

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2018

WEDNESDAY, MAY 24, 2017

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Thad Cochran (chairman) presiding.

Present: Senators Cochran, Shelby, Collins, Murkowski, Graham, Blunt, Daines, Moran, Durbin, Murray, Reed, Tester, Schatz, and Baldwin.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

STATEMENT OF HON. SEAN J. STACKLEY, ACTING SECRETARY

OPENING STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. The committee will please come to order.

This morning, our committee is reviewing the budget submission of the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps. We appreciate very much the cooperation with our committee in providing statements for our record of the hearing.

We have the good fortune of having the best Armed Forces of any Nation. Our committees of jurisdiction have reviewed your written statements, so we invite you to make a summary statement that you think would be helpful to our understanding of your budget submissions.

We have members of the committee, who served for some time collectively, and it is a pleasure working with them, and I appreciate their attendance today. We will proceed now to hear from them. If there are any opening statements, we will be glad to put your statements in the record, and then proceed to hear from the witnesses.

[The statements follow:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Good morning, the subcommittee will come to order. Today we are receiving testimony on the fiscal year 2018 Navy and Marine Corps budget request. We are pleased to welcome, the Honorable Sean J. Stackley, Acting Secretary of the Navy;

Admiral John M. Richardson, Chief of Naval Operations; and General Robert B. Neller, Commandant of the Marine Corps.

For fiscal year 2018, the President's budget requests \$171.5 billion in base funding to support the Navy and Marine Corps. The request is \$12 billion more than the current funding level. The request also includes \$8.5 billion to support on-going Overseas Contingency Operations. These funds will support the training and operations of Sailors and Marines throughout the world.

We appreciate the complexity of building the fiscal year 2018 budget and the tradeoffs necessary to ensure sufficient readiness and investments needed to position for emerging threats to our security.

We look forward to your testimony, and sincerely appreciate your service to our Nation, as well as the dedication and sacrifices made daily by all the men and women under your command.

Your full statements will be included in the record.

Now I will turn to the Vice Chairman, the distinguished Senator from Illinois, for his opening remarks.

Senator COCHRAN. If not, we will welcome specifically the Honorable Sean J. Stackley, Acting Secretary of the Navy; Admiral John M. Richardson, Chief of Naval Operations; and General Robert B. Neller, Commandant of the Marine Corps.

The purpose of the hearing is to review the 2018 fiscal year budget request from the Department of the Navy and Marine Corps. We thank you so much for your leadership, and you may proceed to provide us the benefit of your statement.

SUMMARY STATEMENT OF HON. SEAN J. STACKLEY

Secretary STACKLEY. Mr. Chairman, distinguished members of the subcommittee.

Thank you for the opportunity to appear before you today with the CNO (Chief of Naval Operations) and the Commandant to testify on the Department of the Navy's 2018 budget request.

We are extremely grateful for your subcommittee's particular continued strong support for our Navy and Marine Corps, and we look forward to working with you on this year's budget request.

As the Nation's forward global force, your Navy and Marine Corps stand ready to respond to crisis every hour, every day around the world. From the northern Atlantic to the Mediterranean, from the Straits of Hormuz to the Straits of Malacca, and the vast expanses of the Pacific, and on the ground in 37 countries around the world today, 110,000 sailors and marines, and more than one-third of our fleet are deployed conducting combat operations, international exercises, maintaining maritime security, providing strategic deterrence, and standing by to respond to humanitarian crises or natural disasters.

The value of our forward presence and our ability to conduct prompt sea based operations is the surest deterrent to conflict and the surest guarantor of our national interests.

But maintaining the scale of these operations relies upon our ability to maintain a high state of readiness. We have been increasingly challenged to do so, however, by the growing imbalance between the size of the force, the operational demand placed on the force, and the funding available to operate and sustain the force.

Years of combat and high operational tempo have accelerated the aging of ships and aircraft, increased our maintenance requirements, drawn down munitions and supply parts, and impacted our training. Budget constraints, budget uncertainty, and continuing resolutions have exacerbated these issues with the net impact

being a decline in overall material condition of our ships and aircraft. Accordingly, our priority in this budget request is to fully fund maintenance, spares, munitions, increase steaming days and flying hours.

It is critical, however, that we make these course corrections without turning to our modernization and procurement accounts as bill payers for maintaining our readiness while ultimately rely upon growing the force to match the challenges ahead. So while building readiness is the priority in 2018, building the sized Navy and Marine Corps and capacity that the Nation needs will be the priority in the upcoming defense strategy review.

This year's budget request procures eight ships, the aircraft carrier *Enterprise*, two *Virginia*-class submarines, two *Arleigh Burke* destroyers, one littoral combat ship, a fleet oiler, and a towing salvage and rescue. The budget request also includes advanced procurement critical to the Navy's top shipbuilding priority, the *Columbia*-class and ballistic missile submarine program.

It is worth noting that the *Gerald R. Ford* CVN 78 got underway today on acceptance trials and is on track to deliver this month. Lessons learned from *Ford's* design and construction are driving down costs for her first follow-on ship with the *John F. Kennedy* today.

The *Virginia* submarine and *Arleigh Burke* destroyer programs continue the successful production runs and we will be seeking your support to continue with the multiyear strategies that have yielded substantial savings and provided critical stability to the industrial base.

The Department particularly thanks you for your support in 2017 with the appropriation of the LPD 29. This added ship provides tremendous support to our amphibious lift requirements and the industrial base, while providing an effective transition to the future of amphibious ship LX(R) program for 2020.

In 2014, the Navy was directed to truncate the Littoral Combat Ship (LCS) program at 28 LCS and transition to the frigate. Our plan proposed to accelerate the frigate design in order to avoid a production gap at our LCS shipyards.

Since that time, the security environment, the budget environment, and the industrial base have changed. We are refining our requirements of a frigate to increase multi mission capability. And in view of the additional year required to get to a 2020 contract, we will continue to procure LCS to maintain the industrial base.

The three ships appropriated in 2017, with the additional ship requested in this year's budget, ensure continuous production at both yards. This rate of production, however, only meets the minimum sustainment.

And so, we will continue to update our assessment of the frigate schedule, assess the effects of this and other shipbuilding contract awards on the industrial base, and make any appropriation modifications to our budget for 2019 to ensure healthy competition for the future frigate program.

The budget request continues the steady recapitalization of Navy and Marine Corps aviation capability. In total, we plan to procure 91 manned and unmanned aircraft as we shift from large scale de-

velopment efforts to mature production for most of our aviation programs.

Of particular note, the budget request includes funding for 24 F-35 and 14 Super Hornet aircraft, which will help to arrest the decline in our strike fighter inventory while keeping us on target for six squadrons of fifth generation aircraft from our carrier decks in the 2024 timeframe.

We are requesting congressional approval for a third V-22 multiyear procurement in 2018 which would provide the most affordable method to procure the final 65 aircraft for that program.

This budget supports end strength of 185,000 Marines, the proper size for today's mission. The Marine Corps is invested in select ground capabilities to conduct distributed operations and address changes in the operational environment including procurement of the Amphibious Combat Vehicle, the replacement of about one-third of the legacy HMMWV fleet with a Joint Light Tactical Vehicle, and survivability upgrades to the legacy Amphibious Assault Vehicle.

Now, the Department of the Navy cannot accomplish its mission to maintain readiness or modernize without a strong and integrated industrial base. We have utilized contracting tools, such as multiyear economic order quantity buys and capital expenditure incentives, to provide a stable commitment to industry. We appreciate past congressional effort and support for these efforts and look for your continued support in the future.

No quantity of next generation of ships or aircraft, however, will bring victory without the skilled, dedicated, talented sailors, and Marines, and civilians who build, maintain, and operate our Navy and Marine Corps, and who provide our naval forces with our asymmetric advantage.

Despite 16 years of combat operations, extended deployments, and reserve mobilizations, today's force is the most talented and highly performing in history.

In return, it is our responsibility to provide the incentives to attract and the conditions to ensure that all who are qualified to serve in our Navy and Marine Corps can do so while creating an environment that promotes dignity and respect for all. This remains a top priority for the Department.

In conclusion, our priority in this year President's budget request is to rebuild the readiness and lay the foundation for future growth in terms of numbers of ships and aircraft, and advance capability of the force. To support these objectives, we will need your continued support, and look to break the cycle of continuing resolutions in providing the increased outline budget provided in detail by our President's budget request regarding the defense caps as imposed by the Budget Control Act.

I want to thank this subcommittee for your enduring support to our sailors, Marines, and civilians, and their families.

I look forward to answering your questions.

[The statement follows:]

PREPARED STATEMENT OF HON. SEAN J. STACKLEY

Mr. Chairman, distinguished members of the Subcommittee, thank you for the opportunity to appear before you today to testify regarding the Department of the Navy's 2018 President's Budget request.

Having the opportunity to serve our Sailors, Marines and civilians—a force of over 800,000 strong—as the Acting Secretary of the Navy is an extraordinary privilege that brings with it extraordinary responsibility. The members of this sub-committee understand with full recognition the quality and dedication of our men and women in uniform who willingly put their Nation before themselves; who stand ready to respond to crisis every hour, every day, around the world; and who willfully sacrifice their livelihood and, if need be, their very life so that we here in America may enjoy the freedoms we cherish so deeply. The dedication, professionalism, unwavering commitment to duty, and sacrifice shown by our Sailors and Marines and their families, and the corps of professional civilians who support them, is the foundation upon which our national security is built.

As the nation's forward global force, the men and women of your Navy and Marine Corps are fully deployed, continuously present afloat and ashore, promoting and protecting the national interests of the United States. If called, they are prepared to 'fight tonight' and win. But, by operating forward, by maintaining a high state of readiness, by participating in international exercises and providing assurance to our partners and allies, by securing the maritime and ensuring access to the global commons, by performing the full spectrum of missions assigned—from humanitarian assistance to strategic deterrence—our greater objective is to dissuade our adversaries and ultimately, to deter potential conflict. To this end, the Navy and Marine Corps operate as part of the larger Joint Force, uniquely providing the sovereignty and persistence of a sea-based force able to operate wherever the waters reach and able to rapidly maneuver ashore as an expeditionary force with air and ground support. It is this ability to operate independently for sustained periods that places naval forces in such a high demand that Combatant Commanders' peacetime requests for naval forces exceed the capacity of the currently sized force. Careful management of our training, maintenance and deployment cycles, however, has ensured our presence and our readiness to meet the nation's highest priority demands as directed by the Secretary of Defense.

OPERATIONAL OVERVIEW

In the past year, from Norway to the Baltic, from the Black Sea to the Mediterranean, from the Horn of Africa to the Arabian Gulf, from the west coast of Africa to the straits of Malacca, from the Philippine Sea to the Sea of Japan, to the coasts of the Americas, and on the ground in 37 countries around the world, on any given day greater than 100,000 Sailors and Marines have been continually deployed, operating multiple carrier-strike groups, amphibious ready groups, Marine Expeditionary Units, squadrons, submarines, and battle staffs. Our presence in regions of interest around the world demonstrates U.S. commitment to these regions, strengthens our alliances and partnerships, and ensures our readiness to respond to any provocation.

We are a nation at war and the value of our forward presence and of our ability to conduct prompt, offensive sea-based operations is exercised every day. Throughout the course of the past year, greater than 2,000 strike sorties flown from the decks of the *Dwight D. Eisenhower* (CVN 69) and *George H.W. Bush* (CVN 77), along with electronic warfare support from Marine Corps squadrons based at Incirlik Air Base, have supported Operation INHERENT RESOLVE in the fight against the Islamic State of Iraq and Syria (ISIS). More recently, upon the Presidential order to respond to Syria's use of chemical weapons, USS *Ross* (DDG 71) and USS *Porter* (DDG 78) were present and ready to strike with their complement of Tomahawk missiles. While present forward in 5th and 6th Fleets aboard Makin Island and Bataan Amphibious Ready Groups, Marines from the 11th and 24th MEUs, deployed ashore to provide time critical artillery and security support in Northern Syria. Marines from II MEF established Task Force Southwest in Helmand Province to assist our Afghan partners in retaining control of that contested area. Meanwhile, our Navy SEALs, Marine Corps Special Operating Forces, and supporting expeditionary elements continue to execute counter-terrorism operations in support of our theater Special Operations Commands.

Concurrent with the high tempo of combat operations, we continue our heavy engagement in the conduct of international naval exercises and training. In June 2016, SIXTH Fleet units completed Exercise BALTOPS, a high-end joint exercise, demonstrating American and NATO resolve in the Baltic Sea region. The following month, the U.S. Navy joined with our NATO, Baltic and Black Sea partners for the 15th iteration of Exercise SEA BREEZE. In the following months, in the Arctic, our Marines participated in the Norwegian-hosted exercise COLD RESPONSE, testing warfighting skills in a cold weather environment. In the Straits of Hormuz, 5th Fleet conducted its international MCMEX with 30 international partners to hone

our skills and demonstrate our resolve to ensure freedom of navigation. Half the world away, in the Pacific region, the U.S. Navy and Marine Corps participated in 69 international exercises to strengthen our partnerships and demonstrate our commitment. The 25th anniversary of the Rim of the Pacific Exercise (RIMPAC) brought together twenty-six maritime nations, including China, along with 40 ships and submarines, over 200 aircraft, and 25,000 personnel for the largest international maritime exercise in the world. SEVENTH Fleet units operating alongside our Japanese and Indian partners conducted the trilateral Exercise MALABAR in the Philippine Sea focused on anti-submarine warfare and search-and-rescue capabilities. In Thailand the Navy and Marine Corps participated in the major multilateral exercise Cobra Gold and in Korea we participated in Exercises FOAL EAGLE and KEEN RESOLVE with our South Korean allies, showing steadfastness in the face of North Korean provocations. We conducted multiple Cooperation Afloat Readiness and Training (CARAT) engagements with countries ranging from Singapore to Brunei. This small sampling of our international engagements is enabled by a robust forward presence across the globe.

The foundation of our Naval forces' credibility as reliable partners and as an effective deterrent is our forward presence. From the vast expanses of the Pacific, to the restricted waters of the Arabian Gulf, to the Caribbean, the North Atlantic, the Mediterranean, and the Gulf of Aden we are on watch around the clock.

Our permanent forward presence in the Mediterranean has strengthened with the homeporting of four Aegis Ballistic Missile Defense Destroyers in Rota, Spain, and with achieving Initial Operational Capability of the U.S. AEGIS Ashore Missile Defense System in Romania in 2016. The Marine Corps Special Purpose Marine Air Ground Task Force—Crisis Response, based in Moron, Spain, provides regional capabilities to instantly respond to crises ranging from non-combatant evacuation, to humanitarian assistance and disaster relief, to combat operations.

With its permanently stationed Patrol Craft, Mine Countermeasures ships and rotating combat forces, the U.S. FIFTH Fleet, from its headquarters in Bahrain, provides a clear signal of the American commitment to the region. Our leadership and participation in the Combined Maritime Forces (CMF) in the Indian Ocean, together with 31 of our partner nations, promotes maritime security, helps defeat terrorism, and combats piracy in the Arabian Gulf, Gulf of Oman, Gulf of Aden and the Red Sea.

The value of our presence is not limited to the Indian Ocean. In 2016, a U.S.-led naval training maneuver in the vicinity of the Gulf of Guinea transformed into a counter-piracy mission where navies from the United States, Ghana, Sao Tome and Principe, Togo, and Nigeria tracked a hijacked tanker through the waters of five countries and successfully freed the vessel and rescued the hostages.

Permanently present on the east coast of Africa, U.S. Naval forces command and operate the United States sole forward operating base on that continent, Camp Lemonnier. In support of Combined Joint Task Force Horn of Africa and working closely with our African partners, our presence improves cooperation among regional maritime forces, builds maritime law enforcement capacity and capability, and strengthens maritime domain awareness in order to constrict operating space for maritime crime and piracy.

The Navy and Marine Corps maintain a consistent presence across the vast expansiveness of the Pacific and Indian Oceans, the world's most rapidly growing, dynamic and increasingly important region. With forces permanently stationed in Hawaii, Guam, Korea, Singapore, and Japan and deployed from our east and west coasts, our commitment to this potentially volatile region continues to strengthen. In early 2017, the Marine Corps relocated the first operational squadron of F-35Bs to Iwakuni, Japan from Yuma, Arizona and increased the capability of its rotational aviation combat element in Darwin, Australia with four MV-22 Ospreys. The Marine Corps continues its realignment of forces across the Western Pacific to enhance our deterrent posture while simultaneously reducing the footprint of U.S. bases in Okinawa. With our permanent stationing of 35 ships, 38,000 Sailors and 24,000 Marines in the Western Pacific combined with a robust rotational deployment of Carrier Strike Groups, Amphibious Ready Groups, surface combatants, submarines, aircraft and supporting forces, our commitment to the stability and security of the Asia-Pacific region is clear to all who would question it.

In our own backyard, U.S. Navy surface, air, and shore-based assets are forward and present throughout the western hemisphere. Under OPERATION MARTILLO, our Cyclone-class patrol coastal ships USS *Zephyr* and USS *Shamal*, with embarked U.S. Coast Guard Law Enforcement Detachments, seized over 5,000 kilograms of contraband in interdiction operations in 2016. USNS *Spearhead* recently concluded Continuing Promise 2017, visiting Guatemala, Honduras, and Colombia to conduct civil-military operations including humanitarian assistance, training engagements

and medical, dental, and veterinary support. Last October, in response to Hurricane Matthew and at the request of the U.S. Agency of International Development, 100 Marines from Special Purpose Marine Air Ground Task Force—Southern Command, USS *Iwo Jima*, USS *Mesa Verde*, and elements of the 24th Marine Expeditionary Unit provided humanitarian assistance/disaster relief to the people of Haiti.

These are but a few examples of the daily operations of our Sailors and Marines. Forward deployed and ready, our naval forces project our national values through their frequent international engagements and humanitarian assistance or disaster relief operations, and protect our national interests through their mobility, agility, and combat power.

BUILDING READINESS

Maintaining the readiness of our naval forces is key to maintaining the scope and scale of operations demanded of them. We have been increasingly challenged in our ability to do so, however, by the growing imbalance between the size of the force, the operational demand placed on the force, and the funding available to operate and sustain the force. Since 2001, about 100 ships have routinely been deployed each day in response to operational requirements. During this same period, the size of the battle force has drawn down by 14 percent, resulting in a steady increase to deployment lengths and the operational tempo of the force. Schedules for training and maintenance have been compressed as a result. Years of high flying hour operations have accelerated the aging of our airframes, increased our maintenance requirements, drawn down available supply parts, broken the engineering-material-maintainers 'line of balance', and increasingly impacted availability of aircraft for training and surge operations. Budget constraints, budget uncertainty, and Continuing Resolutions have exacerbated these issues that stretch from the flight line to the gun line to our depots. Each of these factors has placed added strain on our ships, aircraft, tactical vehicles, and the Sailors and Marines who deploy with them.

The budget environment throughout this period has increased the challenges to our Sailors' and Marines' ability to perform their mission. Since passage of the Budget Control Act, in particular, our increased operational tempo has been met with a decreasing budget, when measured in constant dollars. The net impact of this increased operational tempo under the pressures of a reduced budget has been a decline in the material condition of our ships and aircraft and training of our Sailors and Marines. In order to meet our immediate commitments, we have placed priority on ensuring the readiness of our deployed forces and our 'next to deploy' forces, but we are increasingly challenged to meet future deployment commitments or to surge forces in time of need due to the steady erosion to readiness of the total force that has occurred during this period.

Reversing this trend requires that we first rebuild the warfighting readiness of the current force. Accordingly, our priority in the fiscal year 2017 budget, including the Request for Additional Appropriations, and in the fiscal year 2018 budget request is to fully fund our maintenance and training accounts. We must do this, however, without turning to our modernization and procurement accounts as the 'bill payer', for maintaining our readiness in the long term will require that we grow the force in terms of capacity and lethality to match the demands that are placed upon it.

The fiscal year 2018 budget request funds ship operations and ship depot maintenance to 100 percent of the forecast requirement to rebuild our readiness at the unit level. Equivalent measures are being taken to fund flying hours and aviation depot maintenance to rebuild aviation readiness.

Funding for spare parts has been increased to reduce logistic delay time and ultimately to increase steaming days and flying hours. The planning, engineering, and maintenance support manpower at the naval shipyards and aviation depots has been increased in order to align the workforce to the projected workload. Major shipyard equipment and IT infrastructure is being modernized at a rate above benchmarks to improve workforce performance, execute maintenance more efficiently, and reduce work stoppages. When and where needed, we are leveraging the skill sets and capacity of private industry to augment our efforts. These investments in people, the industrial plant, and the industrial base are critical to improving shipyard and aviation depot throughput and capacity and, more importantly, to increasing the operational availability of our highest demand assets—our nuclear aircraft carriers and submarines and tactical aircraft. It is important to note, however, the effects of multiple years of insufficient resources cannot be corrected in one budget year; the Department will require stable, predictable funding over multiple years to achieve sustained positive results.

Looking forward, we're working closely with industry on our most critical ship modernization and aviation programs to improve reliability in the near term (therefore reducing maintenance requirements) and to invest in planning, engineering, material, and facilities in support of long term maintenance and modernization requirements.

Alongside our depots, our operational installations are a major component of the Department's readiness requirements. Navy and Marine Corps installations provide physical environments essential for individual, unit and total force training; force deployment; materiel sustainment; unit recovery; and equipment reconstitution. fiscal year 2018 funded the requirement for Department of the Navy facility sustainment nearly 10 percent above 2017 funding levels. Within this funding level, we are careful to preserve critical facility components and to perform facility maintenance that affects the health and safety of Sailors, Marines and their families. However, we continue to carry risk in facility sustainment and will need to closely monitor and manage the material condition of our many facilities. Over and above facility sustainment, Military Construction also increased by about 10 percent in fiscal year 2018, with priority placed on these capital investment projects that will preclude mission failure, increase facility optimization, and sustain critical power, cyber-security and utility capacity.

The Department of the Navy (DON) fully supports the Department of Defense request for authorization to conduct a Base Realignment and Closure round in 2021. Enduring savings from BRAC recommendations will leave more DoD resources available for future force structure or readiness requirements. Although Navy and Marine Corps infrastructure capacity is about right, completing the more detailed analysis once a BRAC is authorized will have value, and may highlight opportunities for some savings.

