OPTIMIZED FLEET RESPONSE PLAN

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CONTENTS

STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Bordallo, Hon. Madeleine Z., a Delegate from Guam, Ranking Member, Subcommittee on Readiness ................................................................. 1

Wittman, Hon. Robert J., a Representative from Virginia, Chairman, Subcommittee on Readiness ........................................................................... 1

WITNESSES

Harley, RADM Jeffrey A., USN, Assistant Deputy Chief of Naval Operations for Operations, Plans, and Strategy (OPNAV N3/5B); and CAPT Thom Burke, USN, Director, Fleet Readiness (N43) ........................................ 2

APPENDIX

PREPARED STATEMENTS:

Harley, RADM Jeffrey A., joint with CAPT Thom Burke ........................................ 29

DOCUMENTS SUBMITTED FOR THE RECORD:

[There were no Documents submitted.]

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:

Ms. Bordallo ...................................................................................................... 43

Mr. Courtney ..................................................................................................... 43

QUESTIONS SUBMITTED BY MEMBERS POST HEARING:

[There were no Questions submitted post hearing.]
OPTIMIZED FLEET RESPONSE PLAN

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON READINESS,

The subcommittee met, pursuant to call, at 8:01 a.m., in room 2212, Rayburn House Office Building, Hon. Robert J. Wittman (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. ROBERT J. WITTMAN, A REPRESENTATIVE FROM VIRGINIA, CHAIRMAN, SUBCOMMITTEE ON READINESS

Mr. WITTMAN. I call to order the House Armed Services Committee Subcommittee on Readiness.

I want to welcome folks to our hearing this morning, on the Optimized Fleet Response Plan. I want to thank our witnesses for being here with us this morning, Rear Admiral Jeffrey A. Harley and Captain Thom Burke.

And as I said, I especially want to thank Rear Admiral Jeffrey Harley, Assistant Deputy Chief of Naval Operations, for Operations, Plans and Strategy, and Captain Thom Burke, Director of Fleet Readiness, for being here today. Thank you for joining us here at this hour of the morning.

We are looking forward to hearing about the Navy’s Optimized Fleet Response Plan [O–FRP], and we have heard about the stress that recent and current operations have put on our fleet. And I look forward to hearing the Navy’s plan to address these issues.

I would now like to turn to my ranking member, Ms. Madeleine Bordallo, for her opening comments.

STATEMENT OF HON. MADELEINE Z. BORDALLO, A DELEGATE FROM GUAM, RANKING MEMBER, SUBCOMMITTEE ON READINESS

Ms. BORDALLO. Good morning, and thank you very much, Mr. Chairman. And I thank the witnesses—and I like calling this hearing so early in the morning.

Mr. WITTMAN. Thank you.

Ms. BORDALLO. I enjoy it. Today we will discuss the Navy’s Optimized Fleet Response Plan, which is a new readiness construct that should enable the Navy to provide a predictable deployment schedule for our sailors, and support the growing operational tempo for the fleet and growing mission requirements across the globe.

The O–FRP is a readiness construct that arises from significant strains on the force that pose challenges for the Navy’s continued readiness.
The O–FRP has been developed to respond to current day requirements, and is intended to endure into the future. The O–FRP is certainly a solid plan to address readiness challenges, but questions remain about its viability into the future.

This subcommittee has been tracking development of the O–FRP, and directed the GAO [Government Accountability Office] to review the plan to get greater fidelity on the plan’s ability to adapt to changing circumstances that are beyond anyone’s control.

For example, what would significant delays in shipbuilding or ship maintenance availabilities do to the O–FRP, and how would forces be generated without disrupting dwell time and predictability for our sailors?

Further, I hope our witnesses can touch on how they are ensuring the readiness of logistics and support vessels in the Military Sealift Command [MSC] fleet to support the carrier strike groups [CSGs].

A key component of the O–FRP is to ensure that our Navy remains forward deployed, and the MSC is critical to supporting that effort. The O–FRP does a good job in outlining the deployment cycle for carrier strike groups, but I would like to get better fidelity on MSC ship maintenance and repair to support the carrier strike groups.

And further, this level of fidelity would be welcomed by the shipyards, so that they have even more predictability to support the readiness of the fleet.

I also hope our witnesses can touch on the value of having shipyards or robust ship repair capabilities in forward locations to truly support a forward deployed Navy.

As our witnesses have indicated and news articles have highlighted, full implementation of the O–FRP will take years and years. So, it is important to fully explore the plan and make sure that it works, not just for today’s requirements, but enduring into the future.

So, I look forward to a robust discussion about the plan and how it will endure, as well as how we overcome unforeseen challenges.

And again, Mr. Chairman, I thank you and I yield back.

Mr. WITTMAN. Thank you, Ms. Bordallo.

We will now go to our witnesses, Admiral Harley and then Captain Burke, for your opening comments.

STATEMENT OF RADM JEFFREY A. HARLEY, USN, ASSISTANT DEPUTY CHIEF OF NAVAL OPERATIONS FOR OPERATIONS, PLANS, AND STRATEGY (OPNAV N3/5B); AND CAPT THOM BURKE, USN, DIRECTOR, FLEET READINESS (N43)

Admiral HARLEY. Chairman Wittman, Ranking Member Bordallo, distinguished members of the subcommittee, Captain Burke and I are honored to be here today to discuss the Optimized Fleet Response Plan, known as O–FRP.

O–FRP is the Navy’s sustainable readiness generation model, and it is how we will maintain and train our ships to deploy in support of our national security interests. It provides a force that is ready for any challenge, from a high-end conflict against a peer competitor to humanitarian operations.
We would like to begin this statement by providing an overview of O–FRP, and then some highlights of how O–FRP will balance global presence with warfighting readiness and the long-term health of the force.

Our Navy has managed force generation using the Fleet Response Plan since it was adopted in 2003 and fully implemented in 2007. This cyclic process was designed to synchronize periodic deep maintenance and modernization necessary to readiness with the training of the fleet, to achieve global force management allocation plan forward presence objectives and provide contingency response capacity.

The reality of the past decade has seen a smaller fleet, along with continuing employment of our contingency response capacity to generate increased presence. This drove up maintenance requirements and in turn, compressed the time available to complete required maintenance and training.

In testimony over the last several years, the Navy has described this practice as unsustainable.

This prolonged period of high operational tempo resulted in a loss of scheduled predictability, personnel gaps, deferred maintenance and modernization, and overall reduction in the health of the force.

From 2008 to 2011, carrier strike group deployments averaged about 6.5 months in length. From 2012 to 2014, this increased to an average of 8.2 months as the Navy extended deployment lengths to meet global commitments to the combatant commanders.

More recently, Nimitz and Harry S. Truman completed 8.5-month deployments in fiscal year 2014. George H.W. Bush completed a 9-month deployment, Carl Vinson completed a 9.5-month deployment, and Theodore Roosevelt will complete an 8.5-month deployment this year.

Maintenance is the key factor to the health of the force. To meet national tasking, we have extended deployment lengths, which increased the wear on our ships, and resulted in additional maintenance and repairs that lengthened planned maintenance availabilities.

Operational schedule changes to meet combatant commander requirements, funding shortfalls, shipyard loading constraints, late modernization adds, and other factors led to inefficient maintenance and modernization planning, contracting, and completion.

Given these increased maintenance demands and shipyards, we should have been hiring more workers. Instead, because of the continuing resolution and sequestration-driven hiring freeze and overtime restrictions through much of fiscal year 2013, we were losing people to other employment opportunities or to retirement, without replacement.

We are still hiring to try to recover that shortfall. But we have to train those workers who do not have the requisite skills. This lack of skilled shipyard labor has further impacted performance and completion timelines. These operational and budget decisions directly contributed to the maintenance challenges that we now face.

The pace of operations, and providing “just in time” readiness to deploy, also affected our people, our sailors—including a number of
last-minute “cross-deck” moves, which means pulling sailors off one ship and putting them onto another just in time for the next deployment.

Consequently, we were challenged to retain our best sailors due to uncertain schedules and increased time away from home, and the attendant loss of stability for sailors and their families. We are now paying the price for the prolonged high operational tempo experienced these last few years. We have testified to the unsustainability of that operational tempo.

Combatant commander requirements, meanwhile, continue to grow and although we have historically sourced to our capacity we are routinely asked to surge additional forces or to extend forces on station. In these cases we are not so much generating new readiness as we are consuming the future presence and future surge capacity.

This year, the Navy began implementation of the O–FRP to try to reset in stride, to address these challenges. Designed to stabilize maintenance schedules and provide sufficient time to maintain and train the force while maximizing employability, O–FRP also aligns supporting processes and resources to improve the overall health of the force. Importantly, it will provide a more predictable schedule for our sailors and their families.

