation or recommendation for the European side of the house on how to continue after the decision the president makes?

SEN. HEITKAMP: My recommendation was to be a bridge. I think the willingness of the Europeans to stand with the agreement, to continue that relationship, I think that's critical. I would tell you if there is a way that we can deal with the sunset, if there's a way that we can get commitments on their ballistic missile program, some of this stuff may be too hard and it may not happen.

I think we now have a situation in Iran where there may not be the political capacity to sit down and renegotiate. I think that one thing that the Europeans could do is smooth the water and try and set the table for ongoing discussions. The one thing that concerns me is we talk about the Europeans, but there were two other parties to this agreement, China and Russia.

I tell people back home, because this hasn't been always -- it's something that I need to talk about when I'm back home, because people ask me why I voted to approve the agreement. I voted to approve the agreement because I sat at a table with the ambassadors of every member of the P5 Plus 1 who told me that they were going to go ahead without the United States. And I believed that was critical, that we participate in the oversight of the agreement.

I also believed that the trade disruption that would come as a result of that with our allies had enormous potential. So what I would say is I think the Europeans can be honest brokers in getting everybody back to the table to fix the things that we all know were not perfect about the agreement, and to try and reassure Iran that this is salvageable. Does that make sense?

MR. TRAUTERMANN: Yes.

MS. : (Off mic) -- do you support the House's language -- (off mic) -- how do you think the Air Force has managed requirements for that program?

SEN. HEITKAMP: I think we're waiting to see what actually comes across. One of the things that we try and do is let our committee do its work and have that discussion and dialogue. But I'd have to say in principle the answer is yes. But again, you don't just take their -- I think there will be a discussion over here and hopefully a consensus over here.

MR. : (Off mic) -- satisfied with the pace of the program?

SEN. HEITKAMP: I'm never satisfied with the pace of anything in government.

(Laughter).

MR. : Anything in particular you would like to change?

SEN. HEITKAMP: Yes, I want them to get it done. Honestly, one of our most significant and import assets are our airmen. We want to put them in the best equipment, the safest equipment, the most modern equipment. When you send old equipment, failing equipment, that sends a message about value. So my answer would be sooner rather than later, and delays only increase cost. If we want to reduce costs we need to do things on time.

MR. : On the air leg of the triad, both the House and the Senate have advocates - (off mic) -- how would you recommend -- (off mic)?

SEN. HEITKAMP: I think it's always good to encourage, from you guys' standpoint and certainly the community advocates, for people to take that responsibility on. When I first got here there was the National Guard Caucus, which you may -- let me tell you, no one has ever given up that caucus. We said, what really can we bring to this that perspective?

That's why we started the Defense Communities Caucus with Johnny. Wasn't it with Johnny Isakson to begin with? So it takes initiative from one person. I think many times once one person takes that step then people say, I'll come along.

But the real question with all this is you get asked all the time to join caucuses. Does the caucus actually do anything? Our ICBM Caucus does stuff. When we see a threat, whether it's at the Pentagon or whether it is in the committee, we engage. When we see decisions coming down that we don't agree with in the Pentagon, we engage.

We've been very successful. It is very bipartisan, as you know, because the representation in the region is bipartisan. So Senator Tester and I work with Senator Hoeven, Senator Daines and Enzi and Balasso (ph) very closely. I also would say that it's helpful that it is bipartisan.

So we've got to do everything that we can to provide that support. I think encouraging House members to look at that opportunity -- I was just over at DOT

yesterday. North Dakota received one of their initial approvals on a project on drones.

So we're moving ahead and it's very exciting. We're one of 10 that were selected. It's a very significant project.

Every member of the North Dakota delegation was there. When making the announcement Kansas -- almost all of the Kansas delegation was there. You don't think DOT takes notice of that?

So showing up -- it's not just about getting it done, but you've got to show up if you're going to do it. So what we try to do is not just check a box, we try and show up. I'm not here just to check a box. If I want to check boxes, I can go home.

We're here to show up and to advocate for what we believe in. The bottom line is -- I want to make one closing comment. Make no mistake, this is an incredibly valuable economic asset, Minot Air Base, for the Minot region and for the state of North Dakota. But that's not what we're most proud of, and that's not what we defend and protect.

What we defend and protect is the amazing role that we play in the national security of this country, community support for that national security, state government support, local government support and congressional support for the role that we play in protecting the United States of America. So we're going to stand for that freedom and we're going to stand for the United States as we do our work with Minot and with Grand Forks and with the entire state of North Dakota and our National Guard. We're proud of the role that we play in national security.

MR. HUESSY: Senator, thank you so much.

(Applause).

Thank you, everybody, and please remember Trey Obering is here tomorrow morning. Heidi, I must say thank you very much for all the work you do on both the bomber and ICBM leg, particularly on a very bipartisan basis with our friend John Hoeven and Mr. Cramer and other elements of the ICBM Coalition. Thank you all for attending and we will see you tomorrow.