BUILDING THE FORCE

The Naval Force is confronting new challenges in the 21st Century. The United States is facing a return to great power competition, as Russia and China demonstrate both the advanced capabilities and the desire to act as global powers in their own discrete self-interest. The Russian Navy is operating at a pace and in areas not seen since the mid-1990s, and the Chinese Navy is continuing to extend its reach around the world. Assertive competitors with peer-like military capabilities have emerged that will contest our interests globally and test the resilience of our alliances. Potential adversaries with less military power are gaining capabilities through the proliferation of advanced technologies that challenge our ability to ensure maritime access and freedom of navigation in the littorals. Our adversaries are pursuing advanced weapon systems at a level and pace of development not seen since the mid-1980s and both near-peer nations and non-state actors pose credible threats to our security.

The Department of the Navy is responding by investing in capacity and advanced capabilities that increase the size and lethality of both the current and future force, providing our Sailors and Marines with what they need to fight and win a 21st Century conflict.

The 2018 budget request continues the steady recapitalization of Navy and Marine Corps aviation capability. The balance has shifted from large scale development efforts of prior years to mature production and modernization of in-service aircraft for most of our major aviation programs; while our most advanced aircraft—from the fifth generation Joint Strike Fighter to the CH-53K Heavy Lift helicopter to the high altitude long endurance unmanned MQ-4 Triton—are rapidly transitioning to full rate production.

Our shipbuilding program is informed by the Chief of Naval Operations' 2016 Force Structure Assessment (FSA). The larger force and mix of ships outlined in the FSA reflect extensive analysis regarding our operational cycle and the changing security environment. While there is general agreement that we must increase the size of our fleet, the potential timelines associated with fleet expansion requires that we implement improvements in concept development, research and development, and rapid fielding efforts to accelerate the fielding of advanced capabilities that will provide our fleet a force multiplier effect. As well, given the budget challenges inherent to expanding our fleet size, we will need to further our efforts to drive down the cost—in terms of both time and money—associated with our major programs. Ultimately, the affordability challenges associated with building this larger fleet will need to be addressed in the context of the pending Defense Review.

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celerate the fielding of advanced capabilities that will provide our fleet a force multiplier effect. As well, given the budget challenges inherent to expanding our fleet size, we will need to further our efforts to drive down the cost—in terms of both time and money—associated with our major programs. Ultimately, the affordability challenges associated with building this larger fleet will need to be addressed in the context of the pending Defense Review.

As the nation's expeditionary force in readiness, the Marine Corps has been continuously engaged in major combat and crisis response missions over the past 16 years, resulting in a force that, in the absence of change, would be improperly structured or equipped to meet the demands of a future operating environment characterized by complex terrain, technology proliferation, information warfare, and an increasingly non-permissive maritime domain. This budget supports a Marine Corps end strength of 185,000 Marines, the proper size for today's mission. The Marine Corps is proposing force capability changes to meet the demands of the future operating environment of 2025 and beyond. Additional analysis will address modernization and the acquisition of capabilities necessary for the future fight.

From aviation to ships to tactical vehicles to trained Sailors and Marines, the immediate priority on building readiness and improving the wholeness of the current force paces our ability to grow force structure in 2018. Building the Navy and Marine Corps to the size that the nation needs will require increased investment over an extended period of time, beginning in the future years of the Defense Plan, as informed by the pending Defense Strategy.

Shipbuilding

The fiscal year 2018 President's Budget request invests in the modernization of our current platforms and weapons; supports procurement of seven major warships and two auxiliary ships: the *Enterprise* (CVN 80) *Ford* Class aircraft carrier, two *Virginia* Class (SSN) attack submarines, two *Arleigh Burke* Class (DDG 51) guided missile destroyers, two Littoral Combat Ships (LCS), one *John Lewis* Class fleet oiler, and one (T-ATS) towing, salvage and rescue ship; and continues advanced procurement for the lead ship of the *Columbia* Class ballistic missile submarine program.

The first new design aircraft carrier in 40 years, *Gerald R. Ford* (CVN 78) will deliver this month. The *Ford* is delivering on promised capability, as demonstrated by land-based, pierside, and at-sea testing to-date. The cost for this new ship class remains of great concern, however, and the Navy and industry are focused on capturing lead ship lessons learned, refining the ship construction process, capitalizing on technological improvements, and enhancing shipbuilder facilities to drive down cost. Cost performance on CVN 79 is promising thus far, and we are committed to expanding ongoing cost control initiatives to further reduce ship cost.

The *Columbia* Class ballistic missile submarine (SSBN) program, the planned replacement for the *Ohio* Class, is the Navy's top shipbuilding priority. The program is executing detailed design efforts in preparation for ordering long lead time material in fiscal year 2019 and starting construction in fiscal year 2021. The program's delivery schedule is tightly aligned to the retirement schedule of our current ballistic missile submarine inventory. Cost, schedule, and technical performance on this program are being thoroughly managed to ensure we deliver on time, on budget, and on target per our requirements.

The *Virginia* Class SSN program continues to deliver submarines that are operationally ready to deploy within budget. The Block IV contract for 10 ships continues co-production of the Class through fiscal year 2018. The Navy intends to build on past success with a Block V Multiyear Procurement (MYP) contract for 10 boats, planned for fiscal year 2019. This represents an increase of one submarine in fiscal year 2021, while also introducing two new capabilities to the fleet—the *Virginia* Payload Module and Acoustic Superiority.

With 64 ships at sea and 12 additional ships under construction or on contract, the *Arleigh Burke* Class (DDG 51) program is the Navy's most successful shipbuilding program. Like the *Virginia* program, the Navy intends to build on past success with a MYP for ten DDG 51s beginning in fiscal year 2018. These ships will incorporate upgrades to integrated air and missile defense which is being introduced in the fiscal year 2017 ships.

Complementing the DDG 51, the lead ship of the *Zumwalt* Class (DDG 1000) delivered in May 2016, and is now in its homeport undergoing combat systems activation with completion scheduled for fiscal year 2018. The remaining two ships of the Class are under construction.

The Navy is planning and executing the modernization of 11 *Ticonderoga* Class Cruisers (CG 63–73); critical to providing dedicated Air Defense Commander (ADC) capability through the 2030s. The fiscal year 2018 President's Budget requests fund-

ing to execute the “2–4–6” plan on seven of the eleven CGs. The remaining four CGs, which have Ballistic Missile Defense (BMD) capability, will receive modernization to their hull, mechanical and electrical systems in fiscal year 2021 to support their operation through their engineered service life.

The 2016 FSA revalidated the warfighting requirement for a total of 52 small surface combatants, including the Littoral Combat Ship (LCS) and a future Frigate. To date, nine LCS ships have delivered and 17 are in construction or under contract, and all are on track to deliver well within the congressional cost cap. Three additional ships were authorized and appropriated in fiscal year 2017 which, with the additional ships supported by this year’s budget, ensure continued production and will further mitigate the potential for layoffs at both shipyards while the Navy refines the requirements and acquisition strategy for the future Frigate. The LCS program continues to incrementally field its mission systems.

LCS 4 is currently deployed with the first instantiation of an over-the-horizon missile capability. The LCS Surface-to-Surface Missile Module with Longbow Hellfire is currently in testing and on track for introduction in 2018, and the Mine Countermeasure and Anti-Submarine Warfare mission modules are in testing, targeting introduction in fiscal year 2019 and 2021, respectively.

The Navy is revising its requirements for the future Frigate to increase its multi-mission capability, lethality and survivability. The Navy currently assesses that adding these capabilities to the Frigate’s design will delay its procurement to fiscal year 2020. We will work closely with industry as we release the draft Request for Proposal for this new ship class; continually update our assessment of the Frigate schedule, assess the effects of this and other shipbuilding contract awards on the industrial base, and make any appropriate modifications to our plan for fiscal year 2019 LCS procurement as necessary to ensure healthy competition for the future Frigate program.

This Navy continues to build toward a 34-amphibious ship force by fiscal year 2022. The appropriation by Congress for LPD 29 in fiscal year 2017 supports both amphibious lift requirements and the industrial base. In conjunction with the Navy’s fiscal year 2016 award for the LHA 8, the Fleet oiler (T-AO 206), and LX(R) design, LPD-29 provides for an effective transition to LX(R) in fiscal year 2020.

To help offset challenges associated with increasing our fleet size, the Navy is expanding its global reach through the development of unmanned capabilities that will augment our manned platforms. Most recently, the Navy designated the Large Displacement Unmanned Underwater Vehicle (LDUUV) as a Maritime Accelerated Capability Office program to accelerate unmanned underwater vehicle capability, and released a Request for Proposal to industry to develop an Extra Large Unmanned Underwater Vehicle (XLUUV) that will have extended range and a modular payload capability. These UUVs will aid in the intelligence assessment of the operational environment as well as respond to the Combatant Commander’s mission needs.

Similarly, surface operations will be augmented through an integrated team of manned and unmanned autonomous capabilities and capacity. Ongoing investments in autonomy and mine countermeasure technology will continue to reduce the threat of mines in contested waters while also reducing the risk to our Sailors while conducting this dangerous mission.

Aviation

The Department is continuing the recapitalization of our aviation assets ranging from our strike fighter aircraft to Marine Corps heavy lift helicopters, and Navy maritime patrol aircraft, while continuing our efforts with unmanned systems. In fiscal year 2018 we plan to procure 91 manned and unmanned aircraft for the Navy and Marine Corps. Our investment prioritizes capability, capacity, and wholeness as we restore aviation readiness.

Navy Carrier Air Wing composition will be a mix of 4th generation and 5th generation fighter aircraft squadrons (F/A-18 E/F and F-35C), leveraging each aircraft’s strengths and capabilities to provide over-match against expected threats while providing a cost efficient force structure. The fiscal year 2018 President’s Budget request keeps the Department of the Navy on a path to have 5th generation aircraft comprise 50 percent of its tactical aviation assets in the Pacific Command Area of Responsibility by 2024.

The F/A-18 A-D was designed for, and has achieved, a service life of 6,000 flight hours, performing as expected through its design life. In addition to the maintenance and modernization work the Navy is currently executing to extend the life of the F-18A-D inventory to 9,000 flight hours, we are working to transition to the newer and more capable Super Hornets and F-35 as quickly as possible to eliminate

the increasing cost, at both the flight line and depot level, of keeping legacy aircraft in service.

The fiscal year 2018 Budget request includes funding for 14 Super Hornets in fiscal year 2018 with additional aircraft required in the outyears to arrest the decline in our strike fighter inventory and enable older aircraft to be pulled from service for mid-life upgrades and service life extension. The F/A-18 E/F Super Hornet will be the numerically predominant aircraft in the Carrier Air Wing through the mid-2030s.

The future of the Department's tactical aircraft relies on 5th generation F-35B and F-35C aircraft. The F-35 brings unprecedented low observable technology, modern weaponry, and electronic warfare capability to naval aviation. These aircraft will recapitalize some of our oldest aircraft—our legacy F/A-18s and AV-8Bs—which are rapidly approaching the end of their service lives. In 2015, Marine Fighter Attack Squadron 121 became the world's first F-35 squadron to achieve operational capability and is now forward deployed in Japan. In 2018, the Navy and Marine Corps team will deploy two Amphibious Ready Groups with embarked Marine Expeditionary Units; each with a detachment of F-35Bs aboard ship marking the first extended at sea deployments for the F-35. The Navy's first F-35C squadron begins transition in 2018; Initial Operational Capability (IOC) is expected by early 2019, and the first deployment on an aircraft carrier is planned for 2021. This budget procures 20 F-35B and 4 F-35C aircraft in fiscal year 2018.

The EA-18G Growler is a critical enabler for the joint force, bringing fully netted warfare capabilities to the fight and providing unmatched agility in the Electromagnetic Maneuver Warfare environment. Growlers have flown more than 2,300 combat missions to-date and are meeting all operational commitments. Carrier-based and expeditionary Electronic Attack capabilities will increase significantly with introduction of the Next Generation Jammer, which is currently scheduled to complete testing in 2022.

MV-22 Osprey vertical lift capabilities, coupled with the speed, range, and endurance of fixed-wing transports, enables execution of missions that were previously unachievable. The Marine Corps' Osprey fleet continues to experience a high operational tempo with multiple MEU deployments and two Special Purpose Marine Air-Ground Task Force-Crisis Response deployments in support of Africa Command and Central Command. During 2016, the 15th active component squadron achieved full operational capability, with the 16th scheduled for June 2017. fiscal year 2018 begins procurement of the Navy CMV-22B variant in support of the Carrier On-Board Delivery mission and represents the first year of the next V-22 MYP contract.

The Marine Corps CH-53E Super Stallion is the only heavy lift helicopter in the Department of Defense inventory. The CH-53E will remain in service until 2030 to accommodate transition to its replacement, the CH-53K, which, with 27,000lbs lift capacity at a mission radius of 110 nautical miles, nearly triples the lift capability of the legacy CH-53E. In fiscal year 2016, the Marine Corps initiated a CH-53E reset to ensure the remaining aircraft possess the longevity to complete the transition. Procurement of the CH-53K is ongoing, with 51 procured in the FYDP in support of the total buy of 200. Transition will begin in 2019 and is forecast to complete in 2030.

Combining the reliability of the Boeing 737 airframe with avionics that enable integration of modern sensors and robust military communications, the P-8A Poseidon recapitalizes the anti-submarine, anti-surface, and Intelligence, Surveillance and Reconnaissance capabilities of the aging P-3C Orion. Seven (of 12) squadrons have completed transition, with all squadrons scheduled to complete transition by fiscal year 2020. The P-8A program is meeting all cost, schedule and performance parameters; has achieved and surpassed reliability standards for operational availability and is providing game changing capability to the fleet. Program savings have enabled procurement of one added aircraft (7 total) in fiscal year 2018 with no increase to the budget.

The Department continues steady progress developing and fielding unmanned aviation assets, building towards future air dominance through an integrated team of manned, unmanned, and autonomous capabilities. These teams of systems will conduct ISR, real-time sensor fusion, and electronic warfare, increasing battlespace awareness and precision strike capability.

The MQ-4C Triton will be a core capability of Navy's Maritime Patrol and Reconnaissance Force and deliver persistent maritime ISR as a force multiplier for the Coalition and Joint Force, as well as the Fleet Commander. Triton will deploy with Early Operational Capability in 2018. Fielding of the Multi-Intelligence configuration will enable retirement of EP-3 aircraft in 2020.

The Navy is developing the MQ-25 unmanned mission tanker, the first carrier-based unmanned program, to extend the range and reach of the Carrier Air Wing and greatly reduce the need for F/A-18E/F aircraft to serve as mission tankers. The MQ-25 was designated a Maritime Accelerated Capability Office program by the Chief of Naval Operations and Assistant Secretary of the Navy for Research, Development, and Acquisition, and was also designated by the Secretary of Defense as a Key Performance Parameter 'Reduction Pilot Program' per National Defense Authorization Act (NDAA) fiscal year 2017. The Navy plans to release a request for proposal for air system development in fiscal year 2017 and down-select to a single contractor in fiscal year 2018.

Looking to the far future, the Department has initiated a Next Generation Air Dominance Analysis of Alternatives (AoA) study. The AoA is investigating technology and program investment requirements to recapitalize Navy F/A-18E/F and EA-18G tactical aviation platforms in preparation for their anticipated retirement beginning in the late 2020s.

Ground Forces

Marine Corps invested in select ground capabilities to conduct distributed operations and address changes in the operational environment. Key investments include the Ground/Air task Oriented radar (G/ATOR) and the Common Aviation Command and Control Systems (CAC2S) to enhance the ability of the Marine Air Ground Task Force to coordinate and synchronize distributed C2 sensors and systems. Amphibious and ground maneuver capability will be preserved and upgraded by accelerating legacy Assault Amphibious Vehicle survivability upgrades, procurement of 204 Amphibious Combat vehicles (ACV) and the replacement of about one third (6,895 vehicles) of the legacy high mobility, multi-purpose, wheeled vehicle (HMMWV) Fleet with the Joint Light Tactical Vehicle (JLTV).

The ACV program is the Marine Corps' highest ground modernization priority and is using an evolutionary, incremental approach to replace the aging AAVs with a vehicle that is capable of moving Marines ashore, initially with surface connectors and ultimately as a self-deploying vehicle. ACV consists of two increments. The first increment will field a personnel carrier with technologies that are currently mature. The second increment provides mobility improvements and delivers specialized mission variants.

Munitions and Weapons Systems

Standard Missile-6 (SM-6) provides theater and high value target area defense for the Fleet, and with Integrated Fire Control, has more than doubled its range in the counter-air mission. SM-6 Block 1 testing in April 2017 successfully completed live fire requirements per the program of record and is on schedule to declare Full Operational Capability later this year.

The Evolved Sea Sparrow Missile (ESSM) provides another layer to the Navy's defended battle- space. Two ESSM Block 2 Controlled Test Vehicle flight tests were successfully conducted this May with IOC for AEGIS platforms scheduled for 2020 and Ship Self Defense System platforms in the 2022-2023 timeframe.

The inner layer of the Fleet's layered defense is the Rolling Airframe Missile (RAM) Block 2 designed to pace the evolving anti-ship cruise missile threat and improve performance against complex stream raid engagement scenarios. In fiscal year 2017, the RAM Block 2 Program continued to demonstrate outstanding performance through successful Fleet and ship qualification firing events. The RAM Block 2 will proceed to a Full Rate Production (FRP) Decision Review in fiscal year 2018.

The Navy's Cruise Missile Strategy provides for the development of stand-off attack capabilities from air, surface, and undersea platforms against targets afloat and ashore. Key tenets are to 1) maintain and upgrade legacy cruise missiles; 2) pursue advanced near-term capabilities; and 3) plan and develop next generation integrated solutions.

First, the Department's plan is to sustain the Tomahawk Block III and Block IV cruise missile inventory through its anticipated service-life via a mid-life recertification program, enabling the Department to support Tomahawk in our active inventory through the mid-late 2040s. In concert with our recertification program we will integrate modernization and technological upgrades and address existing obsolescence issues. In addition, the Department is developing a Maritime Strike Tomahawk (MST) capability to deliver a long-range anti-surface warfare capability.

Second, the Department will field the Long Range Anti-Ship Missile (LRASM) to meet near to mid-term anti-surface warfare threats. LRASM is pioneering accelerated acquisition processes. Currently, the Department anticipates LRASM to meet all warfighting requirements, deliver on-time, and cost within approximately one-percent of its original program cost estimate.

The Department also plans to develop follow-on next generation strike capabilities. We intend to develop an air-launched weapon to address long-term surface threats and a surface and submarine launched Next Generation Land Attack Weapon (NGLAW). NGLAW will have both a long-range land strike and maritime capability that initially complements, and then replaces, the Tomahawk.

The Department is also continuing to invest in modernization of air-to-air weapons. The fiscal year 2018 President's Budget requests funds for upgrade and procurement of AIM-9X Sidewinder and AIM-120D Advanced Medium-Range Air-to-Air Missiles (AMRAAM). The AIM-9X Block II/II+ Sidewinder is the fifth generation variant of the Sidewinder family and is the only short-range infrared air-to-air missile integrated on Navy, Marine Corps, and Air Force strike-fighter aircraft, incorporating advanced technology to achieve superior maneuverability and increase the probability of intercept of adversary aircraft. AMRAAM provides an air-to-air first look, first shot, first kill capability, while working within a networked environment in support of the Navy's Theater Air and Missile Defense Mission.

The Department continues investments in other weapons lines, including the Small Diameter Bomb II (SDB II), the Advanced Anti-Radiation Guided Missile (AARGM) and AARGM Extended Range (ER), Joint Air-to-Ground Missile, Advanced Precision Kill Weapons System (APKWS) II, and direct attack weapons and general purpose bombs.

SDB II provides an adverse weather, day or night standoff capability against mobile, moving, and fixed targets, and enables target prosecution while minimizing collateral damage. SDB II will be integrated into the internal carriage of both DoN variants of the Joint Strike Fighter (F-35B/F-35C) and externally on the Navy's F/A-18E/F.

The AGM-88E AARGM is a medium-range air-to-ground missile employed for Suppression and/or Destruction of Enemy Air Defenses (SEAD/DEAD). The AARGM cooperative program with the Italian Air Force transforms the HARM into an affordable, lethal, and flexible time-sensitive strike weapon system. AARGM is in full-rate production and is operationally employed on F/A-18 and EA-18G aircraft. The AARGM-ER modification program was a new start in fiscal year 2016 and will increase the weapon system's survivability against complex and emerging threat systems and affords greater stand-off range for the launch platform.

This budget continues a 5-year integration effort of JAGM Increment 1 onto the Marine Corps AH-1Z helicopter and continues to fund JAGM procurement leading to IOC in fiscal year 2020. JAGM will replace the HELLFIRE and TOW II missile systems for the Department. APKWS II provides precision guidance capability to the Department's unguided rocket inventories, improving accuracy and minimizing collateral damage. Program production continues on schedule, meeting the needs of our warfighters in today's theaters of operations. Marine Corps AH-1W and UH-1Y helicopters achieved IOC in March 2012 and the Marine Corps AH-1Z platform was certified to fire APKWS II in June 2015. To date, these platforms have expended more than 190 APKWS II weapons during combat missions.

The fiscal year 2018 President's Budget procures additional Joint Direct Attack Munition (JDAM) kits to enhance the Department's readiness. In thirty months of Operation INHERENT RESOLVE, the Department's aircraft have expended more than three times the number of 500lb JDAM kits than were procured during the same period. This significant demand has required the Navy to reduce the number of 500lb JDAM available for training in order to preserve warfighting inventory. Additionally, fully funding the General Purpose Bomb line item is critical to sustaining the Department's inventory for ongoing combat operations and replenishing it for future contingencies.

Space

The Department's Joint and Fleet space operations are vital to the employment of naval capabilities and provide assured Command and Control, persistent Maritime Battlespace Awareness; maneuver to include physical, cyber and the electromagnetic spectrum; and integrated fires. However, access to space is no longer guaranteed. The National Security Space Strategy defined the current and future space environment as driven by three trends: congested, contested, and competitive. The Department will maximize the utility of space-based assets and assure continued access in the face of growing adversary space capabilities by increasing space-related proficiency throughout the force and with targeted science and technology and research and development investments.