We will continue O–FRP implementation across the Future Years Defense Program with a goal of full implementation by 2020.

The CNO’s [Chief of Naval Operations] overarching guidance was to establish a balanced, sustainable and predictable force readiness generation cycle that would maximize the employability of our force structure.

O–FRP is intended to deliver several specific outcomes. First, O–FRP will permit us to preserve the time necessary for maintenance and training. We need to protect maintenance time to preserve the long-term health of the force.

Delaying or deferring maintenance plans places equipment at increased risk and increases the risk of equipment casualties at sea when we need those equipment the most. Disruptions to maintenance planning also increases cost, reduces public shipyard productivity, and increases the risk to the private ship repair industrial base.

Furthermore, stable and predictable maintenance and modernization supports our warfighting readiness and interoperability. If we don’t complete maintenance on time, we can’t start training on time. If we have to compress training to meet global presence requirements, this negatively impacts our full-spectrum readiness over the long term.

The improvements in maintenance will lead to overall greater operational availability. Greater operational availability means less likelihood of lengthened or multiple deployments in the same cycle.

O–FRP will also improve the quality of work and enhance the quality of life for our sailors. O–FRP will lead to enhanced quality of life through more predictable schedules for our sailors and their families. Stabilized manning also reduces the likelihood of last-minute cross-deck personnel actions and will result in fewer operational holds of sailors who have already served their time at sea.
O–FRP will provide standardized manning, training, equipping, and alignment of operational and tactical headquarters. It will provide a consistent chain of command throughout the O–FRP cycle. Ultimately, these factors are interrelated. For the investment in maintenance and training, an increased period of operational availability supports both forward presence commitments and recovering our contingency response capability.

Our transition, as noted, to O–FRP will occur over several years. Carrier strike group and amphibious ready group [ARG] transitions are already in progress. We project the last CSGs and ARGs will enter O–FRP in fiscal year 2018. We have approved and are implementing O–FRP cycles for our remaining units, including ships homeported overseas, attack submarines, maritime patrol and reconnaissance aircraft, and our expeditionary forces such as explosive ordnance disposal, coastal riverine forces, and naval construction forces.

For our ships and submarines, completing maintenance availabilities on time is essential to reducing deployment durations. Maintenance delays may result in other ships completing extended deployment to meet global commitments.

The fiscal year 2016 President’s budget [PB–16] made a significant investment to increase available naval shipyard and aviation depot capacity. We have moved some submarine work to the private sector and increased the size of the workforce.

Navy is making significant investments in workforce training to improve worker productivity. The combination of these improvements will reduce the number of availabilities that exceed scheduled end dates.

Additionally, in support of O–FRP implementation, we have synchronized carrier and surface combatant maintenance periods, standardized the training of our headquarters staffs, and consolidated and streamlined inspection processes.

We have made significant progress in ensuring our ships are properly manned prior to commencing the training cycle. We are continuing to work to ensure maintenance and modernization periods are completed on time.

For the progress we have made, we must be prepared to address potential roadblocks to O–FRP implementation. We will need to fund O–FRP to the right standards for manpower, maintenance and training, and across all readiness pillars.

PB–16 does that, but a return to Budget Control Act levels will certainly disrupt O–FRP implementation.

We need to meet not only the numbers for manpower fit and fill, but ensure the quality of the fit is correct, ensuring a trained sailor with the right skills arrives at the right time.

We need to closely manage ship schedules and alignment of surface combatant and amphibious ships with the aircraft carriers and big-deck amphibious ships.

This is complex because it involves coordinating maintenance and modernization schedules across numerous shipyards.

We need to invest in increasing shipyard capacity by addressing workforce manning and training requirements. We will have to execute the planned PB–16 investment to increase available naval shipyard capacity by moving submarine work to the private sector
and increasing the shipyard workforce to 33,500 full-time equivalents by fiscal year 2017.

Finally, responding to emerging crises with surge or extended deployments will disrupt schedules and could further delay O–FRP implementation.

We are carefully managing the O–FRP implementation and execution and will be prepared to adjust course as necessary.

Lastly, I would like to talk about the risks we face if we do not implement O–FRP. We cannot continue doing business as usual and expect to maintain an operational and tactical advantage over our adversaries. If we do not implement O–FRP, our challenges will continue to grow.

We will be unable to retain our best sailors due to high operational tempo and schedule unpredictability. Through the cumulative effect of high operational tempo and maintenance challenges, we also will be unable to reach the expected service life of our ships, submarines, and aircraft.

Additionally, degraded material readiness leads to reduced warfighting readiness, ineffective training, and increased safety risks. We will continue to have inefficient maintenance/modernization planning and scheduling, which will lead to unacceptable and unaffordable cost overruns, training entitlement impacts, and deployment delays.

Lastly, we continue to consume our contingency surge capacity for routine operations. It will be more challenging to meet Defense Strategic Guidance objectives of the future.

Ultimately, this is a “pay me now or pay me later” discussion. If we are not given time to reset the force through O–FRP, and are forced to source beyond sustainable levels, we will remain challenged in all of these areas.

So in conclusion, after years of operating above sustainable levels, we remain challenged to meet the necessary surge capacity in quantity and readiness across a wide array of forces. Moreover, a return to Budget Control Act authority levels will further challenge our maintenance, readiness, training, and risks reversing recent gains.

Your great Navy will continue to man, train, and equip combat-credible forward naval presence—being where it matters, when it matters—as well as supporting our commitment to allies and partners. Our naval functions—deterrence, sea control, power projection, maritime security, and all-domain access—remain essential to our strategy.

But we cannot sustain the health of the force indefinitely without adopting and fully implementing O–FRP as our sustainable force generation model. We thank the subcommittee for your continued support and we look forward to answering your questions.

[The joint prepared statement of Admiral Harley and Captain Burke can be found in the Appendix on page 29.]

Mr. WITTMAN. Admiral Harley, thank you. Thank you for that comprehensive overview about O–FRP and what it means and the challenges that we face ahead. I appreciate you putting your perspective, too, what Congress's obligation needs to be to make sure
that we create that readiness and make sure that we are creating it faster than we are consuming it. Great—great perspectives.

What I will do is begin with just a single question, and then I want to make sure we go to the members here and then I will come back.

You spoke at length about making sure that there is proper capacity there, both in the private yards and the public yards, increasing staffing there. One of the things we look at as far as maintenance availabilities, as you so eloquently stated, the maintenance availabilities have backed up based on deployment schedules from 2012 through 2014.

So now we have this bow wave of maintenance availabilities that have to be taken care of, getting those ships to the yard. That also creates a bow wave, as you said, in capacity in our yards. The key, though, is to make sure that we maintain that capacity moving forward past taking care of the bow wave that comes in and getting these ships maintained.

How does O–FRP make sure we are not in this roller coaster ride again where we have all this work that goes to the yards and then all of a sudden the need for that capacity now goes away? So we ramp up to that 33,000 staffing level in the yards, both public and private, and then once that work is done, you know, we drop off and the demand is not there.

So give us a perspective about how O–FRP, you know, keeps that certainty for all of our yards to make sure, as you have talked about, and we have seen this where we lose people from the yards because the work goes away and then we scramble to get folks back and those skills never return. And when we do have to hire folks, as you know, it takes a significant amount of time for them to develop the skills to be effective and for efficiencies to be found in the yard.

So give me an idea about how as we go into 2015, 2016, and 2017, and then obviously into 2018, how do you manage those peaks and valleys?

Admiral HARLEY. And sir, I will let Captain Burke provide more detail, but what you are really addressing is this ideal of providing predictability for our industrial base. And that same predictability, if we can get to a place where the maintenance ends on time, that predictability translates over into our ability to generate force employability to meet our obligations for our global force presence.

That predictability is the—underpinned by exactly that, by having that industrial base capable of generating the maintenance outcomes that we absolutely need for our program.

Captain BURKE. Sir, good morning. That is a fantastic question. It is right on the point. And so I think what O–FRP is helping us do is there is a subset of O–FRP, which is this new master plan we are creating to give our process sustainability, discipline, and stability. And so our plan is to try and look out much further into the future with this disciplined process and be able to see 9 years out, this is when this ship is going to be in availability.

So it should allow us to do a much better job of placing a trajectory on the size of the shipyards throughout the country, both public and private, and what our private demand would even be, and be able to put a more level load throughout that long cycle.
Now as we transition, there is churn there. Because we do it—we have a lot of work to do, to hire folks, which we are doing pretty well at, but getting those folks trained and getting them to perform at the journeyman level takes a few years. They are not going to show up as experts.

So the transition is going to be—is a big challenge for us. But once we get there, we will be able to look much further into the future and look at what the load is across our yards so we are not causing those ups and downs. Absolutely right, yes, sir.

