

**TO CONSIDER THE NOMINATION OF MR. JOHN
C. PHELAN TO BE SECRETARY OF THE NAVY**

HEARING

BEFORE THE

**COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE**

ONE HUNDRED NINETEENTH CONGRESS

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**TO CONSIDER THE NOMINATION OF MR.
JOHN C. PHELAN TO BE SECRETARY OF
THE NAVY**

THURSDAY, FEBRUARY 27, 2025

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The Committee met, pursuant to notice, at 9:30 a.m. in room SD-G50, Dirksen Senate Office Building, Senator Roger Wicker (Chairman of the Committee) presiding.

Committee Members present: Senators Wicker, Fischer, Cotton, Rounds, Ernst, Sullivan, Scott, Tuberville, Budd, Banks, Sheehy, Reed, Shaheen, Gillibrand, Blumenthal, Hirono, Kaine, King, Warren, Peters, Rosen, and Kelly.

OPENING STATEMENT OF SENATOR ROGER F. WICKER

Chairman WICKER. Good morning. The hearing will come to order. The Committee on Armed Services is meeting to consider the nomination of Mr. John Phelan to be Secretary of the Navy.

Mr. Phelan has had a distinguished career in the private sector. His background showcases his ability to manage complex business deals to drive efficiency and to deliver results. Our Navy will need someone with all three of those skills and more to get our Navy back on the right track.

The Navy is up against significant challenges, and the nominee before us can be a crucial part of that solution. We also, my colleagues, need to be part of that solution.

Congress, industry, and Navy leadership have all contributed to these problems. We must all work together to solve the issues facing us. We must begin by addressing the most urgent need, getting ship building back on track. Our sailors have performed admirably in combat operations, but Navy leadership has been unable to grow the fleet even as its budget has been increased.

The Navy remains woefully short of the statutory requirement of 355 ships—the statutory requirement. Just about every major shipbuilding program is behind schedule, over budget, or irreparably off track. For years, we have seen significant delays. The failures are everywhere. *Ford*-class carriers, *Virginia*-class submarines, *Constellation*-class frigates all are behind schedule. Every year, the Navy shipbuilding plan promises future growth. In reality, we have only watched as the fleet diminished.

In December 2020, the shipbuilding plan said the Navy would grow to 315 ships by 2025. Here we are in 2025, and we have only

287 ships. It is clear that we have not gotten the job done—we have not gotten the job done. Together, we can work to fix that.

We must stabilize shipbuilding programs, adopt commercial best practices, and incentivize the shipyards to address workforce and productivity issues in a collaborative, rather than combative, manner. We can quickly inject innovation into naval procurement, particularly on unmanned ships.

The story of naval maintenance is no better than the story of shipbuilding. Our maintenance performance is unimpressive across ship classes. For just one example, last year, multiple amphibious ships were unable to deploy on time. Instead, they sat in the yards waiting for repairs. Sailors have been trained on fewer than half the required maintenance tasks and only have enough time to accomplish 40 percent of required maintenance. The reduced quality of recruits exacerbates the situation.

This chain of events raises cost and creates schedule challenges for ship repair yards down the line. Deployments increase and the number of older ships decreases, sending the Navy into a death spiral.

I am painting a dismal picture, but an accurate picture.

The Navy struggles to man the fleet. The previous administration paid too much attention to demographic traits, which contributed to the Navy's failure to meet its recruiting goals. The Navy did eventually meet last year's recruiting targets, but only by lowering standards. Last year, nearly 20 percent of Navy recruits were considered category IV. They tested below the 30th percentile on the military aptitude test—below the 30th percentile.

Recruiting has improved significantly over the last few months, but the Navy must keep up this recruiting pace for the next 3 years to fill the estimated 20,000 vacancies on our ships today. Consistently deploying undermanned ships exhausts sailors and creates real operational risks, as the Navy knows all too well from its own accident investigations.

The stakes are high. We face a threat environment more complex than any since World War II. Our naval forces must be ready to operate in highly contested environments, from the Western Pacific to the Atlantic, and from the North Sea to the Red Sea and beyond.

The Navy's role in our national security is more important than any moment since World War II, at exactly the worst time the service has been beset with scandals, poor management, and a lack of vision.

I am pleased with the nominee's track record. He has rescued companies in distress. Our Navy is certainly in distress and needs that same kind of leadership. So I look forward to hearing Mr. Phelan's views about how to fix shipbuilding, maintenance, and recruitment in the Navy, and I now recognize Ranking Member Reed for his opening remarks.