Cyber

Building our force is not limited to new platforms that operate in the traditional domains of sea, undersea, air and space, but also in the newest warfighting domain:

cyber. With the exponential growth and ubiquitous availability of advanced computing methods and information technology today's highly networked environment, our Navy and Marine Corps must operate effectively in cyberspace. The Services require unconstrained access and assured capabilities in cyberspace to execute the full range of military missions. We must lead in both offensive and defensive use of this new domain and building cyber resiliency into our networks to allow us to "fight through" a cyber-attack.

Cyber resiliency ensures that when an attacker gets through our defenses, we rapidly detect and react to the anomalous cyber activity in a way that allows us to continue critical operations, or "fight through," while we restore the integrity of that portion of the network. Cyber defense-in- depth is achieved by surveillance and reconnaissance within our networks to detect malicious activity. Navy and Marine Corps Cyber Commands leverage layers of sensors, analysts, and cyber specialists to assure maritime missions and protect data. In addition to defense and assured access, the Navy and Marine Corps are prepared to deliver cyber effects at a time and place of their choosing across the full range of military operations in support of Naval and joint commanders' objectives.

Industrial Base

The Department of the Navy cannot accomplish its mission, maintain readiness, or modernize the force without its partners in industry. Building readiness and building the force requires a strong and integrated relationship with our industrial base private-sector partners. We will continue to work closely with our prime contractors as procurement plans unfold to ensure our equipment, system, and component suppliers are equally able to support the increased demand associated with building a larger fleet. We have utilized contracting tools such as MYPs, block buy contracts, Economic Order Quantity (EOQ) buys, Capital Expenditure (CAPEX) incentives, and Shipbuilding Capability Preservation Agreements to provide a stable commitment to our industry partners, supporting long range planning focused on affordability and cost control which increases our buying power. We will continue these initiatives to provide stability and mitigate volatility at the supplier level and improve productivity, efficiency, and competitiveness across the supplier base. We appreciate past Congressional support for these efforts and your continued support in the future. While the different industrial sectors face different challenges, common among all is the need for predictable and stable programs which are dependent on a stable budget. We also welcome Congress's support in providing that budget stability.

TAKING CARE OF OUR PEOPLE

The men and women of the Department provide our Naval Forces and Nation with an asymmetric advantage. No quantity of next generation ships or aircraft will bring victory without the skilled, dedicated and talented Sailors, Marines, and civilians who build, maintain and operate our Navy and Marine Corps. Despite 16 years of combat operations, extended deployments and reserve mobilizations, today's force is the most talented and high performing in history. But just as the American technological advantage in warfare is not something we can take for granted, we also cannot simply assume that we will always attract America's best and brightest to serve in our all-volunteer military and civilian workforce. With a turnover of approximately 95,000 Sailors, Marines, and 60,000 civilians a year, providing the incentives to attract and the environment to thrive remains a top priority for the Department. The desire to serve remains strong in America and the Navy and the Marine Corps are achieving overall recruiting objectives. We are, however, experiencing increasing challenges due to an improving civilian labor market, a limited pool of eligible candidates, and increases in accession goals. The Department's civilian workforce is an irreplaceable partner in our naval service and one of the most technologically advanced and innovative workforces in the world. More than half of our civilians are scientists, engineers, mathematicians, and logisticians and to sustain that workforce into the future the Department continues to leverage strategic partnerships with science, technology, engineering and math (STEM)-related groups and educational institutions to highlight naval service as a rewarding career option.

Maintaining our warfighting advantage requires diversity of experience, background and ideas. The Department draws upon the widest pool of talent and backgrounds to maximize combat effectiveness. Through policy and practice, we have set the conditions to ensure all who are qualified to serve in the Marine Corps and Navy can do so while creating an environment that promotes dignity and respect for all. In 2016, the Department of the Navy opened the training pipelines in every occupational specialty to women. In May 2016, two female Marines graduated from joint Army/Marine Field Artillery Basic Officers Leaders Course; one graduated first

in her class and the other in the top 5 percent. In April 2017, a Marine 2nd Lieutenant graduated from the Army Armor Basic Officer Leaders Course to become the first female Marine Tank Officer. Additionally, the first four enlisted women Infantry Marines completed training and reported to Marine infantry battalions in December 2016. In the Navy, female officers serve on all combatant platforms, and female enlisted Sailors serve on all platforms where berthing facilities are available. The first female enlisted Sailor earned her submarine qualification and received her Submarine Warfare pin in August 2016. In the recruiting arena, we are actively emphasizing these integration efforts on Service websites and include images of female representatives whenever possible, aimed at encouraging women to enter recently opened occupational fields.

Having invested in recruiting the best talent available, we must retain it. We remain watchful of an increasingly competitive marketplace for talent in an improving economy. While we met the aggregate enlisted retention goals for fiscal year 2016, we continue to experience challenges and shortfalls in some communities, such as Information Warfare, Nuclear technical fields, Special Warfare, and Advanced Electronics. Officer retention remains at historically high levels due, in large part, to judiciously offered incentive pays and bonuses, improved mentoring, recent efforts to add flexible career options, and an increased emphasis on life-work integration initiatives. However, specific active duty officer inventory shortfalls remain in Aviation for certain type/model/series and nuclear-trained Surface Warfare Officers. We are actively addressing these shortfalls through targeted incentives and other retention tools.

The Navy and Marine Corps Reserve continue to be a vital part of the Navy and Marine Corps Team and the Total Force. Mobilizing and employing reserve Sailors and Marines facilitates employing the Active Component to meet other operational and warfighting requirements, maintain unit integrity, and ensure Fleet readiness. 20 percent of the Navy Reserve conducts operational support across the globe every day, to include squadrons from the Maritime Support Wing flying fixed and rotary wing missions in the South China Sea and reserve Coastal Riverine Units conducting high value escort missions off the Horn of Africa.

The Department is also working to ensure our personnel policies and programs are keeping pace with the innovative human resources environment of the private sector. The Fleet Scholar Education Program (FSEP) allows our best and brightest officers to learn at America's most prestigious universities. The FSEP provides a total of thirty fully funded full-time graduate education opportunities with participant selection from the highest performing officers from each community. Career broadening programs improve the intellectual capital of our officer corps, providing sought after opportunities for our best and brightest.

We have focused on helping Sailors and Marines maximize their personal and professional readiness by assisting them and their families with the mental, physical and emotional challenges of military service. Providing a holistic approach to maintaining the health and resilience of our force, we have made improvements to physical fitness and nutrition programs, enriched family support programs, developed financial literacy training, and prioritized mental wellness. Both Services extended fitness center hours of operation and are piloting 24/7 centers in a number of locations. Morale, Welfare and Recreation programs like Adventure Quest and Single Service members provide a variety of programs promoting physical activity and a healthy lifestyle. MilitaryChildCare.com, an innovative online child care information, request, and reservation system, which will be fully operational this June, will allow our families to secure critical child care services anywhere in the world before they execute a Permanent Change of Station (PCS) move. The Marine Corps and Navy expanded financial literacy training throughout the military lifecycle with topics relevant to life and career touch points, particularly important as we transition to the Blended Retirement System. Earlier this year the Navy released a financial literacy mobile app to enhance access to training, references and guides as well as resources for the transition to the blended retirement system.

Despite our commitment to providing the highest quality of life to our Sailors and Marines the tragedy of suicide continues to plague our institution as it does to society as a whole. The Department has made strides in arresting the incidence of suicide and continues to seek promising paths to prevention.

During the past year, the Navy launched the Sailor Assistance and Intercept for Life (SAIL) program, a research-based non-clinical intervention strategy, modeled after the successful Marine Corps Intercept Program, that provides rapid assistance, on-going risk assessment and support for Sailors who have exhibited suicide-related behaviors. The Marine Corps has initiated Death by Suicide Review Boards to gain in depth understanding of all Marine deaths by suicide. Although the Marine Corps and Navy have reduced military suicides from the peak numbers seen a few years

ago, we must continue our efforts to increase resiliency, promote help seeking and provide treatment and support for those in need.

Among our foremost responsibilities is to provide a safe and supportive work place to our employees. Whether in the cockpit of an aircraft, the engine room of a ship, or the office of an ashore facility, the leadership of the Navy and Marine Corps recognize that we cannot be successful in our mission if our people are not secure in their environment.

The occurrence of physiological episodes (PE) in our legacy tactical aircraft and trainers has emerged as the number one aviation safety priority. From Senior Navy leadership to our engineers and maintainers, to our aircraft manufacturers and NASA and the Mayo Clinic, a comprehensive review of the design, the facts, circumstances and processes surrounding PEs has been launched to arrest the increase in PEs in our F/A-18 and T-45 aircraft. The entire Naval Aviation Enterprise is focused on resolving this issue and we will keep the Defense Committees and staff apprised of our findings and progress. In the interim, we are taking every measure to ensure our aviators are afforded the highest standards of safety as they perform their inherently hazardous mission.

An environment that allows our Sailors, Marines and civilians to thrive is also one that is respectful to all, free of harassment, bullying and assault. Sexual assault is a crime that is not tolerated within the naval service. Those who report a sexual assault are supported by over 240 sexual assault response coordinators, 8,000 full and part-time victim advocates, 252 legal personnel, 164 criminal investigators and 215 medical forensic examiners. We have a robust and effective Sexual Assault Prevention and Response program and Victims' Legal Counsel that together encourage increased reporting and provide critical support to those who come forward. We are also taking steps to prevent and respond to perceptions of retaliation or ostracism on the part of the courageous individuals who report these crimes—whether by the chain of command or peers. While there is still much work to be done, reporting across the Department has increased twofold since 2012, and, based on surveys, our estimated number of assaults on Service members has almost halved during that same time. Our leaders, at all levels, are held accountable to ensure every member of our Navy-Marine Corps team can excel in an environment that maximizes their talents and rejects those who would degrade or diminish another service member.

A respectful environment is not limited to physical spaces but includes the virtual and on-line environments where so many social interactions occur. Discovery and investigation into the toxic and predatory behavior harbored by the Marines United Facebook group has uncovered instances of a breakdown of good order and discipline within our Services. The discovery of this toxicity led to a comprehensive investigation of the non-consensual sharing of intimate images by Sailors and Marines, the extension of counseling and legal support to potential victims, the review and update of policy and regulations to cover this Internet enabled scourge, and the commitment to hold offenders accountable.

Finally, as a Department, we remain dedicated to strengthening our investment in the ethical development of our Sailors, Marines, and civilian employees to further their competence, confidence, character, and integrity such that their day-to-day actions and decisions are motivated by and aligned with the Department's Core Values of Honor, Courage, Commitment. We have given priority to analyzing and updating training curricula and educational programs across the Department to emphasize the importance of ethical behavior and to diminish instances of destructive behavior. Our people are our competitive advantage and we have no higher priority than to provide the tangible and intangible incentives that will allow us to continue to recruit and retain the nation's best and brightest.

GOOD STEWARDSHIP

In the quarter century since the end of the Cold War, the global threat environment has only become more challenging as multiple competitors seek to disrupt America's leadership role in the world. Ubiquitously available innovations in technology and information combined with increasing pressures on the Federal budget mean that we cannot simply outspend our competitors and expect to retain our advantage. We cannot just spend more, we must spend more smartly. We must know where every dollar is spent and incorporate innovative business practices to optimize the marginal value of our investment.

Auditability

A critical step in improving stewardship of the funds the Department of the Navy is entrusted with is to undergo a full financial audit in fiscal year 2018. Over the past years the Department has been working to put the tools and business processes in place that will allow an independent auditor to assess our financial statements,

transactions and assets. The Marine Corps reached this milestone a year early in fiscal year 2017 and the Navy is leveraging lessons from the Marine Corps to improve its audit readiness.

The Department of the Navy is not approaching audit as a discrete test of our financial reporting but rather as a continual year round process to improve management of the significant resources with which we are entrusted. Standardizing our business processes and strengthening our internal controls will not only ensure financial data accurately reflects our business activities and minimize opportunities for the misuse of funds, but as importantly, it will improve the visibility of our management of the billions of dollars that it takes to build, operate and maintain our naval forces. This visibility, in turn, will allow us to better direct those funds consistent with the nation's priorities.

The process of preparing for audit has also improved the culture of accountability throughout the Department, as every senior leader across the Navy-Marine Corps team embraces their role in developing and enforcing appropriate internal controls. Senior leaders are assigned responsibility for the correction of identified audit deficiencies and their leadership and actions provide the "tone from the top" which highlights the importance of effective controls and audits to all business managers. Performing business processes in a standardized way and retaining key documentation is the new normal for all who spend taxpayer dollars.

The Department of the Navy understands the value audits will provide in maximizing the value of every tax dollar spent. Given the complexity and size of our operations, we anticipate that an unqualified audit opinion will be several years away, but as annual full audits of the Department of the Navy begin in 2018, we will constantly assess the results for opportunities to develop and implement the cultural, process and system changes needed to hold ourselves accountable and to maintain the trust and confidence of the American people.

Business Reform

The processes, tools and systems that we use to manage the business of your Navy and Marine Corps have evolved over the past two centuries of successful naval operations. By implementing discrete business improvements over time, the Department, to date, has maintained its edge. Just as our competitors have leveraged the accelerating pace of technology development and absorption, however, so must the naval services leverage and embrace improvements in technology to better manage the processes that ultimately deliver our Nation's warfighting capability and ensure that we retain that edge.

The Department of the Navy embraces the President's and Secretary of Defense's initiative to reform government. Improvements in data collection, storage and analysis provide abundant opportunities to not only reduce cost but also to improve our decisionmaking in every Department activity from warfighting to personnel management to audit and real property management. The tremendous gains in commercial enterprise valuation over the past decade have not been through the implementation of efficiencies, but rather through rapid boosts in productivity enabled by information and technology. To the extent possible, the Department is committed to leveraging the innovations increasingly employed by commercial industry to improve the productivity of our business management processes and systems. Such innovations include appropriate migration of data storage and applications to the commercial cloud, continued consolidation and standardization of our data centers, and improved business intelligence and analysis capability.

Opportunities for improved productivity are not limited to the modernization of our business IT systems. Exponential advancements in manufacturing processes and materials, artificial intelligence, energy capture, storage and transmission, and virtual and augmented reality offer abundant opportunities to reform and improve not only our business processes but also the productivity of our personnel, training, acquisition and maintenance activities.

Nor are the opportunities for improved stewardship limited to technology; process, policy, and leadership can also drive the agility and innovation that leads to a more productive enterprise. The Department of the Navy has welcomed the additional acquisition flexibilities provided through the fiscal year 2016 and fiscal year 2017 NDAA. Consistent with Congressional intent we are capitalizing on the flexibility inherent to Mid-Tier Acquisition and Acquisition Agility provisions provided from fiscal year 2016 NDAA (Section 804) and fiscal year 2017 NDAA (Section 806), respectively. Additionally, we have implemented an Accelerated Acquisition approach with the Department of the Navy that encourages and enables the rapid development and transition of emerging technologies and engineering innovations to address critical Navy and Marine Corps warfighting needs. The Large Displacement Unmanned Underwater Vehicle and the Carrier based launched Unmanned Aerial

Vehicle System are being managed as accelerated capability programs with the direct senior leadership involvement necessary to enable streamlined risk acceptance and decisionmaking.

The Department of the Navy is actively expanding and strengthening our network of partnerships, seeking further collaboration with traditional and non-traditional industry, laboratories, and academic institutions as well as international partners. In a combined effort between the Secretariat, the Marine Corps the Navy and industry, we recently conducted a Ship to Shore Maneuver Exploration and Experimentation exercise in which we demonstrated over 100 innovative technologies and concepts from varied industry partners, universities and naval labs. Such Rapid Prototyping, Experimentation and Demonstration (RPED) projects will inform our concepts and requirements and shorten the cycle between the identification of a capability gap and the delivery of a suitable solution.

Our reform efforts, focused on improving productivity, will evolve as new opportunities are revealed. To maintain our reform momentum we have invigorated a Department of the Navy Business Council to provide four star level oversight and support for our continual reform efforts.

CONCLUSION

The Navy and Marine Corps team is organized, manned, trained and equipped to assure our allies, deter aggressors, and, when necessary, defeat our adversaries and serve as an outward symbol of our nation's resolve. Developing and maintaining globally present and operationally relevant naval forces that provide timely, agile and effective options to national leaders as they seek to advance our national security interests requires that we take the longer view.

As a maritime nation, our security and prosperity is dependent upon our freedom of the seas in time of peace and our command of the seas in time of war. America's Naval forces' ability to shape and influence events while advancing and protecting American interests around the world traditionally relies upon a force whose strength is measured in terms of numbers of ships, aircraft, and munitions; increasingly relies upon advanced capabilities involving unmanned systems, advanced sensors, stealth, electromagnetic maneuver, directed energy, and hypersonics; and always relies upon the quality and dedication of America's Sailors and Marines. Our future success in providing for our Nation's security will ultimately rely upon Congress to provide the resources we need to build, operate and maintain the force; to deliver the necessary advanced capabilities; and to attract, train and retain the best of America's young men and women to serve in our Navy and Marine Corps. In exchange, we are committed to being excellent stewards of those resources to ensure we deliver the maximum warfighting capability for every dollar provided by the taxpayer.

Our priority in this year's President's Budget request is to rebuild the readiness and lay the foundation for future growth—capacity and lethality—of the force. The Department fundamentally requires a predictable, timely budget—something that has been elusive throughout the years operating under the Budget Control Act—to meet this priority. We will also need an increase to the Budget Control Act caps, as outlined in detail by our President's Budget request. Timely passage of a full year appropriation at the requested level will provide for the most efficient execution of the resources provided by Congress, while bringing stability to our workforce and our industrial base, and enabling the Department to most effectively train, maintain, and deploy the force.

I want to thank this sub-Committee for your enduring support to our Sailors, Marines, civilians and their families, and for your past support for our key programs that support the Naval force our Nation's needs. The fiscal year 2018 President's Budget request is properly balanced to support the needs of the United States Navy and the United States Marine Corps and ensures we are better prepared to fight and win our Nation's battles today and in the future. I look forward to working with you in the furtherance of our maritime capabilities.

Senator COCHRAN. Thank you, very much, Mr. Secretary.

Admiral John Richardson, Chief of Naval Operations. Welcome. You may proceed with your statement.

STATEMENT OF ADMIRAL JOHN M. RICHARDSON, CHIEF OF NAVAL OPERATIONS

Admiral RICHARDSON. Thank you, Mr. Chairman.

Chairman Cochran, Ranking Member Durbin, and other distinguished members of the subcommittee.

Thank you for the privilege to be here today to represent our Navy team, our sailors, our Navy civilians, and their families. I request that our written statements be entered into the record.

I would like to take some time this morning to briefly outline where your Navy stands today and where we need to go.

I just got back from Rota, Spain, Singapore, and Guam. Out there, I visited our sailors who are in harm's way around the world facing rising threats. They are talented, dedicated, and they are laser focused on their mission. This is despite the growing challenges of the security environment and despite the challenges that we have imposed by inconsistent, delayed, and inadequate funding.

Today, I hope to convey a sense of urgency. Our adversaries are improving more quickly than we are. Our advantage is eroding and we must increase our naval power today, pick up the pace to maintain our winning advantage. This effort starts by insuring that we have a firm foundation for solid growth, restoring wholeness and balance.

This began with the fiscal year 2017 budget, which helps arrest readiness declines. I would like to thank the committee very much for the work done to pass that bill. But more needs to be done. The challenges are sufficiently deep that it will take both predictable and sufficient funding, and some time, to fully recover.

We have aircraft grounded due to maintenance backlogs and spare shortages. Our pilots do not fly enough. Our maintainers are struggling to keep planes that are working up in the air. We have not funded spare parts at required levels.

Maintaining our ships is also a struggle. Too many ships are getting out of maintenance late, submarines and warships are tied up next to the pier unable to submerge or get underway.

I know that many of us are focused on adding more ships to the fleet. I am too and the Secretary has outlined our procurement plan. But make no mistake. If I cannot repair a ship that has already been bought and paid for to get back to sea, we forfeit the good, hard work of our predecessors. And the effect is the same as not buying a ship. It ends up being one less ship at sea today. Morale suffers and U.S. naval power suffers a stark illustration of the importance of wholeness to our way forward.

We are taking many strides here. We are making great progress. As I mentioned, fiscal year 2017 was a great first step to restore a lot of readiness. Fiscal year 2018 request will capitalize on that investment and restore balance and wholeness so we can grow moving forward. There are lots that we need to do to shore up the force that we have. We need a firm foundation.

As articulated in a white paper of the future Navy I released last week, we also need a larger and more capable fleet. And even as we shore up wholeness with this request, the request preserves the program growth for the Navy. We invest in emerging technologies for the future. It provides a balanced approach that starts the acceleration of naval power from a firm foundation.

As I talked to our sailors operating forward, protecting America from attack, promoting our interests around the world, they are fo-

cused as ever on their mission. I know that you share my incredible pride in them.

But there is also a growing sense in the deployed fleet that we, back here in Washington, just do not get it. Sometimes it seems like we live in a parallel universe. We need to bring these two realities together and do that quickly.

It is getting harder to explain to our sailors and their families or to those who might want to join the fleet. But I tell them to be hopeful, remain optimistic. We are on the road to restoring wholeness and increasing our naval power now and into the future. I am hopeful.

I am willing to do whatever it takes, working together with the committee to get our sailors the resources and support they need and that they deserve.

Again, thank you for the opportunity to be here and I look forward to answering your questions.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL JOHN M. RICHARDSON

Chairman Cochran, Vice Chairman Durbin, and distinguished members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the Navy's fiscal year 2018 budget request. This budget is the second step along a 3-year path that started in fiscal year 2017. In fiscal year 2017, Congress approved funding that helped to plug the most urgent readiness holes in the fleet. The fiscal year 2018 request is focused on continuing to stabilize the ship—restoring balance that will serve as a solid foundation for next year's investments, which will be informed by the pending National Security Strategy and National Military Strategy and chart a course to growing our size and capabilities. We would not even be having this conversation were it not for passage of the fiscal year 2017 bill. Thank you both for the final bill, and for supporting the Administration's request for additional Overseas Contingency Operations funding.

The Navy submits this request in a time of increasing competition. The world in general, and the maritime environment in particular, is fast-paced, increasingly complex, and uncertain. The challenges we face are more diverse, interconnected, and arriving more quickly than we had anticipated. Our maritime rivals are quickly becoming stronger. There is a need for urgency; we need to pick up the pace if we are to maintain a position of naval leadership in the world. Your sailors are out every day, all around the world, going into harm's way and undaunted by the threats that they face. Their equipment is worn. Too frequently, they don't have enough spare parts, and their stocks of munitions are lower than they need. But they are tough, dedicated, and proud of what they do. Back here at home, there is less evidence that we get it. There is little sense that our margin is shrinking, that time matters, and that we must take action. Again, your support in fiscal year 2017 is important progress, and your Navy is very grateful. But there is much more that still needs to be done.