Mr. Wittman. As well as talking, obviously, with the folks in the public yards, are you having conversations with folks in the private yards to make sure you work with them so they can work with you and maintaining for them that certainty, but also helping them manage the workforce so we are not on that roller coaster ride?

Captain Burke. Yes, sir. And I think we are doing it in better ways than we have ever done in the past, honestly. It is more of a challenge. We don’t have the fidelity we have with our public yards of exactly what skill sets we have available. We have great fidelity in our public yards.

In the private yards, folks are more inclined to say they will take the work no matter what, so we have to be—we have to be honest partners with each other and understand what the realities are so that we are not causing them a lot of churn, yes, sir.

Mr. Wittman. Ms. Bordallo.

Ms. Bordallo. Thank you, Mr. Chairman.

I have a couple of questions, real quick questions. Admiral, for you, where along the O–FRP timeline does the most risk lie? Who is responsible for enforcing it and who has the authority to disrupt it?

Admiral Harley. Most of the risk within the 36-month timeline for the Optimized Fleet Response Plan is the maintenance cycle itself. There are a number of unknowns within the maintenance cycle. Things get discovered that need repair.

One of the examples is the Dwight D. Eisenhower’s maintenance cycle was supposed to be significantly shorter, ended up to be twice as long, a function of a major system casualty that was discovered once they got into the discovery phase in preparation for the maintenance.

So there are things that place the maintenance portion particularly at risk.

The deployments are scheduled years in advance. It is part of our force offering adjudicated by the Secretary of Defense. And what our global force presence will be allocated with the capacity that we can offer.

The shock absorber for that becomes the training cycle, and it is why the CNO has testified that there are maintenance backlogs and training backlogs that impact the ability to execute the Fleet Response Plan and now have potential to disrupt the Optimized Fleet Response Plan.

It is why so much effort is going into ensuring the predictability and the completion of the maintenance cycles. The force generation models, the readiness generation model that is described in the Optimized Fleet Response Plan is obviously a Chief of Naval Oper-
ations responsibility, under his title 10 authorities of manning, training, and equipping.

However, the commander of Fleet Forces Command is the executive agent for delivering the readiness of the fleet. That is the person who can disrupt, modify, re-organize the Fleet Response Plan and its goals under the auspices of the Chief of Naval Operations.

Ms. BORDALLO. Thank you very much, Admiral, for your direct answers to my questions.

Now can you detail how the O–FRP implementation sequences MSC or other logistics and support vessel maintenance over the coming years? Again, I want to stress, the plan for the carrier strike groups is pretty straightforward, but it is not—but it is unclear how this would work for MSC.

Admiral HARLEY. The O–FRP has nine lines of effort and one of those is MSC support. But the Military Sealift Command ships are not part of the Optimized Fleet Response Plan’s methodologies. They are funded to a certain level of readiness, a certain number of days. They are certified to Coast Guard standards and civilian maintenance standards.

So they play a significant role in supporting the rest of the fleet through their readiness, through their support of the ships and assets that are going through the Optimized Fleet Response Plan.

But in terms of the processes, the alignment of manning the training and logistics, it is not a driver for the Military Sealift Command ships and platforms.

Ms. BORDALLO. Thank you. And I yield back, Mr. Chairman.

Mr. WITTMAN. Thank you, Ms. Bordallo.

We will now go to Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

Admiral, the best of managers, whether they are in the public sector or the private sector, can’t be efficient if they don’t know what their budget is in a timely manner. Do you know what your budget will be for your fiscal year that starts October 1?

Admiral HARLEY. We actually don’t, sir. I think it depends on the decision as to whether the Presidential budget is approved or whether there is a continuing resolution [CR]. And even within the continuing resolution, there is significant discussion as to the lowest levels, whether it would be a House number or Senate number.

And there is a significant difference between what could potentially be a gap of something like $3.6 billion or even up to a gap of $16.5 billion.

We can certainly get you more details, but you are absolutely right—it creates an uncertainty and an unpredictability that has the potential to destabilize our naval execution of the Fleet Response Plan and the Optimized Fleet Response Plan.

Mr. SCOTT. And just for the record, Mr. Chairman, for people who may be watching this, it is September 10, so we are 20 days from the new fiscal year. And Admiral, I majored in risk management. Forgive me for the question, but is it possible to calculate the additional risk and cost to our country in both dollars and national security with the uncertainty that is surrounding the appropriations for the DOD [Department of Defense]?

Admiral HARLEY. I think we have calculated the risk in testimony, particularly in January with the Chief of Naval Operations
and the service chiefs discussing and testifying to the impacts of sequestration.

Naval assets are somewhat different, I would suggest, than so many other assets and programs. The maintenance cycles are very long. The ability to produce readiness is an extensive period of time. We absolutely rely on the predictability of that funding.

Continuing resolution would have impacts of its own if we end up there, even for a short period of time. We are likely to have to start deferring some maintenance because of the lack of predictability.

And this has a daisy chain effect of repercussions throughout the maintenance schedule, a daisy chain effect in terms of our ability to provide global presence required to support and defend our allies and to meet our commitments in accordance with the Defense Strategic Guidance.

Mr. SCOTT. I agree with you, Admiral. The only thing that a continuing resolution is better than would be a shutdown and the additional uncertainty that would come from that.

The House passed a Defense Appropriations measure June 11 by a vote of almost 2 to 1. I would just like to point that out. And now here we are 20 days from the end of the fiscal year and we don’t have anything to tell you.

One last comment I would make—if I wanted to destroy the United States, if I was their enemy, I would force their fleet to stay at sea longer than their maintenance schedules allow for, to allow us, if you will, to dilapidate the fleet.

One of the greatest advantages that we have had over any of our adversaries is our ability to do depot and maintenance work and the industrial workforce that we have. Could you speak to the impact that this is having, the uncertainty has, and the damage that we have done to that workforce with furloughs and other budget maneuvers that have happened in the past?

Captain BURKE. Sir, specifically talking about the workforce and the furloughs, I think it is a pretty important point. And the uncertainty associated with it can really cause some serious damage.

The shutdown, for example, that we had resulted in not only some furloughs and sequester results in some furloughs, but then they resulted in a hiring freeze. And that was actually more damaging because for 8 or 9 months afterwards we couldn’t hire. And so, for example, in our air depots, with our aircraft, we just this summer got back to the level of folks working in those depots, the level we had in 2013. So we just got back to where we used to be.

And we know that capacity isn’t enough to handle the amount of aircraft we need as throughput right now. And you can make the same—exactly the same statement for the shipyards, sir.

Mr. SCOTT. Captain, I represent Robins Air Force Base. We will be happy to rebuild those Navy planes for you if you need us to.

Mr. Chairman, I will yield the remainder of my time and I appreciate the opportunity and gentlemen I appreciate your service.

Mr. WITTMAN. Thank you, Mr. Scott.

We will now go to Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman, and thank you to both the witnesses this morning.
Admiral, I just want to get a little more clarification on some numbers that you just recited in terms of the impact of a CR and sequestration. You mentioned a $3 billion gap between the President’s budget and one of those scenarios and up to $16.5 billion between the President’s budget and one of those scenarios.

Could you just say—is the $3 billion if we do a CR? And the $16.5 is a sequestration number? Is that——

Admiral HARLEY. Sir, the difference between those numbers is the difference between the inclusion of OCO [overseas contingency operations] funding and the lowest common base and whether you would take the House number or the Senate number. And I understand it is one of the issues that is being discussed and it would still have to be adjudicated between the Senate and the House.

But it is a significant difference for us. And we have argued that, you know, the President’s budget is what we need to execute our missions. A continuing resolution would obviously place us at some number less than the President’s budget.

And as we look at those numbers, depending on whether it is a House version or a Senate version that included what could be—what could include a construct of the lowest base number for that funding, it could be a significant difference between those two numbers that I offered.

Mr. COURTYNE. And does the OCO sort of strategy, does that—can that be applied towards this program, or is that just not considered, you know, within OCO's reach? You know what I am saying?

Admiral HARLEY. Sir, I don't know. And I can get that back to you. I know——

Mr. COURTYNE. I would appreciate that.

[The information referred to can be found in the Appendix on page 43.]

Admiral HARLEY. As we look at how we include the overall funding. Our goal is to reach the ultimate numbers provided within the President’s budget.

Mr. COURTYNE. Thank you. The other question—I just wanted to follow up, as long as we are talking about gaps, is the carrier gap. That is the way it is referred to in the media.

And it looks like we are about to encounter a carrier gap, both in the Middle East and Asia-Pacific. Is that something that, again, is just episodic, that is because there was that delay in some of the carrier repairs that you referred to earlier?

Or is that sort of going to be a structural, recurring phenomenon, because of O–FRP?

Admiral HARLEY. Sir, first I would talk to the idea that we really ought to talk about capability gaps and not platform gaps.

So, much has been said in the press about how we are not going to have an aircraft carrier in the Arabian Gulf for certain periods of time. And the truth is, what the Navy offers is what we can produce. We tell the Secretary of Defense, that given our readiness generation model, we can produce this amount of carrier presence.

Based on global threats, the Secretary of Defense allocates where those resources go. And sometimes it results in a carrier not being assigned in the Central Command area of responsibility. Or some-
times it results in not being assigned in the Pacific Command area of responsibility, let alone all of the other combatant commanders.

This phenomenon of not having a carrier present has happened many times in the past; six times since 1991 for Central Command, eight times since 1991 for the Pacific Command. And appreciating the significant value that a carrier brings to a fight and to things like deterrence, the idea of discussing capabilities really is important.

Because when the carrier goes, the Joint Staff, working with the combatant commanders, finds methodologies by which they can mitigate that presence lack of the carrier.

And to that end, they are able to mitigate and provide the capabilities that are required for that duration of time, until a carrier can be provided in accordance with our presence constructs.

Mr. Courtney. A number of us were over in Pearl Harbor last week. And Admiral Harris and Admiral Swift sort of walked us through that point.

I guess the question I still would like to understand is that, is this something, though, that is going to be recurring with O–FRP?

Admiral Harley. So, first I would say that O–FRP is not the creator of gaps. O–FRP is a model that generates the optimal employability of the—for the number of ships that we have. Our goal, as stated by the CNO is to have two carriers deployed and a surge capacity of three other carriers.

Where those two carriers are allocated is decided based on threats, and determined by the Secretary of Defense, but through the advice of the Joint Chiefs of Staff. Will there be gaps—so-called gaps in the future? Well, I would say that the capabilities, we find ways to mitigate that through adding additional fighter aircraft as a representative example.

But our goal is to get to a sustainable generation model for the highest levels of readiness, that are then offered to the Secretary of Defense, and he makes that allocation.

Will there be shortages of carrier presence in the future? I would say, most likely, because of the number of demands and global threats throughout the world.

Mr. Wittman. We will now go to Mrs. Hartzler.

Mrs. Hartzler. Thank you, Mr. Chairman. Thank you, gentlemen.

I was wondering, how does the delay of the USS Gerald R. Ford impact the O–FRP and the operational availability of the Navy's carrier strike group?

Admiral Harley. The delay of the Gerald R. Ford is a function of desiring to do shock trials to support the optimal understanding of the safety parameters, before we deploy that aircraft carrier.

It does modify our ability to restore our plus-three surge capacity by a designated period of time that is still under review by Fleet Forces Command.

Mrs. Hartzler. So, you don't have an idea right now what that looks like? You are still reviewing when it will be available?

Admiral Harley. Well, we know, without talking through classified schedules that it represents about a 2-year delay in being able to deploy that carrier. And consequently, it means that we won't
get back to 11 carriers able to deploy for about an additional 2-year period.

We are looking at ways to mitigate our presence requirements to get back to our two carriers deployed and three surge-capable, but it does have a significant impact.

Mrs. HARTZLER. What is the relationship now between public and private maintenance in the shipyards?

How much of it is done in public, how much is done in private? And how would you rate the capability, as well as the economic feasibility of doing that? Is it cost-effective or beneficial to have more private than public, or vice versa, or how do you view that?

Captain BURKE. Ma'am, the relationship is—essentially the—sort of straightforward roll-up is that our nuclear work is done in our public shipyards. Our kind of highest skill set, highest standard work is done in our public yards.

And then the work for our cruisers and destroyers, our amphibious fleet, is done in our private—is done in the private yards, is sent out to those yards, contracted out.

And then there is some work that is contracted out that is done on what we call top-side work, not in the propulsion plans, that kind of thing, in our public yards.

So, the relationship is crucial to O–FRP being successful that we have the balance between both our public sector and our private sector understood. We have—as the chairman was talking about in his question as well, that we have a trajectory to the future, we understand what the loading is across those yards, so that we are not throwing major wrenches into either the public sector or the private sector, because it really screws up the planning.

And that is a big part of why we are trying to take this breath, and get O–FRP, which really isn't that big a change, really. It is just trying to deliberately fence the time for maintenance, so that we can get these ships back up where they belong. And then we have time to offer that post-deployment sustainment, and really offer that surge capability again, which we kind of lost in our scramble to just be present over the last several years. Because our numbers were higher than we could sustain.

Mrs. HARTZLER. Certainly, predictability is important in industry and—you are talking employing, and training and all of the aspects. So, that certainly makes sense.

What measures does the Navy use to track the performance of its shipyards to ensure that it is meeting its maintenance goals?

Captain BURKE. The big roll-up measures, ma'am, are all about cost and schedule. Those are the key parameters that we use, and we have a number of ways to measure the trajectory of how we are doing on cost and how we are doing on schedule, beyond the big roll-ups.

So, from a business standpoint in the shipyard, that is what they are worried about. How long is this supposed to take to change this out? Is it a 5-day job? Why did it take 7 [days]? That sort of thing. Why did it cost extra, et cetera? That is what we focus on.

From a fleet perspective, they are more focused on operational days, the time that that ship is available at sea. We call that metric “lost operational days.” If a ship is supposed to be out there and able to be used by the fleet commander, and it wasn’t available,
that is an X. That is a bad thing. So, we want to minimize the number of lost operational days.

So, we roll up all those metrics to see how we are doing.

Mrs. HARTZLER. In the initial contract, is there a penalty for the private contractor if they go beyond the time that they were originally allotted to have the maintenance done?

Captain BURKE. There can be. And it depends in the contracting strategy. In the private side, we are changing contracting strategies to go to a more firm, fixed-price type of strategy, which will have more of those kinds of incentives, or if you will, disincentives in the contract.

Mrs. HARTZLER. Thank you, Mr. Chairman.

Mr. WITTMAN. Thank you, Mrs. Hartzler.

We will now go to Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman. Thank you both for joining us today.

I wanted to follow up a little bit with that—with some of those questions. How are we catching up? Because I think that the tracking is critical, and we know that reducing the maintenance backlogs, it just snowballs, as you all know, in terms of how long the fleet has to—is active, and corrosion issues in terms of the ships.

I mean, there are so many things that are causing many of the concerns that you have. And some of those are not necessarily to the sequestration that we have experienced, but longstanding.

So, how are we catching up with that? I mean, what are the strategies that are working and those which are not?

Captain BURKE. That is absolutely the right question, ma’am.

So, the things I can say now are—there are a couple of good news stories, and then there are a couple of—we are still looking at. So, the good news is the metric I just mentioned, lost operational days. How many days are those ships available to the fleet commanders?

That has been coming down all of the last 4 years, the number of lost days were had for our ships at sea. So, that is a good thing.

We have got a good method now to show that we are resetting the fleet. So we have been very concerned about the fact that we were trying to fix the bicycle as we rode it over the last number of years, and we decided we really needed to try and more deliberately capture how far we were off of the class maintenance plan for our ships. Sort of the warranty manual for your car throughout the life cycle. Are we on that plan? Or are we off that plan?

So we have a way to capture that now and show that we are putting more effort against that plan and we are actually putting maintenance above—doing maintenance above the plan to catch back up. And so we can track that metric now. Those are the good news stories.

The worrisome side is what we—is what I talked about earlier, with all these new folks we are hiring. All these new faces. We got to get them trained and we have got to get them up and performing effectively. And that is not going to happen overnight so we have to work through that over the next few years.

Mrs. DAVIS. Admiral Harley, you know the problems that we are facing now is that they didn’t just occur, we know that they have been going for some time. Is there—what is it that—I think the
role of the Congress obviously is critical in this and how we respond. Where do we fit into that?

As specifically—I mean it is obviously the sequestration and whether it is a continuing resolution. But I wonder if you could expand a little bit more on that? Where else do you see the role?

Admiral HARLEY. Yes ma’am, we appreciate the great partnership with Congress and congressional leadership in so many of these areas. As you know Admiral Greenert, our Chief of Naval Operations, released his maritime strategy in March in which he talked to force design construct and the things that our great Navy needs to be able to meet the five naval functions. There are things that are needed to support the O–FRP and I have outlined some of them.

We do use the optimization of the existing Fleet Response Plan to achieve a better alignment within training, within manning, within maintenance; to create those kinds of maintenance efficiencies. As we move into the long term, Congress can help us with ensuring the wholeness of our programs. We do that through looking at the logistics, through the parts, through the ordnance.

Probably the most critical factor is being able to provide predictable and stable funding because of the differences. Because of the inherent difference in our Navy long-term processes that need that stability; with a predictability that goes to your industrial base. A predictability of the product; of the readiness that is going to be provided to the combatant commanders.