This places a growing premium on what we in the Navy often refer to as wholeness. For the Navy, wholeness is striking a balance of capabilities that are ready to meet our missions today, complemented by the additional investments that will enable us to sustain those capabilities over time.

The heartbeat of the Navy is its people—this is where wholeness begins and ends. This budget request reflects increases in both military and civilian personnel. On the military side, we are requesting an additional 4,000 active duty and 1,000 reserve personnel to man modernized cruisers and destroyers, as well as Littoral Combat Ships; properly support moves for our sailors and their families; grow our cyber capabilities; and to implement our digital training initiatives. We are also adding almost 3,700 civilian personnel to conduct ship and aircraft maintenance, increase security at our bases, and provide engineering and other developmental support for new manned and unmanned aircraft, cyber, and tactical operations.

The most significant investments in our fiscal year 2018 budget request build upon the funding provided in fiscal year 2017: the Navy added \$3.4 billion this year and hopes to continue to achieve and better maintain readiness over the next 5 years. Afloat readiness accounts are almost all funded to either their full requirement or the maximum amounts that could be spent. These investments are designed

to help reverse years of significant strain on the fleet. The funding will buy the gas so that our ships and aircraft can fully train and deploy. It will increase the stocks of spare parts to keep those platforms running or quickly restore them to service if something should wear out or break. They will also provide for increased cyber resilience and defense, and support modest improvements to our facilities.

As our competitors seek areas of advantage, our modernization accounts will ensure our current platforms remain competitive through their expected service lives. The fiscal year 2018 budget request sustains most of our major modernization programs, across the undersea, surface, and air domains. We also sustained our planned investments in missiles, ship self-defense systems, and torpedoes in this request, and increased funding for additional weapons in future years.

Even as we invested in enhancing our readiness, our fiscal year 2018 budget request also supports moving into the future. We fully funded the COLUMBIA-class ballistic missile submarine's fiscal year 2018 program requirements, the Navy's contribution to our nation's strategic nuclear deterrent and our highest shipbuilding priority. We procure eight ships in this fiscal year, and another 33 across the Future Years Defense Plan. We made minor adjustments to our planned aircraft purchases, requesting one additional P-8A maritime patrol aircraft in this year's request and reducing our expected purchases of F-35C fighters from 6 to 4.

The final element of our efforts to strike the best balance across our fiscal year 2018 budget request is focused on advancing key technologies that will make our current platforms more capable, providing new ways to counter high rates of fire more effectively and affordably. To that end, we have developed a new strategy to accelerate introduction of lasers and laser-enabling technologies into the fleet, and increased the funding in this and future years. We have funded the research and development of the next generation land attack weapon, hyper-velocity projectile, and hypersonic defense. And this request sustains our investments in autonomy and unmanned air, surface, and undersea vehicles.

We are adjusting our investments in tactical networks and supporting capabilities, and have asked for \$15 million to support a small but empowered office to spearhead Navy digital warfare and enterprise efforts. As just one example, one of our most impactful digital efforts is the transformation of the information systems that support our Manpower, Personnel, Training and Education enterprise. The MPTE modernization project will consolidate information from over 50 different databases in order to support tailored, flexible, and modern talent management and human resources support for our sailors. Our initial steps toward implementation are leading us to redesign our processes; in just one area, these changes have increased the number of travel claims processed by 28 percent per employee, 38 percent faster, with zero errors. Once we move claims processing fully online, we project manpower savings of over 80 percent. We are requesting \$35 million this year to move these critical transformation efforts forward, which will extend across our MPTE enterprise.

This budget request acknowledges the growing prominence of information warfare through increased investments in survivable networks, electromagnetic maneuver warfare, and offensive and defensive cyber programs. Cyber protection of critical warfighting systems will provide the capability to automatically harden applications on naval platforms, reducing vulnerability to cyber attacks. The budget request also recognizes that as we advance technologies we must accelerate our adoption of training that leverages latest educational methods and tools, particularly the employing a combination of live, virtual, and constructive (LVC) training. By increasing our investments by \$217 million, we ensure that we keep our operators at the center of our plans, ensuring that they will be able to most effectively fight their ships, submarines, aircraft, and networks. Finally, we continue to seek ways to exploit the advantages offered by smart manufacturing technologies, including tools for shipyards and depots to speed production, reduce maintenance and sustainment costs, and enhance operations and logistics. These are just some of the highlights of the Navy's fiscal year 2018 budget request, building upon fiscal year 2017 readiness investments to achieve greater wholeness, both now and into the future. However, the perfect warfighting capability is useless if it arrives late to the fight. Getting a new capability to the fleet first, before any competitor, is decisive. As important as any specific capability, we also need speed. Time matters, and we are not moving fast enough. The Congress has a major role to play here. Becoming more competitive starts with stable, adequate funding—the Navy simply cannot stay ahead in a system in which we operate without a budget over 30 percent of the time. Stable and reliable funding allows our suppliers to manage their workforce and costs more effectively, which in turn reduces our costs. It gives our industry partners the confidence to invest in advances that make their processes faster and more efficient. We also need to better align our strategy with our budgets. We cannot achieve

wholeness when we continue to be asked to do more around the world than our funding levels can support.

Within the Navy, we are rededicating ourselves to a single-minded focus on building leaders, who are building the best possible teams. In the past year, we have issued an updated leader development framework to help guide the advancement of sailors as leaders of both character and competence—the two necessary ingredients for professional leadership. We also issued a framework that is informing advancement strategies for our Navy civilians, to guide strategies that are tailored to their particular areas of expertise.

I am grateful for the additional acquisition authorities that the Congress has given to me and my fellow Service Chiefs, and have learned a lot as I have started to execute them. Many of my colleagues in industry that do both commercial and Defense Department work describe two ways of doing business: the “competitive way” and the “government way.” They describe their worlds as consisting of parallel universes that operate at vastly different speeds. In the “government way,” we take over 7 years to move from starting to look at potential information technology systems to initial operations. The “competitive way” took deep learning from an idea to GO champion in the same amount of time. Too often, the “government way” ignores the fact that going slow—or worse, doing nothing—incurs risks that are often much higher than acting imperfectly. In the “government way,” there are too many people that can say no. In the “government way,” there are layers upon layers of oversight, many of which have their origins decades ago, in a time when there were no computers. I am working with the Department and industry to examine our methods against the need to deliver quality in a way that is also timely and cost-effective. Make no mistake, continuing to operate in “the government way” imposes costs and risks as real as any others we might be trying to avoid. . To that end, right-sizing and modernizing our installations and facilities will be an important part of our future competitiveness; although the Navy believes its infrastructure capacity is about right, completing the more detailed analysis once a BRAC is authorized will have value, and may highlight opportunities for some savings.

Within the Navy, we are taking steps to accelerate acquisition. There are two elements to our approach. The Rapid Prototyping, Experimentation, and Demonstration (RPED) process seeks to develop and field prototypes to find solutions to fleet problems. The Maritime Accelerated Capabilities Office (MACO) process streamlines and accelerates the acquisition decisionmaking process so that capabilities can be delivered to the fleet as fast as possible.

These new ways of doing business are enabled by engaging with industry much sooner in the acquisition process, both to help refine the requirements process and to make it more efficient. As a part of this, we have been increasing our outreach to small businesses, which are often the most agile of our performers. And I am routinely calling both on our own Navy team as well as our partners in industry to challenge assumptions that we have grown to take for granted—assumptions about how long it takes to design or build everything from our most simple to most complex platforms. We are shifting our mindset from technological miracles that deliver in the distant future, to one of achievable and meaningful advances today that can be pushed forward into the future through faster iteration. We must design and build all of our future platforms with modernization in mind.

Finally, together we must develop a more competitive approach to defining our future. I have been focused on getting better insight and control of research and development funding so that it can be prioritized to the areas of most decisive advantage. We need more targeted investments, with well understood risks, that include time to delivery as a critical discriminator.

If our efforts here are going to succeed, I will need your help. I welcome the greater accountability you have given me, but would ask you to look hard at areas where oversight can be pruned back to less onerous levels. Which oversight functions are best performed by the Navy Secretariat, by the Office of the Secretary of Defense, or both? What steps can we take to maintain sufficient checks and balances, but that also recognize the competition that we cannot ignore? These are difficult questions, but ones that the world in which we find ourselves in demands that we answer. I look forward to working with you in this vital area, and to answering your questions.

Senator COCHRAN. Thank you, very much, Admiral. We will now hear from the Commandant of the Marine Corps, General Robert Neller.

**STATEMENT OF GENERAL ROBERT B. NELLER, COMMANDANT,
UNITED STATES MARINE CORPS**

General NELLER. Chairman Cochran, Ranking Member Durbin, and members of the committee.

Thanks for the opportunity to appear today and answer your questions. It is good to be here with Secretary Stackley and Admiral Richardson. My shipmates and I fully support the comments that they made in their statements, and I am also here to represent your Marines.

I know this committee, and the American people, has high expectations for our Marines as our Nation's expeditionary force in readiness. You expect your Marines to operate forward with our Navy, engage with our partners, deter adversaries, and respond to crises. And when we fight, you expect us to win. You expect a lot out of your Marines and you should.

This morning as we hold this hearing, there are more than 35,000 Marines forward deployed and engaged doing just what you expect them to be doing. Our role, as the Nation's expeditionary force in readiness, informs how we man, train, and equip the Marine Corps. It also prioritizes the allocation of resources we receive from Congress.

Unstable fiscal environments of the past have required us to prioritize the readiness of our forward deployed force over those at home station. Those Marines are the ones that immediately respond to crisis. Those Marines reinforced are currently protecting our embassies around the world. Those Marines are currently conducting air and artillery strikes in Syria and Iraq. Those Marines are training and advising the Iraqi and the Afghan army.

Twenty-four thousand of those Marines are in the Pacific west of the international dateline deterring adversaries and assuring our allies. And I assure you that your forward deployed Marine forces are well trained, well led, and well equipped.

However, this has come at a compounded expense and cost to our non-deployed, those getting ready to go next, and those that have just returned because those are the three types of marines that we have today. Those that are forward deployed, those that are getting ready to replace them, and those that just returned. That is our ready bench.

The fiscal year 2017 appropriations bill is a good down payment to improve the readiness of this bench and move us forward to further recapitalize and modernize the force.

That said the instability of the past 8 years and the continued legislative reality of budget limitations have disrupted our ability to program long term activities and directly challenge our efforts to sustain improvements to current and future readiness. To continue to meet operational commitments, maintain a ready force, and modernize for the future, we need sustained fiscal stability.

While supporting requirements abroad, we continue to innovate, leverage technology, invest in new systems, and redesign our force through two initiatives called Sea Dragon 2025 and Marine Corps Force 2025. We must adapt both the capabilities we possess and the thought process we bring to the battlefield because our adversaries have continued to advance their capabilities and their capac-

ities. Our modernization ensures our future readiness for any fight that may be in the future.

As we look forward, priorities for this year remain readiness recovery, implementation of the Force 2025 initiative, and acceleration of our modernization initiatives to build a more lethal Marine Corps. We do not want our Marines to enter a fair fight. And though we remain a lethal and ready force, the margin between us and our potential adversaries has closed.

With your continued support in addressing present challenges and shortfalls, we will be better postured to fight and win our Nation's battles now and in the future.

I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF GENERAL ROBERT B. NELLER

Your Marine Corps remains the Nation's Expeditionary Force-in-Readiness, able to answer the Nation's call in any clime and place. In meeting that mandate, Marines are forward-deployed and forward-engaged responding to crises around the world—managing instability, building partner capacity, strengthening allies, projecting influence—meeting the requirements of our Geographic Combatant Commanders. At home, our recruiters are working hand-in-hand with local communities, recruiting the best and brightest Americans our Nation has to offer and consistently achieving our recruiting goals. We appreciate the recent passage of the fiscal year 2017 funding. This is a down payment to improve our readiness and move us forward to recapitalize and modernize the force. That said, the fiscal instability of the past 8 years and the continued reality of continued budgetary uncertainty disrupt our ability to program long term activities and directly challenge our efforts to improve current and future readiness. To continue to meet operational commitments and maintain a ready force, your Marine Corps requires fiscal stability.

Both in training and operationally, our Marines are busy; the current deployment tempo is on par with the height of operations in Iraq and Afghanistan. While supporting requirements abroad, we also continue to invest time and energy in developing the Marine Corps Operating Concept and its supporting Marine Corps Force 2025 initiative. The changes within these institutional efforts will help us mitigate against an increasingly volatile operating environment. Our potential adversaries continue to advance their military capabilities and build capacity; because of their advances in technology and information use, we must adapt both the capabilities we possess and the thought processes we bring to the battlefield. As we look forward, our priorities for this year remain: readiness recovery, implementation of the Force 2025 initiative, and the acceleration of our modernization initiatives to build a more lethal 5th Generation Marine Corps.

YOUR MARINES

In the past year, your Marines demonstrated the relevance of expeditionary naval forces by executing approximately 20 amphibious operations, 200 operations, and 70 major exercises. A strong demand remains for Marines and tailored Marine Air-Ground Task Forces, driving an aggressive operational tempo. Marines in the operating forces are averaging a two-to-one deployment-to-dwell ratio, typically deploying for 6 months, then spending 12 months or less at home station before deploying again.

Our Nation has Marines on the ground in Iraq, Afghanistan, and Syria today, and our commitment is growing. We have increased the number of Marine advisors in Afghanistan beyond our partnership with the Republic of Georgia's Liaison Teams. In April, we deployed Marines as part of Task Force Southwest training and advising the Afghan National Army. Additionally, Marine tactical aviation squadrons are supporting operations in Syria, Iraq, and Libya from forward-deployed locations afloat and ashore.

Our Navy and Marine Corps Teams continue to perform as a flexible, agile, and responsive maritime force. In 2016, the Marine Corps deployed more than 11,000 Marines aboard Navy warships. This past year, five separate MEUs supported every Geographic Combatant Commander, participating in exercises and executing major operations. The 31st MEU, our Forward Deployed Naval Force in the Pacific, performed Foreign Disaster Relief (FDR) operations in Kumamoto, Japan, after a 6.5 magnitude earthquake and 7.0 aftershock struck in April.

Our Special Purpose Marine Air-Ground Task Forces (SPMAGTF) remain engaged. Our SPMAGTF assigned to USCENTCOM provides dedicated Tactical Recovery of Aircraft and Personnel (TRAP) support to Operation INHERENT RESOLVE, while simultaneously delivering a flexible force for crisis and contingency response. Those Marines continue to work with the 1st and 7th Iraqi Army Divisions advising and assisting in the fight against ISIL. In U.S. Africa Command (USAFRICOM), our SPMAGTF stands ready to support embassies through reinforcement, evacuation, and operations as required. Last July, Marines deployed to reinforce the U.S. Embassy in South Sudan and have remained, ensuring State Department personnel are able to provide critical support to the people of South Sudan. SPMAGTF-Southern Command (SPMAGTF-SC) deployed for a second time to Latin America, primarily focusing on Theater Security Cooperation (TSC) and training in Honduras, El Salvador, Guatemala, and Belize. At the request of the U.S. Agency for International Development, Marines from SPMAGTF-SC provided FDR to more than 750,000 Haitians in the wake of Hurricane Matthew. SPMAGTF-SC were the first Marines on scene, arriving within 48 hours of notification, flying more than 250 flight hours, and distributing 290 tons of relief supplies over the course of 12 days.

Marine Corps activities in the Pacific are led by Marine Forces Pacific (MARFORPAC) headquartered in Honolulu, Hawaii, with a forward-stationed Marine Expeditionary Force (MEF), III MEF, headquartered in Okinawa, Japan. III MEF contributes to regional stability through persistent presence. Marines remain the Pacific Command's (PACOM) forward-deployed and forward-stationed force of choice for crisis response. The Nation has 22,900 Marines west of the International Date Line, operating within the Asia-Pacific Theater. This past January, the first operational F-35B squadron deployed to Japan, bringing extensive capabilities while simultaneously augmenting operational forces in the area. The Marine Rotational Force-Darwin (MRF-D), a six month unit rotation, based in Australia's Robertson Barracks, is in its fifth year of operation. More than 1,000 Marines participated last year, taking part in three major exercises over the course of 7 months. This April, MRF-D returned to Australia with MV-22 Ospreys. Of note, this was the first ever Trans-Pacific flight by III MEF MV-22 Ospreys, displaying the operational reach these aircraft bring to the Marine Corps.

The Marine Corps maintains a vital relationship with the State Department, providing security at our Embassies and Consulates. Today, Marines are routinely serving at 176 Embassies and Consulates in 146 countries around the globe. Marine Security Augmentation Unit (MSAU) teams deployed 62 times last year at the request of the State Department, executing 19 Embassy/Consulate and 43 VIP (POTUS/VPOTUS/SECSTATE) security missions.

Last year, the Marine Corps, in conjunction with Combatant Commanders and the Marine Forces Component Commands, conducted more than 160 security co-operation activities, including exercises, training events, subject matter expert exchanges, formal education key leader engagements, and service staff talks. The relationships we forge with allies assure them of our commitment, deter adversaries, build partner capacity, and set conditions to surge and aggregate with a Joint, Coalition, or Special Operations force for major theater combat operations. Partnering also trains our Marines for environments in which we are likely to operate. Your support has allowed the Marine Corps to operate globally and reap the benefits of those international relationships.

MARINE CORPS OPERATING CONCEPT AND FORCE 2025

The challenges of the future operating environment demand that our Nation maintain a force- in-readiness, capable of global response. In the strategic landscape, we find that nations compete fiercely for natural resources, extremist groups employ violence to achieve nefarious ends, cyber- attacks are on the rise, and advanced weaponry and weapons of mass destruction continue to spread across the world. Additionally, due to universal access to information, rapid advancement in robotics, and new weapons technologies, serious threats have emerged with increasing speed and lethality.

In the last year, we invested considerable time and energy formulating the Marine Corps Operating Concept (MOC) and its supporting Marine Corps Force 2025 initiative. These institutional efforts were spurred by a critical self-assessment that revealed the Marine Corps is not organized, trained, equipped, or postured to meet the demands of the rapidly evolving future operating environment. We arrived at this conclusion after a close examination of the current and future impacts of complex terrain, technology proliferation, information warfare, the battle of electromagnetic signatures, and an increasingly non-permissive maritime domain on the Marine Corps. The MOC embraces our naval character, expeditionary mindset, and

professional approach to constantly improve and build on our foundations of maneuver warfare and fight as a combined arms force. The challenges of the future will impact how we organize our Corps and ultimately fight and win our Nation's battles. This concept is a starting point addressing how we will design, develop, and field a future force. It reaffirms the importance of maneuver warfare and combined arms. In the past, we successfully conducted maneuver warfare employing combined arms from the air, land, and sea. Now, changes in the operating environment and adversary capabilities drive us to increase emphasis on maneuver in a cognitive sense, expanding our employment of combined arms to space and cyberspace.

Concurrent with our MOC design, we conducted extensive collaboration, war gaming, experimentation, and analysis to design a balanced MAGTF optimized for the future in an effort dubbed Marine Corps Force 2025. We continue to identify and, when able, acquire practical, affordable, and effective ways to protect our networks; practice information environment operations; configure capable tactical units; recruit, educate, and train leaders on multi-domain warfare; increase our long-range fires capability; develop reconnaissance and counter reconnaissance forces; leverage automation and robotics to augment Marines; develop innovative logistics capabilities and systems; and further our warfighting capabilities within the littorals. The Marine Corps must modernize and change to deter conflict, compete and, when necessary, fight and win against our adversaries.

MANPOWER

The center of gravity of the Marine Corps is its people, and the American people trust us with this precious resource—their sons and daughters. Our core values of honor, courage, and commitment are engrained in our culture. Marine leaders have a moral obligation to ensure the health and welfare of the Nation's Marines from the day they commit to serve. We take this responsibility seriously and strive to maintain the trust and confidence of Congress and the American people. Taking care of Marines and their families is a key element of overall readiness, combat effectiveness, and warfighting.

Our comprehensive package of services seeks the holistic fitness and readiness of our Marines and their families—body, mind, and spirit. We continue to prioritize support through programs like: Force Fitness, Sexual Assault Prevention and Response, Suicide Prevention and Response, Behavioral Health, Wounded Warrior Regiment, Personal and Professional Development, and Transition Assistance. The Marine Corps remains focused on solutions to reduce destructive behaviors, particularly sexual assault, suicide, and hazing. We are dedicated to eradicating bullying, degrading, and abusive behavior committed online or in person. The abuse of alcohol is a known factor and contributor across the spectrum of force preservation issues and negatively impacts the readiness of our force. We have to minimize these destructive behaviors. We believe that preserving our commanders' ability to lead in this area is a vital element to reaching this objective.

We appreciate the continued support from Congress, specifically the most recent end strength approval of 185,000 Marines. We will create the most lethal, capable, and ready 185,000 Marines our resources will permit. That said, one continuing challenge is that the Marine Corps operating forces are currently averaging less than a one-to-two deployment-to-dwell ratio. This tempo is not sustainable as it does not provide options to train to our full mission sets and it puts unreasonable strain on our Marines and families. Ideally, we seek to be a one-to-three deployment-to-dwell force. Deliberate and measured capacity increases, reduction of our operational tasking, or a combination of the two, are solutions that would put us on the path to improve our deployment-to-dwell ratio. Our Marines want to deploy, serve our Nation, and protect our country from threats overseas. However, we owe our Marines and their families the appropriate deployment-to-dwell time to allow them to learn, re-focus, reflect on their most recent deployment, and train for the next deployment or contingency.

READINESS

Marines have a unique perspective on readiness. The Congressional intent for Marines to serve as the "Nation's Force-in-Readiness" guides who we are and what we do—being ready is central to our identity. As a force, we must remain ready to fight and win across the range of military operations within all warfighting domains. Fiscal reductions and budget instability has been the norm for the past 8 years and has consequently eroded our readiness. As resources diminished, the Marine Corps protected near-term operational readiness of its deployed and next-to-deploy units to meet operational commitments; this has come at a compounded cost. Non-deployed units, our "ready bench," can still deploy with minimal notice but, if re-

quired, would not be as ready or capable as necessary. More reliable funding and support of the annual budget request must be there if we are to improve our readiness and our ability to respond to crises.