All of those things is what the optimization of the Fleet Response Plan will offer. But it is the dialogue with Congress, it is the strategic underpinning, and it is particularly the stability of the funding is I think what the enhanced role of Congress would be.

Mrs. DAVIS. I was a little concerned though in the discussion with Representative Courtney that in terms of trying to really help members see where this gap is because there is a concern about how—what is included in OCO and how we move forward? How we have an understanding of that.

So I think to the extent that we can really look at that a little clearer would be helpful.

Thank you.

Admiral HARLEY. Yes ma’am, we can certainly set up a briefing for you or your staff.

Mrs. DAVIS. Thank you.

Mr. WITTMAN. Thank you, Mrs. Davis, we will now go to Ms. Stefanik.

Ms. STEFANIK. Thank you Mr. Chairman, and thank you gentlemen for your testimony today. I wanted to build on Mr. Courtney’s previous line of questioning. I represent Fort Drum, home of the 10th Mountain Division and engaged from the 10th Mountain Division are brigades currently forward deployed in Afghanistan and Iraq. And on a recent CODEL [congressional delegation] with Chairman Wittman to Top Gun, I was able to see the significance and the critical role that the Navy has in providing close air support for troops on the ground, specifically for the 10th Mountain Division.
Can you explain to me how the implementation of O–FRP restricts, impedes, or helps the Navy's ability in a joint environment, and in particular in the Middle East AO [area of operations]?

Admiral HARLEY. I would say that O–FRP actually optimizes our readiness to support not only naval functions and missions but optimizes our ability to participate as a joint partner. For over a decade we have fought wars in Iraq and Afghanistan, providing things like close air support. We are currently engaged in operations now against ISIL [Islamic State of Iraq and the Levant] providing air support to enable our objectives in that fight as well.

When you look at jointness, we are a joint force. We certainly have maritime mission tasks that we execute, critical missions tasks to support maritime security over the globe, the underpinning of the global economy. But we operate frequently in joint exercises and joint forces. It is part of our DNA now to be able to do that.

So we can optimize the readiness that delivers the global presence that enables the joint force execution of missions like those in Afghanistan. And the Fleet Response Plan is simply that, it is a readiness generator. The Optimized Fleet Response Plan simply optimizes the existing plan that we have.

We are also using the Optimized Fleet Response Plan to reset our stride, to get back to our ability to provide the global force presence that we need as well as a surge capacity. It is going to take several years to get there but it is absolutely critical for our ability to maintain global requirements in terms of presence, but also the ability to respond to crises.

Ms. STEFANIK. My second question—I am sorry go ahead, Captain.

Captain BURKE. I wanted to just add—I would just like to thank you for saying that. I think a lot of people don't really realize how busy the Navy has been supporting our troops on the ground, in the Middle East especially. I had the privilege of spending 5 months out there while I was CO [commanding officer] of the USS Ronald Reagan.

We took great pride in the fact that we never missed a sortie that was going over land to go support our troops on the ground. We always had the section that whatever it was—the package that was flying to go check in was ready to support those troops on the ground.

So I think a lot of folks don't really understand that. This is, “Well that is the Navy, they are not busy doing this ground fight,” and we sort of let it sneak up on us, our collective understanding of how much we were stressing our force to be able to provide that; that air cover, that air presence, and all the ships associated with providing from the sea support. So I really appreciate you mentioning that.

Thank you.

Ms. STEFANIK. Well, we certainly are grateful and I know the soldiers from the 10th Mountain Division that I represent are grateful for that support.

My second question, which deals with a different topic, has to do with retention. As you know, retaining the best and the brightest soldiers is a huge issue and it is at the top of the priority list for
the Army right now. And you touched on this a bit, Admiral, in your opening statement.

Can you please elaborate on why and how the O–FRP helps retain sailors and any impact on their quality of life and more stability for their families?

Admiral HARLEY. Absolutely, so one of the dilemmas that our people face under the demands of global presence in the past has been a lack of predictability. Deployments get extended, people get surged early. Because we haven’t been able to align our manpower systems, you will be pulled off of one ship and put onto another.

The ships suffer in readiness in terms of what we call fit and fill, having the right person with the right skills. And this translates into not being—not having the resources that you need to do your job. And so it leads to a frustration that probably culminates in reduced retention.

We have settled in the O–FRP on a 7-month deployment. It is the optimal deployment length that meets the ability to enable the transit distances of the globe to get where we need to be, to be where it matters when it matters, and yet at the same time, we don’t want those deployments to be too long. There are physical things that start to happen around the 8-month point on ships. And we have done the rigorous analysis to show that extended deployments have impacts on retention.

So what the Optimized Fleet Response Plan will do is not only giving you better tools of fit and fill, it should give our sailors and their families a predictability that we haven’t had in the past.

Ms. STEFANIK. Thank you very much. I yield back.

Mr. WITTMAN. Thank you, Ms. Stefanik.

We will now go to Mr. Gibson. Mr. GIBSON. Thank you, Mr. Chairman. I appreciate the panelists. Thank you for your service and your leadership.

My questions are going to really follow up on the previous one and Mr. Courtney. And in particular, with regard to the Global Response Force, I will be interested in your personal assessments as to the processes we have in place right now.

Certainly very detailed and informative commentary this morning in terms of the Navy’s aspects and impacts on operations and on deterrents.

The Global Response Force put a lot of focus on that over the last several years as a means of really empowering our diplomats, really revitalizing deterrence, having agility in the American response. And I am interested in your assessment from the vantage point of the Navy of how we are doing as far as a joint force using the Global Response Force construct.

Oftentimes in the media we hear reports of a carrier strike group is, you know, in the Central Command or—and so obviously very important, but as you have earlier stated this morning, I mean, this is all part of a joint force.

How satisfied are you that the Pentagon is putting enough emphasis on this, especially given the war that we have been fighting for so long and, you know, in terms of impacts of meeting current requirements for the war on terror?

And then how we are doing in relation to that? And in some cases taking risk in revitalizing the Global Response Force—
what—and so, towards that end, your assessment, what recommendations would you have for us, the Congress, that might enhance or improve our ability to model and simulate, participate in a meaningful way in exercises that all work toward revitalizing the Global Response Force?

Admiral Harley. Sir, the Optimized Fleet Response Plan is designed as a readiness generation model, as I have said. Another way of articulating that is it creates employability. It creates predictable and sustainable employability.

So by that I mean the CNO has testified of his goal to be able to achieve a two-plus-three construct, which is really getting to the issue of a response force. It is more than the one carrier ready to respond. It is creating a vision where we have three carriers in a surge capacity ready to respond, on top of the two-plus presence that is already being provided globally.

So when you talk about providing a response force, that is really what we are talking about, is the ability to surge to crises or to areas of responsibility in the event of a conflict or in the event of a humanitarian disaster, as an example.

CNO has stated this goal. The Optimized Fleet Response Plan builds towards that goal. We have lost that surge capacity as a function of the overuse of our ships and platforms these last several years. We testified that it would be unsustainable. It has proven to be so. And now we are dealing with the consequences of that.

We are resetting in stride to get back to that surge capacity so that we can best enable the accomplishment of our Defense Strategic Guidance requirements.

In terms of its interoperability with the joint force, we operate as a joint force frequently. We do joint exercises to make sure that we ensure our tactical and operational prowess. The AirSea Battle concept, soon to be the Joint Concept for Access and Maneuver in the Global Commons, is simply an extension of a joint synergy and operational capability that will ensure all-domain access.

In terms of where I think the Congress can fit into this process, it is through enhancing your knowledge of how these joint capabilities fit together, participating in some of the special trips that you have done recently up to the Naval War College to see the extraordinary modeling, the extraordinary war-gaming that goes on, the joint interfaces and connections.

Getting—receiving briefs, out briefs, on the major joint exercises that take place, as well as the real world operations that take place at the joint level in support of the ongoing conflicts that still continue.

And again, I would be remiss if I didn't say the biggest role I think is being able to provide that stability for us, for that funding that goes to not only the ability to meet our maritime functions but our joint functions.

Mr. Gibson. Thank you, Admiral. My time has expired.

Mr. Wittman. Thank you, Mr. Gibson.

Admiral Harley, the Optimized Fleet Response Plan is a great model to integrate decision making, to create the balance between maintenance, between training and deployment. And you talk about those metrics we want to make sure we maintain, and that is to keep ships on schedule to be maintained, make sure sailors
get enough training, make sure deployment schedules are at 7 months.

You talk about predictability and sustainability.

The challenging part of that is the world we live in is not predictable. Whether it is Congress and what happens in the funding stream or whether it is what our adversaries do, that predictability in that realm is what you have to deal in.

So the question then becomes, of the metrics that you speak of, which ones do you say are so important that you have to adjust others to move in order to compensate for let’s say staying on a 7-month deployment cycle, or saying that we will not skip a maintenance availability in the yard because we know what then happens to the fleet down the road?

Give us a perspective about how when you meet those unpredictable elements, the contingencies that invariably come up, give us a perspective because we have seen what happens in the past when those situations happen and how certain things throw an O–FRP out of whack, and then we find ourselves back in what do we do to compensate for that.

So give me your perspective as you face this contingency or that uncertainty, what—how the O–FRP would respond to that.

Admiral HARLEY. Sir, the O–FRP is designed to be a sustainable model. And what you are talking about are things that can throw the timing and the sequence of events out of line, whether it is global events or some significant maintenance discovery that results in a very extensive maintenance for a particular carrier, as an example.

In terms of providing that perspective, the O–FRP is tracked through a master O–FRP production plan, which outlines the alignment of all these different programs, manpower, logistics, personnel, parts, ordnance, to create that wholeness in readiness for a specific strike group, as an example.

Real world events will cause changes to the production planning. If somebody's maintenance gets extended beyond our ability to absorb it within the shock absorber that is built into the Optimized Fleet Response Plan, we would have to adjust accordingly and modify the schedules to be able to do that.

We have the capacity to do that. We have picked a 7-month deployment in particular to give us flexibility if we really had to go to 8 months. It is not optimal. It is not what we want to do for all the reasons that are described today. But it is one of the options available to us.

Another option is to reduce our global input as to what we can provide for a designated period of time and to mitigate that presence, that carrier presence, in some other way, using our joint partners, using joint aircraft to cover a gap in time where we may not actually have a carrier present.

But we do have methodologies, we do have tools that we can use to deal with real world contingencies. Now our hope, of course, and because probably the most pressing of the issues that you identified is if there is a real world contingency that requires. Of course we have the Global Response Force and its ability to respond.

We track daily the ability of being able to surge aircraft carriers and all other platforms and how quickly they can respond to a cri-
sis. Our desire is that our global force offering as adjudicated by
the Secretary of Defense will be adequate.

But your Navy maintains a readiness to respond to all of those
issues. Our desire is to be able to reset in place, to reset in stride
so that we can get to a place where that two-plus-three surge ca-
pacity is the norm and not merely a goal.

Captain Burke. And sir, if I could just add briefly, the world is
not predictable, as you very correctly said, but maintenance should
be. So if we get a disciplined process in place and we get back to
predictable maintenance and we build back the surge capacity, as
the Admiral said, well, there—once we build back that surge capac-
ity, there is a lot of sustainment time for our ships after they come
back from deployment.

That gives you a lot of flexibility. But we need to get—we need
to get back to a disciplined maintenance schedule, get it done—get
these ships out on time, build back that surge and then you are
going to see a lot of flexibility. But it is going to take a little while.

Mr. Wittman. One thing, too, that doesn’t get mentioned in O–
FRP, to have another tool to buffer this unpredictability in the
world around us is the total number of ships in our fleet. And look-
ing at what ship construction takes us to in the future. And as we
know, we put more and more pressure on our sailors, on our ships,
if the number of ships in our fleet are static.

So Admiral Harley and Captain Burke, give me your perspective,
too, on how important it is to make sure that we get to that fleet
number, whatever it may be, 311 is I guess the most recent num-
ber—tell me how important it is to make sure not only that we
stay on track to do the maintenance, but that new ship construc-
tion stays on schedule?

Admiral Harley. Sir, the CNO has testified and has placed in
his maritime strategy the need for at least 300 ships to be able to
execute all of the missions within the Defense Strategic Guidance.
Reduced numbers of ships make achieving all of our mission sets
certainly more difficult.

So I am sure the Secretary of the Navy and the Chief of Naval
Operations and probably every naval officer would testify to the
fact that we need to get to the designated number of ships as rap-
idly as possible. It gives us greater flexibility, greater agility, our
ability to meet our Defense Strategic Guidance.

Captain Burke. And sir, as you alluded to, the cheapest ship we
have out there is one we already have. We have just got to take
care of it and make sure that it lasts for its full expected service
life. So that is step one.

Mr. Wittman. Very good. Thank you.

Ms. Bordallo.

Ms. Bordallo. Thank you, Mr. Chairman.

I just have a couple of quick questions here. Captain, maybe—
I think you may be able to answer this one. I am concerned about
the continued degradation of the workforces in some private ship-
yards. The lack of consistent work has created challenges across
the country, including my own district of Guam.

So I do appreciate the efforts to address the challenges we have
regarding the ship repair capabilities on Guam, but there are
broader issues.
What actions is the Navy taking to address the challenges at public and private shipyards that could affect the Navy’s ability to complete ship maintenance on schedule?

Captain Burke. So a very important question, ma’am. And we are trying to make sure that we—by using O–FRP, we are looking out on a longer timeline and so we are able to tell those private yards, give them a sense much earlier than we have in the past of when we are going to want that ship to come into the yards so they can have their business model correct and their shipyard sized appropriately to bid for the work effectively and get it.

Because we want them all to succeed, right? We want them to come into the yards and not throw them curve balls. We have been throwing them a lot of curve balls. Bringing—having ships come in out of cycle, having one ship go long, causing another ship’s availability to be delayed or canceled or significant parts of it deferred.

And then we are throwing all kinds of curve balls at both our public and our private yards and asking them to somehow succeed. And that hasn’t been effective for us. So we are trying to stop chasing our tail and get this disciplined plan in place that allows everybody to execute to a schedule and breathe easier.

And once we get it in place we will have a lot of flexibility to deal with the real world.

Ms. Bordallo. Okay. So they would be part of the plan then——

Captain Burke. Yes, ma’am.

Ms. Bordallo [continuing]. To give them time to get ready for whatever is coming to their shipyard.

Admiral, how many ship maintenance availabilities were on time in fiscal year 2014, and how many are on schedule in the current fiscal year? The Captain, I guess——

Captain Burke. Ma’am, the——


Captain Burke [continuing]. Roll-up—the roll-up metric we have for that, is that we want to be on cost and on schedule with 60 percent of our availabilities.

It is not honestly a great metric, because it doesn’t tell you if you are 5 days late on availability or 50 days late, $1 million over or $10 million—it doesn’t give you much sense of things.

But our goal is 60 percent. We haven’t met that in 2½ years.

So in my mind—

Ms. Bordallo. What is the percent then?

Captain Burke. Right now? It is probably—I could get back to you for the record, ma’am, but it is probably in the 40s.

[The information referred to can be found in the Appendix on page 43.]

Ms. Bordallo. I was going to say, under 60. Maybe 40.

Captain Burke. Yes, ma’am. That is right. And it has been a few years——

Ms. Bordallo. Is that 2013?

Captain Burke. It has been a few years since we have been able to get to 60 percent.

Ms. Bordallo. I see.

Captain Burke. So that, I think, is the primary driver that drove Admiral Gortney and Fleet Forces to say, “Hey, we gotta do something to—spend some more time for maintenance to start getting
the maintenance done,” because he was seeing that impact, and he was also, of course, seeing compressed training cycles and other things that O–FRP is working on.

But in my mind, the main driver for O–FRP is—it is all about maintenance. It is all about fencing the time to do maintenance effectively.

Ms. Bordallo. So Captain, between 2013 and 2014, it still remains about the same on a percentage scale?

Captain Burke. Yes, ma’am.

Ms. Bordallo. Thank you, and I yield back, Mr. Chairman.

Mr. Wittman. Thank you, Ms. Bordallo.

Now we go to Mr. Scott.

Mr. Scott. Thank you, Ms. Bordallo.

Mr. Scott. Thank you, Mr. Chairman.

Gentlemen, I have got basically two last points I would like to have answered if you could help me with them.

One is, we talked a lot about the workforce. What are the trade-offs between using U.S. shipyards, whether they be public or private, and overseas maintenance and the potential to degrade our industrial capacity if we begin to rely too heavily on the work that is done overseas?

Captain Burke. Well, we rely on work done overseas when we need to, and that—we do that in case we have ships forward deployed overseas, and it just makes sense to be able to keep that ship in the operating environment it is supposed to be in, forward deployed, present, to do work over there. So that is when we do it.

In general, all the work is done in the United States unless we have some reason that it really needs to be done elsewhere.

Mr. Scott. Okay. So what we are doing overseas is a small percentage, and it would basically all be necessary maintenance——

Captain Burke. Yes, sir. Yes, sir, and in some cases, our nuclear maintenance, for example, we send our people overseas to do the work, so we are still having our folks do the work.

Mr. Scott. One last question, especially with regard to aircraft, for example, a radar system doesn’t necessarily need to be maintained at a Navy facility if it can be done more affordably somewhere else.

What institutional or statutory barriers do we face with regard to the ability to leverage our other services’ capabilities in areas where they are more efficient?