A lack of amphibious warships, ship-to-shore connectors (SSC), and Mine Countermeasure capabilities (MCM) puts the Nation at a severe disadvantage. The Navy and Marine Corps team requires 38 amphibious warships to support two Marine Expeditionary Brigades and to provide the Nation a forcible entry capability. Our current amphibious warships need updated, resilient and interoperable command and control systems. As a maritime Nation, we need to be fully capable of exploiting the sea as maneuver space in an age when the proliferation of anti-access weapons continues to increase. This includes the ability to operate freely in international waters and airspace. Thirty-eight amphibious warships offer us agility and resilience in an unpredictable and dangerous security environment. Along with these warships, the Navy and Marine Corps team requires SSC that are survivable and reliable. Our current Landing Craft Air Cushion (LCAC) fleet averages 25 years of service and our Landing Craft Utility (LCU) attained Initial Operating Capability (IOC) in 1959—3 years prior to Senator Glenn orbiting the earth for the first time. MCM capabilities are continually underfunded. The Navy and Marine Corps team needs prudent and consistent funding to rectify these issues through multi-year procurement and block-buy of amphibious warships, SSC, and MCM.

Marine Aviation is in the midst of a focused readiness recovery effort. We have developed an extensive plan to recover readiness across every Type/Model/Series in the current legacy inventory, all while we continue to procure new aircraft. We are realizing steady improvements in aviation readiness, but the plan requires sustained funding, parts and supply support, flight operations, and time. Each T/M/S requires attention and action in specific areas: maintenance, supply, depot backlog, and in-service repairs.

The F-35 Lighting II is more than just the next fighter, it brings unprecedented low observable technology, modern weaponry, and electronic warfare capability to the Navy and Marine Corps team. Delivering this transformational capability to our front-line forces as soon as possible remains a priority. The accelerated procurement of this aircraft is essential as our legacy fleet of AV-8B, F/A-18, and EA-6B aircraft are rapidly approaching end of service life. Though more expensive than these legacy aircraft, the capabilities we receive in return for our cost share in the joint program make it a wise investment. We are aggressively seeking ways to reduce operations, maintenance, and sustainment costs for this program. This aircraft is currently demonstrating its ability to support the MAGTF and is expanding the capabilities of Marine Aviation today.

The CH-53E is another example of an aircraft that needs to be replaced—not extended—as this is the most cost effective solution. Entering service in 1981, the out-of-production CH-53E Super Stallion is 55 aircraft short of the required inventory and cannot meet the lift needs of today's Marine Corps. Its replacement, the CH-53K, costs approximately 30 percent more, but provides three times the lift capability under the same conditions, and is the only maritime, heavy-lift helicopter capable of supporting current and future warfighting concepts. The CH-53K is capable of supporting 100 percent of the MAGTF's lift requirements for approximately the same projected operating and support (O&S) cost of the legacy CH-53E. The CH-53K will provide increased range, payload, interoperability, and survivability.

The Marine Corps is executing a post-combat reset strategy to reconstitute and increase readiness of our ground equipment. We have reset 92 percent of our ground equipment, with 65 percent returned to the Operating Forces and our strategic equipment programs. Our war reserve includes geographically prepositioned combat equipment, located both afloat and ashore. We remain focused on this recovery effort and appreciate your support. That said, our ground equipment is old. Our amphibious assault vehicles were fielded in the 1970s, with many of our other ground systems fielded in the 1980s. Much like our aviation assets, our ground systems must be procured and fielded to our Marines in a faster manner, at lower operating costs and improved capability.

Marine Corps bases and stations support Marines and their families and serve as training, sustainment, and deployment platforms. They provide the capability and capacity to support the force and are integral to combat training. To maintain near-term unit readiness, we have accepted risk in facilities sustainment. While prioritizing deployed readiness, our infrastructure and facilities continue to decline. Taking risk in Facility Sustainment, Restoration and Modernization (FSRM) requirements has resulted in the degradation of our infrastructure, creating increased long-term costs. FSRM is currently funded only to meet the most urgent life, safety, and health issues. Improving the current state of our facilities is the single most important investment to support training, operations, and quality of life. In addition

to FSRM, we require investment in military construction to support the fielding of new platforms; facilities necessary to meet improved training standards and operational readiness enhancements; replacement of inadequate facilities; improvement of our safety and security posture, and relocation of forces.

To address these challenges, we have developed an Infrastructure Reset Strategy (IRS). Designed to improve infrastructure lifecycle management and ensure infrastructure investments are aligned with Marine Corps capability-based requirements, IRS supports the warfighting mission and contributes directly to current and future force readiness. Additionally, under this strategy, we will sustain infrastructure and installations as capable, resilient, right-sized platforms to generate force readiness and project combat power across the range of military operations. The Marine Corps service infrastructure capacity is about right; however, the IRS does address reducing excess and aging infrastructure to improve readiness and stability. The Marine Corps supports a Department of Defense request for authorization to conduct a Base Realignment and Closure (BRAC) round in 2021 based on the needs of other services, and to reinforce efforts planned through our IRS to optimize facilities posture to support increased readiness.

Readiness is not just about equipment supply and maintenance, but also the quality and challenging nature of our training through the mental, spiritual, and physical readiness of Marines and Sailors across the force. Readiness reflects through an organizational attitude and confidence, knowing that it can respond to and win in any crisis because it has been properly organized, led, trained, and equipped.

MODERNIZATION

History has not been kind to militaries that fail to evolve, and the global change we are witnessing is rapid and dramatic. Your Marine Corps must be manned, modernized, and ready to meet the demands of a future operating environment as defined by our National Military Strategy. The development, procurement, and fielding of a 5th Generation Fighter, the F-35 Lightning II, is just one aspect of our modernization efforts. We are modernizing our entire aviation force, increasing the lethality of our infantry, and ensuring our combat support and logistics are the most modern and capable. The result we aim to achieve is a Marine Corps that is the most advanced and ready—a 5th Generation Marine Corps. Capable of dominating the battlefield in all five domains—air, land, sea, space, and cyberspace—a 5th Generation Marine Corps will use information, an integral part of each domain that must be leveraged, as the thread to connect them. This requires transforming MAGTF command and control capabilities through a unified networked environment that is ready, responsive, and resilient. The 5th Generation Marine Corps is a modernized force required to meet and prevail against any adversary on the multi-domain battlefield of the future.

The Marine Corps must progress to stay ahead of the current security environment while mitigating future conflict or face becoming a force unable to deter and defeat future adversaries. Budget cuts since the Department of the Navy top line peaked in 2008, coupled with fiscal uncertainty, forced us to utilize limited resources to ensure the readiness of deployed forces and sacrifice end strength, home station readiness, infrastructure sustainment, and quality of life programs, as well as delay critical modernization. We need to modernize rapidly, to replace “old iron” with new, reliable, sustainable, and affordable equipment across the MAGTF. We need the continued support of Congress to increase the production rate of our acquisition programs while funding future modernization initiatives. Further, the recapitalization of our force is essential to our future readiness with investments in ground combat vehicles, aviation, command and control, and digitally- interoperable protected networks. Marines will continue working to do what we do today better than ever, while exploring ways these tasks might be done differently. The Marine Corps will persist in developing and evolving the MAGTF through innovation and experimentation, ensuring it is able to operate in all domains of conflict.

The Marine Corps Warfighting Lab leads our experimentation effort to capitalize on existing and emerging technologies and MAGTF level exercises. In conjunction with our coalition partners, the Navy and Marine Corps team has experimented with dispersed sea-based SPMAGTFs; integrated MAGTFs in heavily defended littoral environments; incorporated emerging digital technologies with aviation platforms and our ground forces; and conducted naval integration with interoperable Special Operations Forces. We will continue to emphasize experimentation and innovation during our exercises as a way to inform the development of distributed doctrine and future operating concepts. Exercises serve as a test bed for experimentation and innovation as we search for faster, cheaper, and smarter acquisition processes and programs. Expect the Marine Corps to continue pursuing technologies

that enhance our warfighting capabilities such as unmanned aerial systems (UAS) and robotics, artificial intelligence, additive manufacturing, and autonomous technologies that provide tactical and operational advantage. We have seen success in some of these initiatives and require consistent funding to better plan our modernization efforts.

Effective planning produces unit cohesion and leadership in our operating forces, and financial predictability for our modernization programs. The ability to properly plan achieves stability and predictability for our personnel and families, ensures ample time to train, and fosters development of our small unit leaders. Modernization is critical to our future readiness.

OUR CHALLENGES AND SOLUTIONS

Our most immediate challenge is resolving the significant readiness issues that have grown over the past 15 years. Collectively, fiscal inconsistency, spending cuts, and accumulating wear and tear after years of combat operations have depleted our readiness and delayed planned recapitalization and modernization efforts. Though our forward deployed forces are “full up” and ready for whatever comes their way, our “bench” has become shallow—particularly for aviation. We also lack sufficient amphibious lift. Our minimum requirement is 38 amphibious warships and we presently stand at 31, getting to 34 within the current Future Years Defense Plan. Due to this shortage, we have deployed two ground-based SPMAGTFs that have added deployment tempo to the Force.

Over the past year, the Marine Corps dedicated nearly every operational MV-22 Osprey squadron to source its global commitments, and the increased utilization rates on these airframes affect the longevity of their service life. To reduce operational tempo and continue to meet operational commitments, we cut MV-22 and KC-130J aircraft from our SPMAGTFs in CENTCOM and AFRICOM. Additionally, F/A-18 readiness challenges necessitated a reduction of the number of F/A-18 aircraft assigned to squadrons from 12 to 10. Exacerbating our concerns in aviation is a potential exodus of seasoned pilots and maintenance personnel to the commercial airline industry. We ask for your support for the fiscal resources we have requested to retain the talent in which we have invested. With the continued support of Congress, Marine Aviation will recover its readiness by recapitalizing our aging fleet, while at the same time accelerating the procurement of new aircraft to meet our future needs and support our ground forces.

CONCLUSION

The unpredictability of the security environment and unknown future facing our Nation today reaffirms the wisdom of the 82nd Congress—the vital need of a strong force-in-readiness. Marines are honored to serve in this role. We do not want to enter a fair fight; therefore, we must build a 5th Generation Marine Corps that has no peer on the battlefield. As we continue to innovate, leverage technology, and invest in new systems, our current plan includes advanced infantry weapons, the rapid procurement of the Amphibious Combat Vehicle and Joint Light Tactical Vehicle, long-range precision fires, and counter-UAS capabilities. It also increases fielding rates of the F-35B and C, continues the CH-53K procurement, begins research and development of a Group 4/5 unmanned aerial system capable of being sea-based, and continues to build manned-unmanned teaming capabilities. The plan as described depicts a roadmap to rebuild and modernize America’s Marine Corps. With the continued support of Congress in addressing present challenges and shortfalls, we will be better postured to fight and win our Nation’s battles now and into the future. The American people expect and deserve nothing less from their Marine Corps.

Senator COCHRAN. Thank you, General. Appreciate you being here and your leadership.

May I hear from our distinguished democrat ranking member, Senator Richard Durbin?

STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. Thank you, Mr. Chairman.

My apologies to the subcommittee and everyone in attendance, but we had an overlapping hearing of the senate judiciary committee upstairs which caused me to be a little bit late to arrive. I apologize. I am sorry for that scheduling problem.

And I ask consent that my opening statement be entered into the record.

Senator COCHRAN. Without objection.

Senator DURBIN. Thank you very much.

Senator COCHRAN. Ordered.

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, I am pleased to join you in welcoming Secretary Stackley, Admiral Richardson, and General Neller to our hearing to review the Navy's budget request for fiscal year 2018.

GOVERNMENT FUNDING SITUATION

Two months ago, this Subcommittee met to consider the White House's request for additional defense spending as part of the fiscal year 2017 omnibus.

As I discussed with Secretary Mattis at the time, the request from the Office of Management and Budget was riddled with errors, duplication, and poor justifications. OMB even neglected to propose a way spend the increases without violating the Budget Control Act.

As we meet to consider the Navy's needs in fiscal year 2018, it is not clear that the White House has taken its responsibilities any more seriously than what we saw in March.

Congress continues to wait for the President to propose a nominee for the Secretary of the Navy. This is not meant as any disrespect to Secretary Stackley. But this is a persistent problem, not only for the Navy, but for the Department of Defense, and all of the agencies of government. By any fair measure, the White House is woefully behind meeting this responsibility.

I'm also sorry to say that the White House's budgeting hasn't improved since March 2017.

The budget submitted to Congress yesterday for the Department of Defense exceeds the Budget Control Act caps by \$52 billion. Of this amount, the budget for the Navy and Marine Corps exceeds the sequestration-level caps by about \$15 billion.

We all recognize that there are holes in our Armed Forces that need to be fixed. But there are fundamental problems with the Trump budget.

First, the entire \$52 billion increase violates the Budget Control Act, but the White House has offered no plan to amend those budget caps.

This means that if Congress passed this budget tomorrow as it has been proposed, it would trigger across-the-board sequestration cuts of \$52 billion from military programs. That would translate into a senseless 10 percent cut from almost every line in the budget.

Second, with no fix to the Budget Control Act being proposed, we can predict what will happen: Congress could simply jam tens of billions of dollars into the Overseas Contingency Operations fund.

Congress, watchdog groups, and even the Pentagon itself have pointed out that abusing OCO is bad budgeting, bad for military planning, and bad for the American taxpayer.

Third, domestic programs ranging from medical research to education are poised to be slashed by \$54 billion to pay for increased defense spending—despite overwhelming bipartisan support in the omnibus appropriations bill passed earlier this month.

Our Armed Forces depend on healthy, well-educated young Americans to sign up to serve out country. Cutting these programs will ultimately shrink the pool of Americans who can serve in our military, making these proposals very short-sighted.

Congress must work together on a bipartisan basis to ensure that our appropriations bills fund every part of our national strength—militarily, economically, and socially.

We should prevent this looming sequestration. We should do so in a way that ensures parity between our defense and domestic investments.

We can do this. We have done this in the past. Members should not allow the White House's lack of interest in meeting its responsibilities hold us back from meeting ours.

NAVY & MARINE CORPS

I am eager to hear from our witnesses just how much of the Navy's budget is above the Budget Control Act caps, as well as how this budget intends to deliver on Secretary Mattis' priority of readiness and filling critical holes in the Navy and Marine Corps.

For the Navy, the White House led us to believe that this budget would begin the ramp up to a fleet of 355 ships. But the number of ships in the budget is smaller than what Congress provided for 2017. This Subcommittee needs to know what the plan is for our Navy.

General Neller, I am concerned about our Marines. I am most concerned about the culture of the Marine Corps in the aftermath of Marines United.

There are also concerns that the Marine Corps could be at a tipping point. The Marines have been deployed non-stop for nearly 16 years, and the strain on the force and your equipment is mounting.

CONCLUSION

Given the fiscal constraints that face our nation and 800 pound gorilla in the room—sequestration—this Committee needs to know the Navy and Marine Corps' most pressing needs.

The Administration and the Department of Defense should not take for granted the additional \$15 billion in the final defense bill just passed by Congress. That was no easy task.

I look forward to a thorough discussion of these issues as they relate to the Navy and Marine Corps, and I thank you for your service to our country.

Senator DURBIN. I would like to note at the outset that the request of the Trump Administration for the next fiscal year for the Department of Defense is \$52 billion over the amount allocated by the Budget Control Act.

As every Senator here knows, that would require on its face for us to do an automatic across the board cut in your agencies, your services, as well as all other agencies of the Department of Defense to make up the \$52 billion.

There is still no response from the administration about what to do about the Budget Control Act or sequestration. We saw this in the fiscal year 2017 budget. We are seeing it again in the fiscal year 2018 budget.

This is not responsible and the notion that we can take care of this problem on a periodic or annual basis with funds really is no way to run the United States of America or our national defense.

So I hope that before the end of the day we can face the hard, tough, stark choices and put this Budget Control Act and sequestration behind us once and for all rather than what this budget suggests.

MARINES UNITED

I would like to address two issues in particular. General Neller, we talked about this in my office and I am going to raise it again.

In March we learned the shockingly large number of current and former marines, up to 30,000 have been posting explicit pictures of female marines to certain websites.

This Marines United scandal is deeply disturbing. There has been one arrest and at least 30 active duty marines are under investigation. Secretary Stackley, last week the Navy announced that anyone committing this type of crime will face mandatory administrative separation processing.

I would like to ask the Secretary, the General, or whoever. Does this new policy guarantee that anyone found guilty of posting these photographs will be dismissed from the Navy or Marine Corps?

Secretary STACKLEY. Yes, sir. Let me provide the first answer to that.

We have established what the standard is for a Navy and Marine Corps in terms of this particular behavior what is and is not acceptable. The challenge that we will continue to have is to identify individuals that are in fact guilty of violating that standard.

But when we do, we will bring them to proper judicial proceedings or non-judicial proceedings and ensure that those that are guilty of violating the standard are dealt with in civil court. Or if not, then we have the ability within NJP (Non-Judicial Punishment) or UCMJ (Uniform Code of Military Justice) using the articles that we have to either remove them from the service or take otherwise appropriate action determined at the time.

Senator DURBIN. Do you know the identities of the 30,000 who were engaged in this?

Secretary STACKLEY. No, sir. In fact, the NCIS (Naval Criminal Investigative Service) has been doing an exhaustive review of the websites, all available information through photographic evidence to try to determine the number of individuals that could be identified through the photographic evidence tracing back through the web to try to identify the subjects that are guilty of posting these photographs. And of those, how many of those would be in active duty any service. They are looking across the board in terms of services.

It is a tough challenge. Out of the literally greater than 150,000 photographs that they have reviewed, the number of individuals we can identify are in the small double digits. Then we are first going through, trying to process those through civil court, and if not then bring them back inside of UCMJ and NJP.

WOMEN IN THE U.S. MARINE CORPS

Senator DURBIN. General Neller, there are approximately 15,097 females in the active duty Marine Corps or 8.2 percent. The average age of women serving is 24 years of age. I would like you, if you would to address a few issues.

First, do you believe that there is an important role in the future of the Marine Corps for women to serve? And if so, what impact has this scandal had on the morale of those serving? And what is the Marine Corps going to do to try to entice future women as recruits to become part of the Marine Corps leadership?

General NELLER. Well, Senator, first, yes, absolutely there is a role for women in our Marine Corps. And I think if you—

As we are on our program to try to increase the number of women in our Corps to 10 percent of the force, and our recent advertising campaign is one of the first steps.

But I will say on this Marines United, as disgusting and as offensive as this whole thing is, the number of Marines as Secretary Stackley said, that were involved in this behavior is nowhere near 30,000.

FEMALES IN THE MARINE CORPS

You have to understand Marines United—and I am not condoning anything that anybody did that was disreputable or discrediting to our Corps—most of those Marines joined that site to help each other to deal with whatever they brought back from the war. We do not really know how many Marines were in this sub-link that we are dealing with these pictures.

The individual that broke the story, he estimated it at 500, but we do not know. But we are continuing to dig into this, go through the pictures, an ongoing investigation. As Secretary Stackley said we found 50 or 60 people that they have referred to us and they are in the process of being adjudicated.

So back to females. I think this whole thing, as disturbing and as difficult as it has been, has actually been a benefit. I think it has been a benefit to our Corps because I think it has brought up a very simple point. It is really not about social media. It is about how we view women in our Marine Corps.

The answer is we have not viewed them as well, and appreciated their contribution, and the sacrifice they have made, and the credit that they deserve. So to me that is the issue.

I think the great majority of Marines that I have talked to, male Marines, they understand that. And I think we are now on a path to make everybody understand that this behavior is not acceptable; that a Marine is a Marine. Once you earn that title, you do not have to earn it again. And if you are not going to be part of the solution, then you are going to have to go somewhere else.

Senator DURBIN. Thank you, General.

Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

The Senator from Alabama.

Senator SHELBY. Thank you, Mr. Chairman.

LCS PRODUCTION

Admiral Richardson, the Navy's most recent Force Structure Assessment, FSA, explains as I understand it that 459 ships are needed to achieve the Navy's missions and reasonable expectation of success without incurring significant losses. Those are the words that came out of the report. However, the final 2016 FSA concluded that 355 ships is an acceptable minimum force.

Could you describe the importance here, in a public setting as much as you can, of meeting the minimum force levels in each of the major ship classes as outlined in the FSA? How important is this, not just to the Navy, but to our strategy and our ability to project force around the world if needed?

Admiral RICHARDSON. Senator, thank you for the question.

We did have a Force Structure Assessment that validated the need for 355 ships. Those run the gamut of every ship class that we have in the Navy from nuclear powered aircraft carriers, to our SSBN's providing strategic deterrence, to our large surface combatants, attack submarines, small surface combatants, and amphibious ships.

It is the combination of that force and with respect to the aircraft carrier, the air wings that they carry. It is a matter of capacity of the force.

Senator SHELBY. All these ships are important, are they not?

Admiral RICHARDSON. They are all important.

Senator SHELBY. Because they have a role in the Navy.

Admiral RICHARDSON. They do. Yes, sir. They come together as a team. Yes, sir.

Senator SHELBY. Secretary Stackley, in your written testimony today, you mentioned the importance of ensuring continued production of the LCS shipyards while the Navy refines its acquisition strategy for the future frigate.

Is it accurate to say that uncertainty, or even a break in current production, could add a significant cost and time delay to the delivery of the Navy's future frigate?

Secretary STACKLEY. Yes, sir.

Senator SHELBY. Leaving aside the cost and time in the small surface combatant class of ships, has the Navy considered what is optimal to get the best ship at the best price for the taxpayer and, of course, the war fighter?

Secretary STACKLEY. Yes, sir. Let me first answer the question regarding the risks associated with any break in production. True of the LCS program, true of any shipbuilding program, a break in production would be devastating.

And it is not simply the impact on things like learning curve. It would be an impact to the vendor base and it is the potential loss of the skilled labor that we rely upon to build these extraordinarily complex warships. So any break in production, we would consider to be unacceptable for a major shipbuilding program.

With regards to the strategy going forward for the LCS, right now we are procuring literally 1 year at a time.

We are going to take the three ships—the one added by Congress in 2017 and combine it with the 2018 ship that we have requested—in order to go out with a single procurement of those 2 years to provide as much stability across the current LCS builders as we can, while we continue to refine the requirements and press forward with the design of the frigate. We want to keep the LCS and the frigate heel to toe as best as possible, so that we have a healthy industrial base to compete for that future frigate program.

Senator SHELBY. How important is it to keep that industrial base going because you cannot just snap your fingers and build ships? You have workers. You have everything, suppliers. You have to have skilled people, have you not?

Secretary STACKLEY. Yes, sir. It is absolutely critical.

Our Navy is the only true customer for procurement of these complex warships in this country. And so, we cannot afford to lose the help that we have today in the industrial base.

We have past examples where we have had a gap and the impact of trying to restore from that gap is pretty devastating.

Senator SHELBY. Admiral Richardson, back to you.

As a submariner, and as someone who has studied naval strategy in your career, you probably understand better than most how our peer competitors, China for example in particular, look at our vulnerabilities. Everybody does in making their plans.

Can you describe what the Navy is doing, as much as you can in this setting, to improve its defensive and offensive capabilities to ensure that our adversaries understand that they cannot beat us in a fight? That is very, I think, important.

Admiral RICHARDSON. Sir, thank you.

First, you mentioned I am a submariner and one area that we do enjoy an advantage right now is in undersea warfare, and we are working very hard to maintain that advantage. It is just as you said, though, our adversaries are studying us closely and are crafting their force to address those advantages.

NAVY CAPABILITIES

Then as you mentioned, we need to grow the Navy as much in the importance of shipbuilding and ships' matter. Then we need to advance in capability. And so, we need to equip those ships with better technology to make each and every one of them more lethal. Finally, I am moving hard to network that fleet together so that it can operate as a single team across a broader expanse.

And so, it is the combination of capacity, capability at the platform level, and then the combined effect of a network fleet that will allow us to maintain our edge.

Senator SHELBY. Thank you, Mr. Chairman.

Senator COCHRAN. The time of the Senator has expired.

The distinguished Senator from Rhode Island, Jack Reed.

Senator REED. Thank you very much, Mr. Chairman.

Thank you, gentlemen, for your service. And please tell all the men and women of the Navy and the Marine Corps, well done. Thank you.

SHIPYARD MAINTENANCE AND READINESS

Admiral Richardson, you pointed out that probably the most pressing issue you have is readiness. That is particularly demonstrated with respect to some of the submarines that are tied up, literally, and cannot be operated.

It goes to the point you also made, I think, about the folks at sea do not think we get it. They are sitting around with a billion dollar ship that cannot go anyplace and they are just sort of wondering.

Can you let us know how this budget helps you deal with those issues of ships that have to be overhauled and what is the constraint?

Admiral RICHARDSON. Yes, sir.

This is one of the major focuses of this budget request is that it starts to get at the industrial capacity really across the board for the Navy, and in particular, in shipbuilding.

And so it requests, among other things, an increase in shipyard workforce. It does some capital investments in the shipyards, and then reinvigorates all those accounts that will allow us to get back to work on those shipyards.

I also have Admiral Moore, the Commander of the Naval Sea Systems Command, focused on finishing those upkeeps on time. These resources will allow him to get after that in a meaningful way.

Senator REED. This might not be appropriate in an open setting, but how many submarines are nonoperational because they are waiting for certifications and overhauls?

Admiral RICHARDSON. Well, we have a number that are in programmed overhaul. I think a better way to describe that, sir, is just sort of how—

We have the USS *Boise*, the one that has lost her submerged certification.

Senator REED. Right.

Admiral RICHARDSON. She is unable to submerge right now until she gets into the shipyard. We are waiting for an opportunity to bring her in and this budget helps us get there.

Then there are a number that are just delayed in maintenance sometimes by hundreds of days waiting for their maintenance to get done. That is also time that those submarines should be at sea. This also goes for our surface force as well. It is not just confined to the submarines.

NAVY INDUSTRIAL BASE

Senator REED. In that context, I would presume that the submarines would have to be in a nuclear shipyard, is how they overhaul it. Is that correct?

Admiral RICHARDSON. Yes, sir.

Senator REED. But some of our surface ships could be overhauled and repaired in commercial yards, and this goes to this industrial base issue.

Secretary Stackley, has anyone thought about how we more efficiently allocate work? My sense is that a shipyard gets a contract to build ships, and they build ships. If they do not get that ship, it is bad for workers and everyone else. But is there a way we can start transitioning from building a ship to doing the overhaul and repairs so that we maintain the industrial base?

Secretary STACKLEY. Yes, sir. Let me start with, I will call it division labor, between our public and private shipyards.

Our four public shipyards are predominantly our repair base for our nuclear carriers and submarines. And so the challenges that the CNO just described is a workload issue in those facilities. So the submarines are being impacted by the carriers, for example. It is a ripple through in terms of schedule and impacts.

SHIPYARD MAINTENANCE AND READINESS

We have in the past, and we continue to look at it, used the private sector to augment our capacity in terms of repair and maintenance in the depot. And so, there are occasions that you are quite familiar with where we have taken submarines out of public workload and put them in the private sector. E.B. and Newport News, obviously, are the two shipyards that are capable of taking on that work.

On the nonnuclear side of the house, we are working across a broader private sector repair base. What we have been doing—particularly over the last couple of years when there has been a mismatch between our workload and the capacity in the repair side, which has led to either significant increases in workload beyond the capacity or just the reversal, a drop in workload that has tend-

ed towards layoffs—we have been working carefully with the private sector to give them total transparency to our planned workload. We have been trying to balance across things like homeports to ensure that we do not have a peak in one area and we have a dearth in another area.

But this comes back, again, to some of the uncertainty issues associated with the budget. These are planned and executed on an annual basis.

So if, for example, this year, you are into the eighth month of the year before you have your final appropriation. That has created tremendous uncertainty from our standpoint in terms of being able to contract for these availabilities. Industry's standpoint to understand, do they hold onto the workforce because the work is coming or is this something that will be delayed into the next year?

So it is a combined Navy, industrial base, and congressional effort that has to be collected together to minimize the impacts to the industrial base, and to ensure that we are getting the degree of readiness that we need for the dollars that we have, and to be able to best hit the schedules that we have laid out for our ships, our service ships in this case through the optimized fleet response plan.

Senator REED. Thank you.

Senator COCHRAN. The time of the Senator has expired.

The distinguished Senator from Maine, Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Thank you all for your service.

SHIPYARD INFRASTRUCTURE STUDY

Admiral Richardson, I know you are very familiar with the Portsmouth Naval Shipyard in Kittery, Maine. It has been called the gold standard of public shipyards because of its efficient, high quality work.

You mentioned you are concerned about the readiness of the fleet, a concern that I share.

One of the studies that is underway is the Department's Shipyard Dry-dock Study and the broader Shipyard Infrastructure Modernization Plan to make sure that our four public shipyards have the facilities and the up to date equipment to be able to keep our fleet out there, to keep our submarines in service.

Could you tell us what the status of those studies are?

Admiral RICHARDSON. Yes, ma'am.

First, let me just highlight the terrific performance of the Portsmouth Naval Shipyard. That is one shipyard where our work is being done pretty much on schedule, if not a little bit ahead. And so they do great work up there.

This Naval Shipyard Dry-dock Capacity and Survivability Study is underway. It has our full attention. I would say that it includes a number of initiatives.

One is just that as the *Virginia*-class improves, we start to talk about the *Virginia* payload module. We start to talk about the *Columbia*-class. The need to adjust our dry-docks so that they can accommodate those new classes of ships is the first pressing need.

Then the study also addresses larger capital improvements that may be possible. I look forward to bringing that to the Congress to discuss how we can incorporate some of the modern ideas that go

towards really improving the performance of any industrial shipyard.

So in the private sector, as we mentioned, they have already done a lot of these capital expenditures to improve workflow from the arrival of material all the way through to its production. And so, that study is underway and I look forward to bringing it to you when complete.

Senator COLLINS. Thank you, Admiral.

Mr. Secretary, as the Senator from Alabama mentioned, the Navy's most recent fleet assessment sets a goal of 355 ships. That replaces the 308 ship force level goal that was released in March 2015.

If you read the Navy study, there is a sense of urgency. It says we need a more powerful fleet in the 2020's, not the 2040's. It goes on to say the Navy must get to work now to build more ships.

And yet, as I look at this budget, it appears to continue President Obama's 30-year shipbuilding plan and does not seem to reflect the latest assessment by the Navy, which has also been endorsed by the President, who has indicated his support for a 350 ship Navy.

Did your budget request get cut by OMB (Office of Management and Budget)?

Secretary STACKLEY. No, ma'am. Let me describe it.

Clearly throughout this hearing, we have tried to emphasize the priority in this budget is to restore readiness for the force. The best way to increase whether it is your ship count or your aircraft count on deployment in theater where you need it is to raise the readiness of the in-service fleet. And that is the priority in this budget.

But we are also making clear that with the defense strategy review that is ongoing now and will report out in time to support our 2019 budget request going through the building and to OMB. That a priority is, one, we hold onto the readiness gains in 2017 and 2018, but we have to build the force in terms of capacity and capability, as the CNO has emphasized, to ensure we are ready for the future fight.

So while today we do, in fact, hold what we had in the prior budget request, we look forward in the 2019 budget to build on this foundation.

SHIPBUILDING PLAN

There is one critical capability, though, that I do not want folks to lose sight of inside of the 5 year plan that we have laid out. That is in the past we had anticipated dropping down our submarine construction, our attack submarine construction during years of the Columbia program procurement.

In fact, we intend to and we are laying the groundwork to sustain a two submarine per year procurement rate, because that is our number one shortfall when you look at the force structure assessment that was done and the updates to that in the CNO's white paper.

Senator COLLINS. Mr. Chairman, I know my time has expired.

I do want to put a statement in the record, with your permission, talking about language that we put into the omnibus regarding the remaining funding for procurement of a third DDG-51 for a "swap ship," as it is called. We have a specific directive to the Navy to

expeditiously award and complete this destroyer as a Flight IIA ship which has both a stable design and a stable cost.

I know that contract negotiations are ongoing and I look forward to the Navy heeding the direction from Congress.

[The information follows:]

The recently enacted 2017 Omnibus included the remaining funding for the procurement of a third DDG-51. The vast majority of the funding for this "swap ship" was provided in the previous year's appropriations.

This ship is tied to the December 2015 workload reallocation agreement among the Navy and the two major shipyards.

In the Omnibus' explanatory statement Congress expressed the intent that the Navy should expeditiously award and complete this destroyer as a Flight Two A (Flight IIA) ship, which has both a stable design and a stable cost.

I understand that contract negotiations are ongoing, and I look forward to the Navy heeding the direction from Congress and this committee so we can get this ship into the fleet as soon as possible.

Senator COLLINS. Thank you, Mr. Chairman.

Senator COCHRAN. Thank you, Senator.

The Senator from Washington, Senator Murray.

Senator MURRAY. Thank you, Mr. Chairman.

Thank you all for being here.

SEXUAL ASSAULT AND SEXUAL HARASSMENT

Let me start by just following up on the issue that Senator Durbin raised in the event surrounding the Marines United Scandal. It really is so appalling and unacceptable.

I do appreciate the steps you have taken to discipline the offenders, and I heard your answers in terms of what you were doing in terms of the investigation.

This is shocking. The impunity with which marines were able to use social media to violate their colleagues is just absolutely unacceptable.

I appreciate what you are doing now. I know changing the culture is hard. We have been hearing this forever, but this has been a problem for too long. It is serious. It requires decisive action to prevent sexual harassment and sexual assault.

I wanted to ask you more. What are you doing to prevent sexual assault and sexual harassment?

Secretary STACKLEY. I would describe that we have been on this campaign to prevent sexual assault and harassment for a large number of years. You have been involved, and have frankly been a good, ensuring, strong conscience over our efforts.

But the approach is comprehensive. It starts by, one, ensuring everybody understands zero tolerance and what zero tolerance means in terms of specific behaviors. I will allow the CNO and the Commandant to speak specifically.

But every step along the way from accession into the service and throughout their careers, it is not just a matter of, "Here is the standard." But it is also ensuring that people understand their degree of accountability for the standard. It is the oversight effort, not just by the chain of command, but also by fellow members in uniform to ensure that those standards are upheld.

Now what has been critical is understanding when occasions occur. And so we have tried to ensure that there is an environment

there where folks who have been subject to assault or harassment can step forward and feel safe.

And so, we try to create a safe haven for reporting those instances so that we can deal with, one, take care of the individual that was assaulted. And two, track down the subject, the perpetrator that committed the assault. And then three, hold them accountable in accordance with our zero tolerance and the standards that we have set forth.

So I think what you find is the occurrences have been drawn down over time and the report of instances have gone up, which indicates that we are succeeding.

Senator MURRAY. Yes, I have seen that and I appreciate that, but this scandal is just like, here we go again. I just want you to know, all of us to know, that this is just not acceptable from day one.

What are we doing for our men and women in service to let them know that?

General NELLER. So Senator, let me try to make you understand that this is not just something we are going to work around and then go back to business as usual.

Senator MURRAY. Right.

General NELLER. So we formed a taskforce to address this and that taskforce is not going to go out of business. They are going stay as the standing force to continue to monitor this.

We have changed our social media policy. We now have recruits when anyone decides to access in the Marine Corps, if they make it through the accession and they are going to make it to boot camp, they are going to sign a piece of paper saying that they understand the policy and it is very clear. It is going to be part of the training at every point along the continuum of a Marine.

SEXUAL ASSAULT AND SEXUAL HARASSMENT

Every Marine serving today has signed a piece of paper which, to them, they see as punitive, but it is not. It is just, "I want you to recognize the policy that we have written, the changes we have made to policy. This is what the rules are and if you fail to abide by these rules, then you are going to be held accountable."

We had to go through a process with our commanders. Now, I cannot tell commanders what to do and prejudge actions if this, then this.

To the question from Senator Durbin, are they all going to get discharged? No. They will be processed and there is a process to do that.

But I think commanders now better understand that they have things that they can do. In fact, the one thing they cannot do is nothing. And so all these are changes that have taken place since this happened which, again, it is unfortunate.

I was talking to a very famous team coach of the New Zealand All Blacks. He said, "Why do we have to lose to learn?" And unfortunately in this case, it was not a good experience, but I think we learned a lot and hopefully we will not have to go through this again to learn more.

But as I have told everybody, this is not going to go away. I would like to tell you like with sexual assault, like with suicide,

with any other things that we are going to get to zero, but I cannot tell you that.

But I can tell you that we are fully committed to making sure that everybody understands the rules and that when you are dealing with a group of people, 60 percent of which are 25 years older or younger, that they are going to understand. They are going to make mistakes, but they understand they also are going to be held accountable. And the commanders understand that they are critical in this process.

GROUND CONTAMINATION

Senator MURRAY. I very much appreciate that, and I know I am out of time.

I did also want to quickly ask you about—and my State has a great relationship with the Navy—but we do have an issue at Oak Harbor and Coupeville on the groundwater contamination issue associated with firefighting foam. I know others. This is going to be a longstanding thing.

If I can get back from you how much resources you are going to need on that and whether we are ready for that. I would appreciate it.

[The information follows:]

The answer is provided in the Additional Committee Questions section.

Senator COCHRAN. The distinguished Senator from Missouri, Senator Blunt.

Senator BLUNT. Thank you, Mr. Chairman.

ACCESS TO EDUCATION COUNSELORS

Secretary Stackley, I have some questions here I may just have to ask for the record because we do not have much time, and I want to ask some other questions in addition to this.

I think you are well aware of the fact that the Navy consolidated all of their education counselors to Dam Neck, Virginia and then they established eight regional coordinators, two for each of the four Navy regions in the United States.

I have heard a number of concerning stories from schools that used to get a lot of referrals and would be able to deal directly with people serving who no longer get those referrals. And so their view would be that the minimal number now of advisors to people seeking undergraduate or graduate degrees is not really very familiar with all the options out there available to them.

So here are a handful of questions, I am just going to give you for the record. One, how many sailors do you think are helped under the new system?

Two, how many sailors in the previous year were enrolling in classes compared to what happened last year?

How are you going to judge whether this new organizational structure is working or not?

Then I guess the fourth question—I am going to leave the fifth one; I may submit that in writing—the fourth one would be are you giving considerations to shutting down the base education centers that are currently open?

If you want to answer that last one here, I will let you do that.

Secretary STACKLEY. Yes, sir. I appreciate the question. We will get back to you in terms of the numbers. I do not have those handy. In the course of this budget process, it has not been brought forward that we would be shutting down those sites. No, sir.

I will emphasize that, one, we rely on the great technical skills of our sailors and Marines. The weapon systems that we put to war require that we have extraordinarily intelligent, talented individuals, and we are blessed with that.

So our education programs in access and referral, we have to ensure that they are healthy and that they thrive. That we not just attract, but then we also can further the educational opportunities.

So this is important to us. You asked how we are going to measure and monitor.

Senator BLUNT. Right.

Secretary STACKLEY. We will get back to you.

[The information follows:]

The answer is provided in the Additional Committee Questions section.

F-18S

Senator BLUNT. All right. I will be interested to see how you measure and monitor this. And, of course, they have technical skills. And, of course, all of these schools have places you can go.

But why are you reducing the way you can interact with people who know those programs in ways beyond what you may find on that is something I am going to be interested. And maybe you are right and maybe the traditional way to do this has been wrong, but I would like to know how you are going to evaluate that.

Admiral Richardson, I noted in the budget, of course, Senator Durbin and I are both always interested in the Super Hornets. The good news is the Navy is too.

I noticed that you included 16 more and an additional 66 aircraft like that of the F/A-18's. This subcommittee has been very supportive of the request on these planes. I have two questions, really.

One, do you anticipate another unfunded priority? I have noticed for a long time these planes have been the top line on the unfunded priority list. I mentioned that to General Mattis that if you really want these planes, we would like to see them on the funded priority list rather than have to go to that list.

And then, can you talk about the role that that plane, as well as the Growler, maybe plays in your air package?

Admiral RICHARDSON. Yes, sir.

Absolutely a critical part of our fleet is our Hornet fleet, both the Super Hornet that you described and the Growlers. As you pointed out, there are a number on the funded priority list and the unfunded priority list is headed your way shortly as well.

So we remain committed to that. We remain committed to extending the life of the current Super Hornet fleet and we also, as part of that, will be procuring more Hornets. This goes directly to the readiness of the force, the ability to get these aircraft up and forward deployed.

With respect to the Growler, absolutely fundamental to the new way of warfare right now, the electromagnetic part of warfare right now. The Growlers are in tremendous demand. I would not be surprised if that even grows further as electromagnetic warfare be-

comes more and more a fundamental part of the way we do business.

Senator BLUNT. Thank you, Mr. Chairman.

Senator COCHRAN. The time of the Senator has expired.

The distinguished Senator from Hawaii.

Senator SCHATZ. Thank you. Thank you, Mr. Chairman.

General Neller, I want to ask you about our progress with the defense policy review initiative. I know Secretary Mattis has reaffirmed our realignment plans during his visit to Japan in February and I also fully support our agreement with the Japanese Government.

MARINES IN GUAM

But I want to ask you about how this impacts your progress and planning? I worry that there are aspects of the current plan that are going to fall short, particularly when it comes to Guam.

We know that sending Marines to Guam depend on our reliance on lift to move them around the region, and that is lift that we do not have. It is possible that because of ongoing issues at CNMI, that the Marines will not have access to a necessary training range to support large unit level training that they need to maintain readiness.

I will just read quickly from a letter I received from Secretary Mattis in response to a series of questions that I asked him. "We are challenged to provide adequate lift support, both maritime and air, to our distributed forces. We acknowledge the need to improve strategic lift capabilities and will continue to explore options to mitigate the shortfalls."

On the question of training facilities, something even more alarming because he recognizes the lift challenges and exploring options, but when it comes to training ranges on Guam, "The completion of CJMT is not tied directly to the relocation of the Marine Corps units to Guam."

So what that means is that we recognize that there is a military level problem, but we sort of continue a pace for good reason, because of our longstanding relationship with Japan and a commitment that our country made to the country of Japan.

But I wonder if you might flesh out the problem of lift and the problem of training areas as it manifests itself? We are no longer in the theoretical realm. You are now spending money on Guam. You are now in the process of relocating at least some Marines from Okinawa.

How do we maintain our commitment to Japan, but still do this in a smart way, General Neller?

General NELLER. Well, Senator that is a real complicated question, but let me give it a shot.

So we are currently on plan for the Japanese Government to build the Futenma Replacement Facility in the northern part of Okinawa. We are still on plan to have Marines go to Guam.

The situation strategically, operationally as we have seen in the news recently has changed. The capabilities and the adversaries have changed the dynamic there.

So the bottom line is somebody is going to go to Guam. The Marines are going to go to Guam. We are going to reduce the number

on Okinawa because that is a political imperative and we have made that agreement with the Japanese Government.

But the Marine Corps has always said that wherever we go, we have to be able to train and maintain the readiness of the force that is there.

There are still some environmental issues, not just on Guam, but on Tinian and other islands that have not been adjudicated yet. We should know later on this year. Some of the money we are continuing, we are spending just basic infrastructure because we do know that there are going to be forces on Guam because we have to reposition the force to meet the political imperative.

That said, I think the Pacific Commander, Admiral Harris, has looked at different options for where they might, at least temporarily, base aircraft because of the threat and the evolving threat. And so the discussions that we have had with the Secretary and the Joint staff, we are at the very beginning of taking a look at this. But for the time being, we are committed to the plan.

But your concerns, I share your concerns about being able to move the force, be operationally relevant, make sure the force is safe, and is not at-risk, and it also is able to train.

MARINES IN GUAM

Senator SCHATZ. What happens if CNMI does not work?

General NELLER. For us, then that would be a problem because the forces that right now are scheduled to go to Guam require that they be able to maintain at least a rudimentary level of readiness, training readiness. And I think that that would cause us to have to go back and say all right.

We are going to fulfill our commitments to Japan. We want to get out of Futenma. The Japanese want us out of Futenma. We build a Futenma Replacement Facility. There are other places that we could go to train. There are other options and I think it would be appropriate at that time if all that comes to pass that we consider taking a look at those options.

Senator SCHATZ. You know this, General Neller, but just to point out that the Futenma Replacement Facility is no slam dunk because there are environmental, and political, and community issues on Okinawa. And so, all of this remains complicated.