Captain Burke. We do that as a matter of course.

The Secretary of Defense’s Office has an office that does what we call depot source of repair [DSOR]. The DSOR process decides that a particular service is more economical for a particular function and looks to streamline and put that business, if you will, towards the most effective agency to do it.

And so Navy has work done with the Army and the Air Force and vice versa in a variety of ways.

Mr. Scott. And there are no statutory barriers?

Captain Burke. Not to my knowledge, sir.

Mr. Scott. All right. Thank you, gentlemen.

Mr. Wittman. Thank you, Mr. Scott.

Gentlemen, thank you so much for coming to join us today and for your perspective on O–FRP. We know that our job is to make sure we supply you with that predictability and sustainability to
help you do your job. That is our job, and as Mr. Scott pointed out, as well as other members, we have our work cut out for us here. But thanks again for what you do. Please continue to stay in touch with us, too, on things that we can do to make sure that we are gaining your perspective so decisions made up here coincide with what you are charged to do under O–FRP.

So thanks again for your testimony today, and thanks for your service to our Nation.

[Whereupon, at 9:15 a.m., the subcommittee was adjourned.]
STATEMENT OF
REAR ADMIRAL JEFFREY A. HARLEY
U.S. NAVY
ASSISTANT DEPUTY CHIEF OF NAVAL OPERATIONS
FOR OPERATIONS, PLANS AND STRATEGY (N3/N5B)
AND
CAPT THOM BURKE
DIRECTOR, FLEET READINESS (N43)
BEFORE THE
SUBCOMMITTEE ON READINESS
HOUSE ARMED SERVICES COMMITTEE

OPTIMIZED FLEET RESPONSE PLAN (O-FRP)

10 SEPTEMBER 2015
Introduction

Chairman Wittman, Ranking Member Bordallo, and distinguished members of the subcommittee, we are honored to be here today to discuss the Optimized Fleet Response Plan (O-FRP). O-FRP is the Navy’s sustainable force generation model, and is how we will maintain and train our ships to deploy in support of our national security interests. It provides a force ready for any challenge, from a high-end war fight against a peer-competitor to humanitarian operations.

We would like to begin this statement by providing an overview of O-FRP, and then some highlights of how O-FRP will balance global presence with warfighting readiness and the long-term health of the force.

Overview

Navy has managed force generation using the Fleet Response Plan (FRP) since it was adopted in 2003 and fully implemented in 2007. This cyclic process was designed to synchronize periodic deep maintenance and modernization necessary to readiness with the training of the Fleet to achieve Global Force Management Allocation Plan (GFMAP) forward presence objectives and provide contingency response capacity. The reality of the past decade has seen a shrinking Fleet along with the continuing employment of our contingency response capacity to generate increased presence, while driving up maintenance requirements and in turn compressing the time available to complete required maintenance and training. In testimony over the last several years, we have described this practice as unsustainable.

This prolonged period of high operational tempo resulted in the loss of schedule predictability, personnel gaps, deferred maintenance and modernization, and overall reduction in the health of the force. From 2008 to 2011, Carrier Strike Group (CSG) deployments averaged about 6.5 months in length. From 2012 to 2014, this increased to an average of 8.2 months as the Navy extended deployment lengths to meet global commitments to the Combatant Commanders (CCDRs). More recently, NIMITZ and HARRY S TRUMAN
completed 8.5 month deployments in FY2014, while GEORGE H W BUSH completed a 9 month deployment, CARL VINSON completed a 9.5 month deployment, and THEODORE ROOSEVELT will complete a 8.5 month deployment this year.

Maintenance is a key factor in the health of the force. To meet national tasking, we extended deployment length, which increased the wear on our ships, and resulted in additional maintenance and repairs that lengthened planned maintenance availabilities. Operational schedule changes, funding shortfalls, shipyard loading constraints, late modernization adds, and other factors led to inefficient maintenance and modernization planning, contracting, and completion.

Given these increased maintenance demands in shipyards, we should have been hiring more workers. Instead, because of the continuing resolution, a DoD wide hiring freeze and overtime restrictions through much of FY2013, all compounded by the effects of sequestration, we were losing people to other employment or retirement without replacement. We are still hiring to try to recover that shortfall, and will have to train those workers who do not have the requisite skills. This lack of skilled shipyard labor has further impacted performance and completion timelines. These operational and budget decisions directly contributed to the maintenance challenges we now face.

The fast pace of operations, and providing “just in time” readiness to deploy, also affected our Sailors. Last minute “crossdeck” moves, pulling Sailors off of one ship and on to another, led to a loss of stability for Sailors and their families. This lack of stability when combined with schedule uncertainty and increased deployment lengths left Navy challenged to retain our best Sailors.

We are now paying the price for this prolonged high operational tempo. Combatant Commander requirements continue to grow, and although we have historically sourced to capacity, we are routinely asked to surge or extend forces. In these cases, we are not so much generating new readiness, as we are consuming future presence and surge capacity.
This year, Navy began implementation of the O-FRP to address these challenges. Designed to stabilize maintenance schedules and provide sufficient time to maintain and train the force while maximizing employability, O-FRP also aligns supporting processes and resources to improve the overall health of the force. Importantly, it will provide a more predictable schedule for our Sailors and their families. We will continue O-FRP implementation across the Future Years Defense Program (FYDP), with a goal of full implementation by FY2020.

**Planned Outcomes of O-FRP**

The CNO’s overarching guidance was to establish a balanced, sustainable and predictable force generation cycle that would maximize the employability of our force structure. O-FRP is intended to deliver aligned and stabilized manning, a stable maintenance and modernization plan, improved quality of work and enhanced quality of life, embedded capability improvements, advanced tactics, and forces trained to a single, high end standard. Figure 1, below, illustrates the notional O-FRP cycle, and where are forces are in the cycle, on average, over time.
Specific outcomes of O-FRP will include:

- An optimized process to ensure availability of manned, maintained, equipped, and trained Navy forces capable of surging forward on short notice while also maintaining long-term sustainability of the force.
- Preservation of maintenance and training:
  - We need to protect maintenance time to preserve the long-term health of the force. Delaying or deferring maintenance places equipment at increased risk, and increases the risk of equipment casualties when we need it most.
  - Disruptions to maintenance planning increase cost, reduce public shipyard productivity, and increase risk to the private ship repair industrial base.
  - Compressed training impacts full spectrum readiness over the long term.
• Standardized manning, training, equipping and alignment of Operational and Tactical headquarters.
• Consistent chain of command throughout the O-FRP cycle.
• Greater operational availability means less likelihood of lengthened or multiple deployments in the same cycle.
• Improve quality of work and enhanced quality of life. O-FRP will lead to enhanced quality of life through more predictable schedules for Sailors and their families. Stabilized manning also reduces the likelihood of last minute crossdeck personnel actions, resulting in fewer Operational Holds of Sailors who have already served their time at sea.
• Stable and predictable maintenance and modernization supporting warfighting readiness and interoperability.
• For the investment in maintenance and training, an increased period of operational availability supports both forward presence commitments and contingency response capacity.

Deployment Length

The Navy set seven months as the goal because longer deployments are unsustainable. Our decision was not arrived at lightly. The risk to deploying for greater than seven months comes in the form of increased consumption of the service life of our capital assets, and degraded long term health of the force. This level of risk is often not warranted for the marginal increase in global presence from longer deployments. Our intent, given the costs of maintenance and training, is to maximize presence and surge capacity.

Deployment lengths will vary based on a number of factors, however the Navy is planning to seven month deployments for CSGs, Amphibious Ready Groups (ARGs), and Surface Combatants, and 6-month deployments for Attack Submarines (SSNs), Maritime Patrol Aircraft (MPA), and most Expeditionary Forces.
Implementation Update

Our transition to O-FRP will occur over the next several years. CSG and ARG transition is in progress, and we project the last CSGs and ARGs will enter O-FRP in FY2018. We have approved and are implementing O-FRP cycles for our remaining units, including ships homeported overseas, including Attack Submarines, Maritime Patrol and Reconnaissance Aircraft, and our Expeditionary Forces such as Explosive Ordnance Disposal (EOD), Coastal Riverine Forces, and Naval Construction Forces.

For our ships and submarines, completing maintenance availabilities on time is essential to reducing deployment durations. Maintenance delays may result in other ships completing extended deployments to meet global commitments. The FY 2016 President’s Budget (PB-16) made a significant investment to increase available naval shipyard and aviation depot capacity. We have moved some submarine work to the private sector, and increased the size of the workforce. Navy is making significant investments in workforce training to improve worker productivity. The combination of these improvements will reduce the number of availabilities that exceed scheduled end dates.