I am not criticizing you for trying to manage this situation. But just to make sure that the Office of the Secretary, and the State Department, and the White House understand that this is a complex situation.

But to the extent that we are implementing a plan that was developed over the last decade, we may need to be quicker in making adjustments to make this work for the Marine Corps and the Navy.

Thank you.

Senator COCHRAN. The time of the Senator has expired.

The distinguished Senator from Montana, Senator Daines.

Senator DAINES. Thank you, Mr. Chairman.

And gentlemen, thank you for your service to our country and for appearing before this committee today.

MISSILE DEFENSE

The Navy and Marine Corps team is one of our Nation's most visible means of projecting power across the globe and promoting peace from a position of true strength.

In fact, just last month, when the USS Barry showed the world that America is not bluffing when it draws a red line. For those to the East, the arrival of the second carrier group in the vicinity of the Korean peninsula was not lost on our adversaries or our allies as well.

I am a son of a Marine rifleman. It is my observation that today's Marines are cut from the same cloth as the yellow legs who landed in Chung, held the Pusan Perimeter, and pushed the North Korean Peoples' army all the way to Chosin Reservoir. I daresay this has been the observation of the North Korean leadership as well.

But today, the readiness of our equipment reflects 16 years of sustained operations abroad, as you pointed out in your testimony. I continue to support the Administration's efforts to restore our forces to the highest level of military readiness.

This past week, North Korea conducted two missile tests, which it claims demonstrates the country's ability to reach Japan and U.S. military installations in the region. This raises the immediate question of whether our missile defenses can adequately respond to an attack if one were to occur.

STRATEGIC DETERRENCE AND MISSILE DEFENSE

But coming from Montana, where the 341st Missile Wing keeps one-third of our Nation's ICBMs ready at all times, I would like to consider how deterrence factors into our national and our regional strategy to discourage North Korea from launching an attack at all.

Admiral Richardson, given the Navy's complementary roles in both missile defense and nuclear deterrence, how does the nuclear triad factor into our overall strategy in the region?

Admiral RICHARDSON. Senator, the nuclear triad, all three legs working together is absolutely existential to our situation going forward. If we did not have that secure and effective triad, we would be having a much different conversation than we are having right now. It would be far more severe.

That is why the *Columbia*-class submarine is our number one modernization priority to maintain the undersea leg of that triad. But that only works in conjunction with the other two legs of the triad as well.

That in combination with missile defense activities run by Admiral Syring and executed by the Joint Force really working together, we think has got to put some serious considerations in the mind of any leader who would threaten us with that type of missile technology, a missile attack.

ASIA PACIFIC AREA OF RESPONSIBILITY

Senator DAINES. I want to stay in the Asia-Pacific realm here for a moment.

Last February, President Trump and Prime Minister Abe called on countries with interests in the Asia-Pacific region to avoid actions that would escalate tensions in the South China Sea.

I just returned from leading a delegation to both China and Japan, and I share the President's view that further militarization in the South China Sea is not in the best interests of the region.

Admiral Richardson, what progress has been made to decrease tensions in the Asia-Pacific region through naval operations in the South China Sea, Navy to Navy relations with U.S. allies and partners, and interactions with your Chinese counterpart?

Admiral RICHARDSON. We do regular interactions and I appreciate the fact that you take a regional perspective there because it is not just a bilateral thing between the United States and China in that region.

I just came back from Singapore where they celebrated the 50th Anniversary of the Republic of Singapore Navy. They had about 30 Chiefs of Navy from that region around there.

When you bring that group together, particularly the Chiefs of Navy in that region, they are talking about the importance of a rules-based structure down there that allows prosperity and trade for everybody in the region to occur on a level playing field. And that to the degree that militaries are involved, it is really to support and advocate for that rules-based structure that allows trade and prosperity. And so, this is the convention of the Law of the Sea and all those sorts of structures that allow us to do that.

The United States is a Pacific Nation as well. We have been present there in the South China Sea, I would say in a non-provocative way, for decades. And we are going to continue to be there as well to protect our interests in the region, the interests of our partners and allies there.

Senator DAINES. Thank you, Admiral. Mr. Chairman.

Senator COCHRAN. The time of the Senator has expired.

The distinguished Senator from South Carolina, Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

CONTINUING RESOLUTIONS AND SEQUESTRATION

Admiral, are CR's bad for the Navy?

Admiral RICHARDSON. Yes, sir.

Senator GRAHAM. The Marine Corps?

General NELLER. Yes, sir. They are.

Senator GRAHAM. As of April 20, 2016 is it accurate that of the 276 F/A-18 Hornets, only 87 were flyable; 31 percent?

Secretary STACKLEY. Senator, that sounds about right. The exact numbers go day by day.

General NELLER. Yes, the numbers go day by day.

Senator GRAHAM. Okay.

General NELLER. We are seeing slight improvements, but we are not where we want to be.

Senator GRAHAM. Well, this budget is trying to address that. Right?

Secretary STACKLEY. It is, yes.

General NELLER. It is.

Senator GRAHAM. Okay. Marine Corps. The CH-53E Super Stallion, 28.5 percent were ready for operations on April 20, 2016. Does that sound right?

General NELLER. Somewhere in there. It is improving. We have a reset, but the 53 is an old airplane and needs to be replaced.

Senator GRAHAM. February 7, 2016, 53 percent of all naval aircraft could not fly before the Omni passed. Is that true, Admiral?

Admiral RICHARDSON. Yes, sir.

Senator GRAHAM. Sixty-two percent of the F/A-18's were out of service.

Admiral RICHARDSON. That is about right. Yes, sir.

Senator GRAHAM. Who did this?

Admiral RICHARDSON. Well, it is a combination of—

Senator GRAHAM. Would you say the Congress did this?

Admiral RICHARDSON. It was a team.

Senator GRAHAM. I mean, we shot down more planes than anybody else because of our budget, because of sequestration, the CR's.

Is that a fair criticism of the Congress?

Admiral RICHARDSON. The CR's and sequestration have not helped maintain our readiness.

Senator GRAHAM. Well, I would say that we are responsible for this, not you.

Does sequestration kick back in this year under the Budget Control Act? Does it?

Admiral RICHARDSON. It does.

Senator GRAHAM. Secretary of the Navy.

Secretary STACKLEY. Yes, it does.

Senator GRAHAM. What would that mean to the Navy and the Marine Corps?

Secretary STACKLEY. Well, across the board, we would be going backwards in terms of the readiness that we are trying to restore in the 2017 and the 2018 budgets. And so, ships and aircraft that are operating today, ships would be tied up to the pier.

Senator GRAHAM. Do you see a fast way forward for this budget submitted by the President to pass?

Secretary STACKLEY. Well, the—

Senator GRAHAM. I do not, so that is probably a question for me. I do not.

So if this budget does not pass, what we are going to do? What are you going to tell the Navy and Marine Corps about sequestration if it kicks back in? What are you going to tell the Marines, General?

General NELLER. I am going to tell them that the force is forward deployed as we are going to be as ready as we can make them. It will be much harder back at home. We are probably not going to be able to do the training and maintain the gear that we need to maintain, and our modernization will be delayed.

Senator GRAHAM. Do you think morale will go down when they hear that?

General NELLER. I do.

CONTINUING RESOLUTIONS AND SEQUESTRATION

Senator GRAHAM. What about the Navy?

Admiral RICHARDSON. The same, sir.

Senator GRAHAM. Do you see a plan to fix this? I mean, I do not. I am in Congress and I do not see one.

What are we going to do about the fact that the law of the land is sequestration? The budget proposed by the President does not have a snowball's chance in hell of passing.

I think it is incumbent upon us to help you better than we are doing. Let us buy back sequestration. Let us have a Super Committee 2, which was unacceptable to me. It is for the Congress to create this problem year in and year out with CR's. Those sequestrations on top of it give you temporary relief. Here we are in fiscal year 2018 when the threats to the country are greater.

Do you agree they are greater in fiscal year 2018 than they were in fiscal year 2010?

Secretary STACKLEY. Yes, sir.

Senator GRAHAM. Do you agree with that from the Marine's point of view?

General NELLER. I do and it is not getting any better, sir.

Senator GRAHAM. So we are appropriators. There seems to be, and I think we all owe it. I am a little preachy here, but that is okay. It is my time.

I think we all owe it to these men and women to give them a little better certainty in what is going to happen in their lives. To improve the equipment, not retrograde it. To modernize the force, not keep it up with duct tape.

So Mr. Chairman, and the ranking member, right now in May there is no plan to fix sequestration. There is not a bipartisan effort. There is not a sole party effort to relieve the suffering that we have created for the men and women who serve from insane budget cuts at a time of great threat.

SOFT POWER

Soft power, Admiral Richardson. General Mattis when he was the Four Star Marine General said famously, "If you cut the State Department's budget, you better buy me ammo," more ammo. Do you agree with that from a Navy perspective?

Admiral RICHARDSON. Sir, it is a full national team effort. There is a balance.

Senator GRAHAM. Do you believe that soft power is instrumental in winning the war on terrorism?

Admiral RICHARDSON. There is a role for soft power.

Senator GRAHAM. General, what do you say?

General NELLER. Absolutely.

Senator GRAHAM. Do you realize that the State Department's budget is cut by 29 percent? Do you see a situation in the world that is so much better that you could justify a 29 percent cut in soft power from a military perspective, Admiral?

Admiral RICHARDSON. Sir, soft power is power.

Senator GRAHAM. The threats are greater. What about you, General?

General NELLER. We are only going to get them with a military capability to a certain point. There has got to be a political solution and that is where the State Department comes in.

Senator GRAHAM. Thank you all.

Senator COCHRAN. The time of the Senator has expired. The distinguished Senator from Alaska, Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

EXERCISE NORTHERN EDGE

I appreciate the line of inquiry from my colleague from South Carolina and the very direct responses.

Admiral, I want to take the conversation back to one that you and I had by phone a week or so ago about the training exercise up in the Gulf of Alaska. As we discussed, there was community concern about the timing of that exercise coming in early May just as fishing season is coming on as well as the proximity to those high value fish openings.

The community officials emphasized to me quite clearly that they are very pro-military, but that they felt that the Navy was not hearing, perhaps, some of their concerns. I do appreciate that there is consideration being given to my request and theirs that these future exercises be moved to the fall. There are also some in the communities that remain skeptical about whether the Navy is using the best science in evaluating fishery's impacts.

So I would like you to just place on the record here this morning your view of whether or not the Navy requires a social contract with the local communities to conduct exercises in the waters that provide their livelihoods.

Where do you think the Navy is going with respect to Northern Edge and what the Navy plans to do with respect to future community engagement?

Admiral RICHARDSON. Ma'am, thanks for that question.

And also, I want to just highlight how grateful we are for the support of the communities in Alaska for the United States Navy training in the Gulf of Alaska.

Senator MURKOWSKI. And you know that that is real. So thank you for saying that.

Admiral RICHARDSON. It is completely real and our ship visits there showed that. They turned out with just effusive warmth.

We did, leading up to that exercise, do a number of community engagements as you and I discussed. But as we also discussed that clearly left some itch unscratched. There is something that we still have to address.

To really achieve that, I would say a bond of trust and confidence with the community that we are, one, sincerely considering their concerns. And two, are dedicated to bringing all the science and technology, all of the environmental research to bear to make sure that we look at the same things and see them the same with respect to going forward.

And so, we are very mindful of your request to take a look at the scheduling of that exercise in the future to de-conflict. We are going to give that very serious consideration.

We are also, as we discussed, going to roll in after the exercise to do some community engagement, to make sure that we fully understand that the exercise went as well as it could this last version. And maintain an engagement between exercises to build that habitual relationship that will allow us to do this in a way that everybody sees it as a win.

Senator MURKOWSKI. Well, I appreciate that. I think the engagement will be appreciated, but also the transparency with these community conversations and the fact that they will be ongoing.

ICEBREAKERS

I want to speak about icebreakers. I do recognize and thank the efforts of the Navy in partnership with the Coast Guard to accelerate the design and construction of Polar icebreakers. As you know, we call it an aging fleet. In my mind, one Polar icebreaker does not constitute a fleet here. So we have some work to do.

The Coast Guard's fiscal year 2018 budget request has \$19 million for the icebreaker program. It does not appear that the Navy has requested any funding for this very important program.

So the questions for you this morning is just speak to the progress and the status of icebreaker. And then, as we develop the fiscal year 2018 budget, what funding is needed to keep the program on its accelerated path?

Admiral RICHARDSON. Yes, ma'am.

You have highlighted the importance of the Arctic. Always important, but even more so as climate change opens up regions of the Arctic that are being exploited by a number of nations around the world.

As you also pointed out, ma'am, this is primarily—the icebreaking mission—is a Coast Guard mission. We are bringing to bear all of our expertise and advice that we can to work with the Coast Guard. We have a formal Memorandum of Understanding. We have an integrated program office working with them to advise them in terms of how to get this capability reconstituted.

Senator MURKOWSKI. And you would agree that there are clearly advantages to be had by block-buying icebreakers as opposed to buying each vessel individually. We know these are expensive, so figuring out those efficiencies is going to be key.

Admiral RICHARDSON. Ma'am, from my experience in shipbuilding, when you can commit to a number of ships, that allows the industrial base to level load work, to buy material at an optimum price, to really do this efficiently and on the order of 10 to 15 percent more efficiently than if you do it year by year.

Senator MURKOWSKI. Well, thank you, Mr. Chairman.

Senator COCHRAN. Thank you. The time of the Senator has expired.

The distinguished Senator from Kansas, Senator Moran.

Senator MORAN. Mr. Chairman, thank you very much.

Gentlemen, thank you for joining us.

First of all, Chief, thank you very much for the conversation you and I had with a young man in Topeka, Kansas when we were together at the Reagan Defense Forum. You indicated to him that he had been accepted to the United States Naval Academy. Thank you for participating in that call and it highlights for me this issue of readiness as there are young Kansans, young Americans who are entering a career in our Services.

PHYSIOLOGICAL EPISODES IN AIRCRAFT

The responsibilities that we have as outlined by Senator Graham, responsibilities that you have are tremendous to make

certain that they have the necessary equipment, and training, and prepared for the missions that we ask them to pursue.

Let me first begin with the Secretary. Mr. Secretary, the Navy recently grounded the T-45's training aircraft fleet.

Can you bring me up-to-date, bring us up to date on what has transpired since then and how the issue is being corrected?

Secretary STACKLEY. Yes, sir. I will give you a quick update, and the CNO and Commandant might want to provide their perspective as well.

The issues that brought the T-45, that resulted in the operational pause, as we described it, for the T-45 is associated with the environmental control system on the aircraft, and specifically a system called On Board Oxygen Generating System. That if you have contaminants in that system, it could lead to a condition called hypoxia where the pilots would get disoriented.

And so this is a low occurrence issue, but it is a number one concern in terms of naval aviation safety. So with the T-45 fleet, the rate of occurrence of this issue started spiking in the February timeframe. And it went from, while the numbers were still relatively low, the trend was alarming.

And so we grounded the aircraft while we brought our technical community to bear. We brought our medical community to bear. We brought industry to bear. We brought outside experts to bear to understand what are the causes, and what do we need to do in terms of changing the design and configuration in the aircraft so that we have absolute confidence in its safe operation?

But also in terms of training the pilots when they are operating, putting certain restrictions in place that would reduce the likelihood of this occurrence while you are training. And then also to educate, to train and educate the instructors and the pilots on the condition, what we are dealing with, the changes that we are implementing.

So right now, we are getting back to the air in a very measured fashion so we can return to training at the high rate that we need to as we walk the paces in this remediation type of program.

It is not going to be a quick and immediate fix. So what we need to do is control the conditions so that we are, at the same time, limiting, reducing any safety impacts or any risks to our pilots. Not just people we advise, but frankly, also in service with the F/A-18's.

Senator MORAN. Before you defer to the Admiral, if they would like to respond in writing, I would appreciate it because I want to ask a second question.

[The information follows:]

I would like to add that as we continue to assess potential root cause, we, in parallel, are focused on implementation of air crew alerting and protection devices and systems so that we can resume student training in the T-45 just as soon as possible, but keeping in mind that safety is the number one priority.

WICHITA STATE UNIVERSITY

Senator MORAN. I want to raise something that is so important on readiness and I think the Navy in particular is missing an opportunity that we want to raise with you.

This subcommittee has provided additional funding in recent years dedicated to maintaining naval air fleet readiness; in particular, partnering with universities that have the capacity to fulfill immediate readiness demands and to do the work at a fraction of the cost.

Admiral and General, what concerns me is that this will happen yet again. And by that, I mean the Navy has not invested in the opportunity to partner with universities in solving its readiness problems.

The Navy can, I quote, "Correct its limitations by investing taxpayer dollars," wasting precious time when you already have the capacity, the capabilities at your disposal. Universities that have engineers, physical space, innovative tools, and an abundance of materials to support your readiness and capacity problems.

This has a home component. I bring this up because they are so good at what they do, and yet they are not being utilized to the degree that they can.

I brought this to your attention about Wichita State when we were together at the Reagan Defense Forum. What I am looking for is that you will utilize the funds that this subcommittee has appropriated for you in partnering with universities who have that capacity and to help deliver the services that the Navy needs sooner rather than later.

Admiral RICHARDSON. Sir, as the Secretary pointed out, we are looking for anybody who has an ability to help us get through this very vexing problem.

And so, you have my commitment that we will overturn every stone that we can.

Senator MORAN. I would just say, Admiral, I am not sure that has happened to date and I would encourage you to personally take a look. We would be glad to have a more lengthy discussion about the opportunities that we see available to the Navy.

Admiral RICHARDSON. I look forward to that, sir.

Senator MORAN. Thank you, sir.

Admiral RICHARDSON. Yes, sir.

Senator SHELBY [presiding]. Senator Baldwin.

Senator BALDWIN. Thank you, Mr. Chairman.

LITTORAL COMBAT SHIP INDUSTRIAL BASE

Secretary Stackley, when you and I last spoke, we were discussing the Navy's transition from the LCS to the frigate. And you noted the importance of avoiding a production gap and layoffs at the Littoral Combat Ship shipyards during this transition.

You have also testified to the importance of preserving shipbuilding jobs, noting that a failure to do so will ultimately harm the American taxpayer, and the U.S. Navy in the form of increased costs, extreme delays, and decreased quality.

Talking about the Littoral Combat Ship program in December at a hearing, you stated, and I quote, "If production drops to an unsustainable level, then those facilities are going to ultimately shutter." I believe that one Littoral Combat Ship in fiscal year 2018 will result in that unsustainable level.

You were recorded in a recent U.S. Naval Institute news article saying that, again I quote, "The day we award that last ship, you

are going to start laying off people. And you are going to lay them off until they are gone. And if you are going to stop production and build another ship, you have lost your skilled labor and you have got to rebuild it.”

President Trump’s request of just one Littoral Combat Ship in fiscal year 2018 will create this exact worst case scenario: job losses and damage to our industrial base, harming our national security and taxpayers.

Both LCS shipyards are optimized for three ships per year. Earlier this month, Admiral Neagley, the Program Executive Officer for the LCS testified, and I quote, “We think about three ships a year is the right number to maintain the workforce and to leverage the efficiencies from the investments in those yards.”

So just one LCS in fiscal year 2018 could result in 800 job losses at Marinette Marine in my home State of Wisconsin, and nearly 2,000 jobs across the State, devastating the yard’s ability to compete for the frigate.

I wrote to President Trump warning him of this result and urging him to fund three LCS ships in fiscal year 2018.

I would ask for unanimous consent to enter that letter in the record.

Senator SHELBY. You have.

[The letter follows:]

TAMMY BALDWIN
WISCONSIN

United States Senate
WASHINGTON, DC 20510

COMMITTEES:
APPROPRIATIONS
COMMERCE
HEALTH, EDUCATION,
LABOR, AND PENSIONS

May 12, 2017

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

You have spoken forcefully about your promises to build a 350-ship Navy, revitalize American manufacturing, strengthen the defense industrial base, and preserve American jobs, especially in the Midwest. I am writing to urge you to uphold these commitments and to share my strong belief that their fulfillment requires the inclusion of funding for three Littoral Combat Ships (LCS) in your forthcoming Fiscal Year 2018 (FY18) budget request.

As our Nation looks to increase its naval strength, even the most optimistic future fiscal scenarios will include budget constraints that will drive decisions on the appropriate size and composition of the fleet. As our Navy's most affordable warship, the LCS/Frigate represents the best balance between cost and capability. That balance will be needed to achieve your goal of a 350-ship fleet and to meet the growing operational demands of our Combatant Commanders to maximize U.S. global presence to reassure allies, deter adversaries, and ensure freedom of navigation and maritime commerce.

The Navy continues to clearly state its requirement for 52 small surface combatants, which is the Program of Record and validated by the Joint Chiefs of Staff and our Combatant Commanders. Currently, the LCS/Frigate program provides the Navy with the critical capabilities to address existing gaps and enhance its warfighting posture while also simultaneously incorporating significant lethality and survivability upgrades. These upgrades to the capacity and capability of the Navy fleet are taking place while the LCS program has seen overall improved performance, including successful operational deployments, downward cost trends, and timely production schedules.

You and I share the goal of supporting American workers, which is why I believe we can work together on the LCS program. Indeed, the LCS is a quintessential Made in America program, and its strength, like that of American manufacturing, rests in the strength of the U.S. worker. More than 2,200 hardworking men and women are directly employed at the shipyard in Marinette, Wisconsin, building the Freedom-class LCS, with another approximately 4,700 jobs throughout the supply chain and in the communities of my home state. Across the Nation, the Freedom-class LCS depends on 800 suppliers in 42 states and supports more than 12,000 high-paying, skilled jobs.

I have long been a champion for "Buy American and Hire American" policies that support U.S. companies and workers, and I am pleased that you have promised to make these policies a key element of your Administration. As we recently discussed at the White House, Buy American

policies are incredibly important to ensuring that the hard work of Wisconsinites—who we both have the honor of representing—and of workers across the United States, is respected and rewarded. The LCS/Frigate program is the ideal opportunity for us to work together and demonstrate our shared commitment to the principles of “Buy American, Hire American.”

A total of three LCS each year maintains steady shipyard employment, with an average of 1.5 ships entering each of the two LCS-producing shipyards per year. The shipyards are optimized for this production rate, benefiting from serial construction and workforce learning. In testimony before the House Armed Services Committee last week, Rear Admiral John Neagley, Program Executive Officer, Littoral Combat Ships, confirmed this, saying, “We think about three ships a year or 1.5 per shipyard per year it is the right number to maintain the workforce and to leverage the efficiencies from the investment in those yards.”