Additionally, in support of O-FRP, we have:

- Synchronized Carrier and Surface Combatant maintenance periods
- Standardized training of our headquarters staffs
- Consolidated and streamlined inspection processes
- Made significant progress in ensuring ships are properly manned prior to commencing the training cycle
- Continued work to ensure maintenance and modernization are completed on time

We will carefully manage O-FRP implementation and execution and adjust course as necessary. Specific challenges include:
• We will need to fund O-FRP to the right standards for manpower, maintenance and training, and across all readiness pillars. PB-16 does this, but a return to sequestration levels will disrupt O-FRP implementation.
• We need to meet not only the numbers for manpower fit and fill, but ensure the quality of fit is correct, ensuring a trained Sailor with the right skills arrives at the right time.
• We need to closely manage ship schedules and alignment of Surface Combatant and Amphibious Ships with the Aircraft Carriers and big-deck Amphibious Ships. This is complex because it involves coordinating maintenance and modernization schedules across numerous shipyards.
• We need to invest in increasing naval shipyard capacity by addressing workforce manning and training requirements. We will have to execute the planned PB-16 investment to increase available naval shipyard capacity by moving submarine work to the private sector and by increasing the shipyard workforce to 33,500 Full Time Equivalents (FTE) by FY 2017.
• Responding to emerging crises with surge or extended deployments will disrupt schedules and could further delay O-FRP implementation.

Risk to Force: Impacts of Not Shifting to O-FRP

We cannot continue doing business as usual and expect to maintain an operational and tactical advantage over our adversaries. If we do not implement O-FRP, our challenges will continue to grow:

• We will be unable to retain our best Sailors due to high OPTEMPO and schedule unpredictability. Our Sailors also want to know that they are being given the resources to do their job.
We will be unable to reach the expected service life of our ships, submarines, and aircraft. Additionally, degraded material readiness leads to reduced warfighting readiness, ineffective training, and increased safety risks.

We will be unable to preserve the required industrial support base.

We will continue to have inefficient maintenance/modernization planning and scheduling, which will lead to unacceptable/unaffordable cost overruns, training entitlement impacts and deployment delays.

We will continue to consume our contingency surge capacity for routine operations, and it will be more challenging to meet Defense Strategic Guidance (DSG) objectives.

Ultimately, this is a pay-me-now or pay-me-later discussion. If we are not given time to reset the force through O-FRP, and are forced to source beyond sustainable levels, we will remain challenged in all of these areas.

Conclusion

In conclusion, after years of operating above sustainable levels, we remain challenged to meet the necessary surge capacity in quantity and readiness across a wide array of forces. Moreover, a return to sequestration levels will further challenge our maintenance, readiness, and training, and risks reversing recent gains.

We will continue to man, train and equip combat-credible forward naval presence – being where it matters, when it matters – as well as supporting our commitment to allies and partners. Our historic naval functions – deterrence, sea control, power projection, and maritime security – remain essential to our strategy. O-FRP will provide an optimized process to ensure availability of manned, maintained, equipped, and trained Navy forces capable of surging forward on short notice while also maintaining long-term sustainability of the force.

We thank the subcommittee for your continued support and look forward to answering your questions.
Rear Admiral Jeffrey A. Harley  
Assistant Deputy Chief of Naval Operations (Operations, Plans and Strategy) (N3/N5B)

Rear Admiral Jeff Harley is the assistant deputy Chief of Naval Operations (Operations, Plans and Strategy) (N3/N5B).

A surface warfare officer, Harley's formative sea duty assignments include tours in USS Samuel Eliot Morison (FFG 13); USS David R. Ray (DD 971); USS Cowpens (CG 63) and USS Benfold (DDG 65). He was also the commanding officer of USS Milius (DDG 69) and Commander, Destroyer Squadron 9. During these operational tours, he completed seven deployments to the Western Pacific/Indian Ocean, Mediterranean Sea and Arabian Gulf. While commanding Milius, the ship participated in combat operations supporting Operation Iraqi Freedom and his crew won the Battle Efficiency Award and the Marjorie Sterrett Battleship Fund Award for overall combat readiness.

Ashore, Harley served as fleet scheduler for the commander in chief, U.S. Pacific Fleet, executive assistant to the director for Operational Plans and Joint Force Development (J-7) on the Joint Staff, Asia-Pacific branch head in Deep Blue (N3/N5), director for Strategic Actions (N00Z) for the Chief of Naval Operations, and as the 20th director, White House Situation Room.

As a flag officer, he served as vice director, Strategy, Plans and Policy (J5) at U.S. Central Command; Commander Amphibious Force 7th Fleet/ Expeditionary Strike Group 7/ Task Force 76; and, most recently, president of the Board of Inspection and Survey.

Harley attended the University of Minnesota, graduating with a Bachelor of Arts in Political Science, and has received Master of Arts degrees from the Naval War College and The Fletcher School of Law and Diplomacy, Tufts University. Additionally, he served as a military fellow at the Council on Foreign Relations in New York, and is a member of the Council as well as the American Society of Naval Engineers.

His personal awards include the Defense Superior Service Medal, Legion of Merit, Bronze Star (accepted on behalf of his crew), Meritorious Service Medal, Navy and Marine Corps Commendation Medal, Joint Service Achievement Medal, and the Navy and Marine Corps Achievement Medal.
Captain Thom Burke  
Director, Fleet Readiness (OPNAV N43)

CAPT Burke, a native of Royal Oak, Michigan, received a B.A. in Political Science from the University of Michigan in 1984, and a Master’s in Public Administration from Harvard University in 1996.

Commissioned through Aviation Officer Candidate School in 1985, he began his fleet career as a pilot flying SH-3H Sea Kings in Helicopter Anti-Submarine Squadron FOUR (HS-4) aboard USS CARL VINSON. HS-4 completed two deployments to the Western Pacific and Indian Oceans during his tour, which was highlighted by his participation in two open ocean rescues. In 1993 CAPT Burke transitioned to the SH-60F and HH-60H model aircraft while assigned to HS-6 aboard USS ABRAHAM LINCOLN. HS-6 completed two deployments including operations in Somalia and the Arabian Gulf. In 1997 he was assigned to HS-8 aboard USS NIMITZ in Carrier Air Wing NINE as Operations Officer and Squadron Weapons and Tactics Instructor. During their Arabian Gulf deployment, HS-8 provided helicopter support to Joint Special Operations Forces in theater as part of Operation SOUTHERN WATCH. In September 2002 CAPT Burke reported to HS-8 as Executive Officer and assumed command on June 15th 2003. During this tour HS-8 completed an eight month deployment to the Western Pacific in support of the Global War on Terrorism.

Shore tours include assignment as an intern at the Joint Staff serving in the Persian Gulf Branch of J-5 during Operations DESERT SHIELD and DESERT STORM, and Aide to Commander Naval Base San Francisco and Commander Logistics Group ONE. Additionally, he served on the Joint Staff as the J-5 desk officer for Central Asia and Afghanistan prior to and during Operation ENDURING FREEDOM.

He completed Nuclear Power training in June 2006 and then served as the first Executive Officer of USS GEORGE H. W. BUSH from August 2006 to April 2008. In July 2008, he took command of USS BLUE RIDGE moored in Yokosuka, Japan, and served as CO until Nov 2009, earning the Battle “E” during his tour. CAPT Burke took command of USS RONALD REAGAN in August of 2010, and completed an extended deployment in 2011, which included Operation TOMODACHI, the relief effort associated with the tsunami, earthquake, and subsequent nuclear disaster off the coast of Honshu, Japan.

CAPT Burke’s personal awards include the Legion of Merit, Defense Meritorious Service Medal, Meritorious Service Medal, Joint Commendation Medals, Navy Commendation Medals, Joint Achievement Medal, and Navy Achievement Medals. Additionally, he was selected as the Naval Helicopter Association “Aircrew of the Year”.
WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

September 10, 2015
RESPONSE TO QUESTION SUBMITTED BY MS. BORDALLO

Captain Burke. 13 of the 59 (22%) Fiscal Year 2014 CNO availabilities completed on time or early. In Fiscal Year 2015, 19 of 52 (36%) completed on time or are still in progress tracking to complete on time. This includes both naval shipyards and private ship repair facilities. [See page 21.]

RESPONSE TO QUESTION SUBMITTED BY MR. COURTNEY

Admiral Harley. OCO is essential to OFRP execution because 20% of baseline ship depot maintenance requirements are paid by OCO, as are some non-deployed steaming days. However, OCO is not a remedy for baseline shortfalls caused by sequestration or a continuing resolution. The FY 2016 President’s Budget, which is a combination of baseline and OCO funding, reflects the balanced readiness program required to generate trained forces to meet the Navy’s worldwide commitments to the regional Combatant Commanders, while at the same time executing the maintenance required to preserve the long term health of the force. [See page 11.]