Including fewer than three LCS in your FY18 budget request would result in layoffs of highly-skilled manufacturing workers in the Midwest beginning next summer. In Wisconsin, only two LCS in FY18 would result in approximately 450 direct shipyard worker layoffs, or 20% of the workforce at the yard, and a total of 1,200 jobs lost across the state. Only one LCS in FY18 could result in up to 800 layoffs at the shipyard, or 36% of the workforce, and a total of 1,850 jobs lost across the state. In addition to the pain and hardship experienced by these Americans and their families, layoffs of this magnitude would have dire impacts on the ability of the Marinette shipyard and supply chain to compete for the Navy’s Frigate, which will soon follow the LCS. That would result in reduced competition in the Frigate acquisition, driving up costs to the taxpayer, and harm to our national security by undercutting the strength of our domestic industrial base. Indeed, Secretary of the Navy Sean Stackley has testified about the importance of preserving industrial base jobs, noting that a failure to do so will ultimately harm the American taxpayer in the form of increased costs and decreased quality.

Mr. President, such outcomes would be inconsistent with your goals to build a 350-ship Navy, revitalize American manufacturing, strengthen the defense industrial base, and preserve American jobs, especially in the Midwest. I urge you to hold fast to these objectives, support this Made in America program and these American workers, and include no less than three LCS in your FY18 budget request.

Thank you for your consideration. I stand ready to work with you on our shared “Buy American and Hire American” priorities.

Sincerely,



Tammy Baldwin
United States Senator

Senator BALDWIN. I would like to express my strong objection to President Trump’s decision to cut the LCS program and put Wisconsin shipbuilding, and its skilled workers, and their families at great risk.

But my questions for you, Secretary Stackley, are, number one, what do you mean when you say in your testimony that one LCS ship in fiscal year 2018 will, “Ensure continued production at both shipyards”?

Number two, what does continued production look like in this case? Because I see a lot of skilled Wisconsin workers that will be out of work.

And three, how do you reconcile your earlier statements with the harmful consequences that will come from the President’s budget request for only one Littoral Combat Ship?

Secretary STACKLEY. Yes, ma’am.

Let me go back to my opening remarks and walk through. Just, first, I stand by every statement that you just quoted in the past. The health and welfare of our industrial base is critical and central to our ability to build the fleet that we need going forward.

The challenges that we have in 2018, our number one priority has been, and we have been emphatic about this, to restore our readiness. Not to do it at the cost of procurement and modernization, but in 2018 budget-wise, we do not have the capacity to grow in terms of procurement and modernization. That becomes a 2019 budget issue that we have to deal with through the strategic defense strategy review.

LITTORAL COMBAT SHIP INDUSTRIAL BASE

One LCS in 2018 only makes sense when you combine that one ship with the three ships in 2017. So that across the two builders, they are each going to get at least a one ship per year rate, which is below the optimal. Which was the three across the two builders during that period of time, three each year. It is below the optimal, but it does meet a minimum sustaining.

Today across the program, the two builders have completed ten LCS's, effectively completed ten LCS's. With the 2018 budget request that brings the total program up to 30 LCS's, which means that there are 20 ships in the backlog across those two shipbuilders.

So what we have got to do is work that ten ships per shipbuilder backlog and mitigate any impact in 2018 while we revisit 2019 and understand what the industrial base needs.

I will be clear that the one ship in 2018 is below the optimal. Absolutely, ma'am, and we are concerned with every loss of skilled labor that we run into in these types of circumstances. But we have to balance that against the other priorities in the budget associated with restoring our readiness.

So we were not able to grow the capacity in 2018. We need to come back and revisit that in 2019 and we need to leverage the opportunity that you all provided with the additional ship in 2017. So across the whole, as best as possible, we retain stability in the shipbuilding industrial base.

We do not want to lose sight of a potential of the foreign military sales potential that is coming through with Saudi Arabia and their potential LOA associated with the multi-mission surface combatant that we hope to bring across the line in this timeframe.

Senator COCHRAN [presiding]. The time of the Senator has expired.

The distinguished Senator from Kansas, Senator Moran.

Senator MORAN. Mr. Chairman, thank you for allowing me a second round. I want to go to General Neller.

General Neller, I want to follow up on the conversation that I and the Admiral had. I want to talk about F/A-18's. The budget requests \$3.4 billion for maintenance to ready the force and funding readiness accounts to the maximum.

General Neller, you said in February, and I quote, "None of this is going to happen overnight. Even if you had the funding to increase the acquisition of airplanes or even if you had the money to

increase the throughput through Fleet Readiness Centers.” I again want to highlight an opportunity that the Marines and Navy have.

WICHITA STATE UNIVERSITY

Wichita State University, they have the largest university-affiliated structural testing facility in the world and the only internationally recognized resource for material certification, which allows faster material development and qualifications for the military.

And so, General, I want to hear from you that your understanding of that availability of universities to be of assistance to the Marine Corps. Your readiness circumstances may be more dire than even the Navy.

How do I make certain that I have the Marine Corps’ attention in this opportunity that exists?

General NELLER. Senator, I have talked with your fellow Senator, Senator Roberts, about Wichita State. So I am aware of the aviation facility or capabilities in a rudimentary level.

What they can or cannot do to help us do in-service repair or help us with fixing airplanes, I do not know. But based on what you have told me today, I give you my word that I will go down and investigate that, and I will send somebody down there to find out what is within the realm of possibility.

Part of the problem that we have is if I look at F/A-18’s today, the greatest down for legacy aircraft is their short supply. So I do not believe, unless Wichita State is a source of supply, that that is going to be able to help me.

But if there are issues with in-service repair or they have people that are qualified engineers that can look at a repair that needs to be made. If they can help with that repair, they would have to get certified through NAVAIR because we work through them because they are the ones that certify people to do these repairs.

There are three types of things on legacy aircraft. Either we cannot fix it or we do not have the artisan to fix it. We need a part to fix it or there is something that we have to have a certified engineer to look at. And that may be where Wichita State might be able to help us with that.

And so, I was not aware when I talked with Senator Roberts, we talked about it in a different context. I was not aware there was actually funding involved in this. But I assure you, sir, that now that you have made me aware of this, I will get some direct attention on this to better understand what the capability is.

Senator MORAN. Thank you, again. I think that is exactly the capabilities that are offered, and I think the funding that has been made available has not been utilized in that way.

I needed to get this to your attention and to the Admiral’s attention, and I appreciate the opportunity to do so.

Thank you, Mr. Chairman.

Senator COCHRAN. The Senator from Wisconsin.

Senator BALDWIN. Thank you, Mr. Chairman.

JOINT LIGHT TACTICAL VEHICLE PROCUREMENT

General Neller, can you please explain why the Marine Corps’ fiscal year 2018 budget request includes funding for approximately

half the total number of JLTV's that were planned as part of last year's request? What is the significance of the JLTV in the Marine Corps' modernization strategy? And should we read anything into this reduction in the fiscal year 2018 buy?

General NELLER. Well first, Senator, the JLTV and the acquisition objective, right now, is 5,500 and I would like to buy more because really we need to recapitalize the HMMWV's of various model type series that we have, HMMWV A2's, the up-armored HMMWV. They are old. They need to be replaced.

So my understanding is that we are continuing to work and to go forward as fast as we can with the funding because it is critical for us to recapitalize this part of our ground vehicles. So I would not read anything into that.

In the past, there were always trades in the budget. Some things have a higher priority. The recapitalization of our ground vehicles has my full attention. I think we are trying to buy as many as we can with the resources we have available.

ACQUISITION STRATEGY

Senator BALDWIN. Secretary Stackley, since we last spoke, the Navy has changed its acquisition strategy for the frigate, delaying the first procurement to fiscal year 2020 and really expanding the requirement process.

Can you explain the rationale for this change and what is the way ahead, particularly in terms of requirements?

Secretary STACKLEY. Let me start and I am going to hand off part of this to the CNO.

The bottom line is when we established the requirements for the frigate in the 2014 timeframe, it was based on a certain assessment in terms of the multi-mission capability that we would be able to deliver with that frigate design.

The security environment has changed. The CNO will talk about his assessment that drives towards greater multi-mission capability. So we need to add a design window to bring that additional capability to the frigate design. That effectively delays the procurement 1 year and that gives us another challenge in 2019 to ensure that we hold on to the industrial base during this 1 year period.

Admiral RICHARDSON. With respect to the requirements, ma'am that is kind of our business. I would say three things, significant things that have changed since we even approached the frigate requirements originally.

One is the threat environment is moving very quickly, as I said in my opening remarks. Exponential is the word that describes the pace of change. And so, we need to address that change in the threat as we redesign and re-craft the requirements for this frigate.

The fiscal environment has changed. And so, we need to make sure that we are finding that optimum cost for that platform. Not being too over-constrained that will drive necessary capability out, but neither do we want it to run high and then become unaffordable. And so that cost point, finding that knee of the curve is going to be critical.

And finally, the way we operate is changing. The way the U.S. Navy operates in terms of networking this frigate into the larger

fleet, executing distributed maritime operations. That has changed as well.

So the combination of those three things really necessitated that we go back to the drawing board and make sure we have not missed an opportunity to put to sea a ship that will address today's threats and be modernizing into the future.

Senator BALDWIN. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator COCHRAN. Are there other questions of the panel?

If not, let me thank you as a panel for your cooperation and assistance in this hearing.

We want Senators to know they can submit additional written questions for the witnesses. We would request you respond to them in a reasonable time.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. SEAN J. STACKLEY

QUESTIONS SUBMITTED BY SENATOR ROY BLUNT

EDUCATION OPPORTUNITIES

Question. Secretary Stackley, the Navy recently reorganized how they support sailors who are working to complete their undergraduate and graduate degrees.

As you know, the Navy consolidated all their education counselors to Dam Neck, Virginia, and then established eight regional coordinators, two for each of the four Navy regions in the United States.

We have heard concerning stories that referrals to schools like Webster University have dropped significantly since the change went into effect.

I am particularly interested in knowing how many sailors were helped under the new system.

How many were helped the year prior to the new system?

How are you judging the outcomes of this reorganization?

Is the Navy planning or considering shutting down its base education centers?

I would like you to get back to me with information on how this change has potentially limited educational offerings for our service members.

Answer. Through May 30, 2017, Navy has provided courses for 34,524 Sailors in fiscal year 2017. In fiscal year 2016, Navy provided courses for 46,091 Sailors.

Outcomes on the organization will be based on tuition assistance average usage statistics over the previous 6 years (e.g., total tuition assistance funds executed; course enrollments, participation, new users, success rate, degrees earned, etc.).

The following Navy College Offices have been closed since October 1, 2016:

Bethesda, MD	Charleston, SC	Coronado, CA	Corpus Christi, TX
Everett, WA	Fallon, NV	Great Lakes, IL	Gulfport, MS
Kings Bay, GA	Lemoore, VA	Little Creek, VA	Millington, TN
New London, CT	Pensacola, FL	Ventura County, CA	Whidbey Island, WA

The following Navy College Offices will close on September 30, 2017:

Jacksonville, FL	Kitsap, WA	Norfolk, VA	San Diego, CA
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Experience to-date suggests that this change has not limited education offerings for Sailors. In fact, this new approach, which leverages networking tools Sailors use every day, has made counseling and tuition assistance more accessible across the continental United States, including at installations and reserve centers that did not previously host a Navy College Office. Through a combination of virtual services, Sailors access the information they need at their convenience, consistent with their needs, without the working-hour limitations imposed by traditional brick-and-mortar Navy College Offices. Whether in the field, or at the Navy College Virtual Education Center, counselors do not refer Sailors to specific academic institutions, but focus counseling on education options, opportunities, available programs, and assisting the Sailor in deciding what institutions best meet his or her goals. With the

newly redesigned Navy College Program website, new Mobile Application and incorporation of web chat, electronic-help requests, and the ability to self-schedule counseling, we have seen an increase in the number of Sailors using these virtual tools, and in the phone call and email volume at the Navy College Virtual Education Center.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

“INVESTIGATION AND REMEDIATION: PERFLUOROOCTANE SULFONATE (PFOS) AND PERFLUOROOCTANOIC ACID (PFOA) IN DRINKING WATER SOURCES”

Question. Secretary Stackley, Washington has enjoyed a strong relationship with the Navy for more than a century and our communities are good at working through issues with the Navy as they arise.

Recently the communities of Oak Harbor and Coupeville were made aware of ground water contamination associated with firefighting foam used at Naval Air Station Whidbey Island and Outlying Field Coupeville.

Oak Harbor, Coupeville, other communities in Washington State, and communities around the country will be dealing with this groundwater contamination for years to come and I am worried there are not enough resources allocated to this problem.

Does the Department of the Navy have the resources to take care of every affected community and clean up all contamination?

Answer. Yes. The Department of the Navy (DON) has made responding to known or suspected releases of PFOA and PFOS, especially where they potentially impact drinking water, a high priority under the Defense Environmental Restoration Program (DERP). DON has spent \$45 million conducting investigations or other response actions at 47 active or closed installations. We have the resources to continue our proactive national response to these emerging contaminants under DERP.

Although the Environmental Protection Agency (EPA) has not regulated these chemicals, DON shares your commitment to the protection of human health from these emergent contaminants in affected communities in Washington State and around the country. DON would support EPA consideration of promulgated national drinking water standards for PFOA/PFOS under the Safe Drinking Water Act regulatory process, which is a well-established, formal and transparent process that involves all stakeholders including the public.

QUESTIONS SUBMITTED BY SENATOR JON TESTER

SIZE OF THE FLEET

Question. Today's fleet stands at 275 ships, an increase from the 271 ships in 2015, but nowhere near the post-World War II era of approximately 740 ships. The Navy is scheduled in the next decade or so to take delivery of 80 new ships. Over the same period, the Navy has scheduled 49 ships for decommissioning. These numbers give the Navy a net increase of just 31 ships. That number is still 44 ships short of the president's requirement of 350 warships.

What is the Navy's plan to reach the president's 350 warship requirement or the Navy's requirement of 355 warships in a reasonable amount of time?

What is the Navy doing to prepare for all of the additional support and costs associated with a larger fleet?

Answer. Consistent with the Secretary of Defense's three-phase campaign, the Navy is first restoring readiness and addressing pressing shortfalls in fiscal year 2017–2018, in order to build a strong foundation for growing a larger, more capable, more lethal force starting in fiscal year 2019. This will ensure today's Navy is fully ready and that our 275 ships are properly maintained to reach the end of their service life. Informed by the National Defense Strategy, the fiscal year 2019 budget will prioritize building a larger force. Increasing Naval Power is contingent upon stable and increased funding above the current Budget Control Act defense spending caps.

The Navy is exploring all options to increase our inventory of ships faster, including identifying hot production lines that can easily be expanded, assessing options for extending the service life of current ships, and reactivating retired ships. The Navy is also engaging shipbuilders and suppliers on ways to increase shipbuilding capacity. The Navy will continue to pursue multi-year procurements, block buy contracts, and economic order quantity buys to provide a stable commitment to our industry partners. We continue to work with industry to address opportunities to improve performance and more affordably build ships with low technological risk.

Finally, the Navy is also evaluating the total ownership cost of growing the force to include the manpower and maintenance implications. Those needs will be programmed into future budgets and will be aligned with ship construction and deliveries to the fleet.

QUALITY VS. QUANTITY OF THE FLEET

Question. Some have argued that the Navy needs a future fleet composed of a “high/low mix” of different types of ships.

Is the “high-low mix” an appropriate way to be framing the problem to begin with?

What would these lower technology ships look like and how many of those do you think the Navy needs versus more capital-intensive items, like nuclear-powered super carriers?

Answer. A “high/low mix” is an option for designing a future fleet. One example is Navy’s current use of small and large surface combatants. In this construct, small surface combatants such as LCS are better suited to perform many missions, at an optimized investment strategy, than are larger surface combatants. This frees the larger ship to focus on higher-end missions (e.g. ballistic missile defense). Employing the right mix of large and small surface combatants not only improves warfighting effectiveness but also increases affordability for the nation.

Navy is currently conducting analysis on various fleet architectures and designs, including “high/low” mix options. Upon completion of this analysis, Navy will brief Congress on how these efforts will inform future force plans and capability/capacity decisions.

QUESTIONS SUBMITTED TO ADMIRAL JOHN M. RICHARDSON

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

“PUBLIC SHIPYARDS: CAPACITY AND RESILIENCY DURING NAVY EXPANSION”

Question. Admiral Richardson, President Trump has spoken at length regarding his desire to increase the size of the Navy to 350 ships. Regardless of whether that is the final number, significant increases in shipbuilding have implications for every aspect of the Navy.

A significant increase would not happen quickly and would require dramatic increases in investment to shipbuilding, force structure, operations and maintenance, and other accounts.

Additionally, a large increase in the number of ships would add significant stress to the Navy’s public shipyards, including the Puget Sound Naval Shipyard in Washington State.

What kind of increases to hiring, infrastructure, and operations would you need at the public shipyards to accommodate a significant increase in the number of ships?

Answer. The Navy’s approach to increasing Naval Power includes maintaining a balance of new ships, readiness, manpower, and infrastructure. The Navy will continue to seek to provide the infrastructure and workforce to meet the maintenance and modernization needs of the Fleet and to be able to inactivate, dispose of, and provide emergency repair for U.S. Navy ships, systems, and components.

The Navy is already planning to modernize the Naval Shipyards to make them 21st century shipyards. This modernization includes upgrading the infrastructure while also improving the overall layout of the shipyards, which were originally designed to build new ships, to be optimized for ship maintenance and modernization. Such improvements are intended to not only improve the facilities but also to enhance both processes and productivity across the Naval Shipyards.

In conjunction with growing the fleet responsibly, we are taking into consideration the associated cost to maintain that larger fleet, both in terms of increasing the size of our Naval Shipyards as well as the size of our private sector ship repair industrial base. The Navy will need a stable and predictable budget to support a more capable fleet to meet the nation’s needs.

QUESTION SUBMITTED BY SENATOR JON TESTER

NAVY RECRUITING EFFORTS

Question. What are the Navy and Marine Corps plans to recruit talented individuals from rural parts of the country like Montana?

Answer. As in the past, Navy continues to compete for talent among all demographic and geographic areas of this Nation, including the State of Montana. Through application of a combination of social media platforms, electronic applications, and video technologies, we are making Navy opportunities available to all, regardless of geographic location, particularly in remote and isolated areas that do not have an in-person Navy presence.

QUESTIONS SUBMITTED TO GENERAL ROBERT B. NELLER

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

AMPHIBIOUS SHIPS

Question. The Navy's current shipbuilding plan calls for 38 amphibious ships, while the Marine Corps has stated that 54 amphibious ships are needed to answer Combatant Commanders' operational demands. In light of this deficiency, would you support continued production of LPD amphibious ships to address operational readiness challenges as soon as possible?

Answer. The Marine Corps' 38 amphibious warship requirement is based on our mission to provide the nation with an expeditionary force in readiness, capable of simultaneously projecting two Marine Expeditionary Brigades globally, at the time and place of our choosing, while supporting sea control and denial missions as part of a Naval campaign. A 38 amphibious warship fleet configured in a mix of 12 LHA/LHD and 26 LPD/LXR will enable the broadest application of the Marine Air-Ground Task Force (MAGTF) to the range of military operations. The 2016 Force Structure Assessment, published by the Navy, recommends 355 ships with 38 amphibious warships. We have 31 ships in the current amphibious fleet with 23 available for worldwide service.

To sustain a capable maritime expeditionary force we need to couple investments in maintenance and modernization with a balanced procurement strategy. We can reduce programmatic risk through multi-year procurement and block buys. This approach will reduce operational gaps by building and delivering ships prior to decommissioning legacy platforms.

The LPD is a very capable platform and we are grateful for congressional appropriations to build LPD 29. The Amphibious Ship Replacement LX(R) will replace the aging LSD fleet and is based off of the proven LPD 17 hull form design. The LPD/LX(R) design has matured through the disciplined application of industry informed cost reduction initiatives, optimized ship construction techniques paired with balanced capability and capacity trade space decisions; thereby, providing a capable warship at the best value.

QUESTIONS SUBMITTED BY SENATOR ROY BLUNT

MARINES AT FORT LEONARD WOOD

Question. General Neller, as you know, Fort Leonard Wood is proud to be home to the most Marines in the nation outside a Marine Corps base.

Even with a huge number of Marines already on post, there is room for growth.

I know that the Marine Corps has been looking at the feasibility of moving civilian law enforcement training to Fort Leonard Wood, which obviously makes a great deal of sense given that Fort Leonard Wood is home to the Military Police School and Marines already go through there for military police training.

I would ask that you continue to work on the feasibility of this move, complete that assessment as soon as possible, and keep my office updated on any developments.

Answer. The Marine Corps has submitted a formal request to the Department of the Army to support our basic civilian police officer training. The Department of the Army is currently making a determination on their ability to support the training requirements we have identified. The Army and Marine Corps are working to reach a mutually supported Service agreement that is economically feasible. Upon completion; the Marine Corps could transition the majority, if not all, basic civilian police officer training requirements to Fort Leonard Wood in the near future. We hope to have the statistical analysis complete by the end of calendar year 2018 and will notify your office of key developments as appropriate.

QUESTION SUBMITTED BY SENATOR JON TESTER

NAVY RECRUITING EFFORTS

Question. What are the Navy and Marine Corps plans to recruit talented individuals from rural parts of the country like Montana?

Answer. Marine Corps Recruiting Command has a robust and well-established marketing and public affairs program designed to generate awareness and understanding of military service, with the final goal of putting our recruiters close to people seeking interest in the United States Marine Corps.

Rural areas such as Montana are treated similarly to any other location in the United States. A team of recruiters is assigned to cover such geographic locations, actively engaging in recruiting efforts, often driving countless hours to seek out and engage with highly qualified young men and women.

Together with our marketing and public affairs program we ensure accessibility to every interested and eligible person throughout our nation regardless of their geographic location.

SUBCOMMITTEE RECESS

Senator COCHRAN. This subcommittee will reconvene on Wednesday, June 7, 2017 at 10:30 a.m. The purpose will be to receive testimony from the Department of the Army.

Until then, this subcommittee will stand in recess.

[Whereupon, at 12:04 p.m., Wednesday, May 24, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, June 7.]