STATEMENT OF SENATOR JACK REED

Senator REED. Well, thank you very much, Mr. Chairman, and Mr. Phelan, welcome. Congratulations on your nomination. I would like recognize your wife, Amy, and daughter, Makenzie. Thank you for being here.

Mr. Phelan, you have been nominated to be Secretary of the Navy. If confirmed, you will lead the Department of the Navy at a consequential time. As Secretary, you will be responsible for recruiting, organizing, training, and equipping the force while establishing forward-looking policies and programs for the Department.

The importance of the joint Navy and Marine Corps mission has never been more clear. For over a year, our naval forces have operated in the Red Sea and Middle East to support Israel and defend our interests in the region. United States Navy vessels have successfully shot down hundreds of drones and missiles launched by Iran, Hamas, and the Houthis, and our sailors and marines have experienced more at-sea combat than any American forces since World War II. They have saved lives, protected our allies, and defended the international waterways. I salute the servicemembers who have been involved in these operations.

Mr. Phelan, you have spent your career in the private investment field. You have founded and led a number of lucrative private investment firms. However, while you clearly have experience managing large companies, you do not have any significant experience with the United States Navy or the military at large. You will have to quickly learn a great deal about a complex organization, including its hundreds of thousands of sailors and marines, while the service faces growing international threats and internal challenges. I think you will quickly come to discover that the culture of the Navy—that should be plural—the cultures of the Navy are interesting and will present a challenge to understand.

The U.S. Navy remains the finest maritime force in the world, but it has struggled to grow and maintain its fleet, as the Chairman has pointed out. For several years, the service has fallen well short of its shipbuilding and deployment plans. A number of vessels, including an aircraft carrier and multiple destroyers and frigates, are behind schedule, in some cases by several years.

I would also note that *Virginia*-class fast attack submarines and the *Columbia*-class ballistic missile submarines, which are critical for maintaining our undersea advantage and nuclear deterrent against competitors like China, are facing construction delays of over a year.

These acquisition programs have a multitude of parties involved—major contractors, small subcontractors, military personnel, and civilian personnel. Each program is complex and costly. Indeed, a recent Congressional Budget Office report estimated the total shipbuilding cost for the Navy to reach its goal of 381 ships would be \$40 billion per year for the next 30 years.

Mr. Phelan, I am interested to know how you plan to learn about these different acquisition programs and their unique challenges, and how you will approach getting them back on schedule and on budget.

The biggest cause of delays, seems to be a workforce shortage. The private shipyards, in particular, lost many workers during COVID and have struggled to hire and train new employees. The employees of the Navy shipyards are all Federal workers, but both private and public yards need stability in funding and employment to be successful. I fear that a number of upcoming disruptions, including a possible year-long Continuing Resolution (CR); Secretary

Hegseth's plans to slash 8 percent of the defense budget, or about \$70 billion each year; and Mr. Hegseth's plan to fire up to 8 percent of the defense workforce, or about 70,000 employees, will jeopardize any progress the shipbuilding programs could make.

Mr. Phelan, if you are confirmed, you will be responsible for managing the fallout from these cuts within the Navy. At a time when we face unprecedented threats from China and struggle to hire enough workers to meet our shipbuilding demands, you will need to find a way to balance these reductions against the Navy's increasing missions. I am interested, obviously, if you have any thoughts on how you will accomplish these challenging missions.

As Secretary of the Navy, you will also oversee the Marine Corps while it is in the midst of a substantial transformation. With a focus on competition in the Indo-Pacific, the Marine Corps has been restructuring around expeditionary concepts that will provide a more flexible amphibious force that can support a broader naval fight once ashore.

To achieve this, the Corps is prioritizing a number of modernization efforts, including long-range fires, enhanced air and missile defense, and improved ground and amphibious combat vehicles. These platforms should help equip the marines with improved force protection, lethality, and mobility. I would note, however, that the Marine Corps is constrained in its ability to employ Marine Expeditionary Units because of the current limitations of the amphibious fleet.

Mr. Phelan, you are facing momentous challenges that will require all of your experience and skills, and thank you for your willingness to serve, and I look forward to your testimony.

Thank you, Mr. Chairman.

Chairman WICKER. Mr. Phelan, do you still want this job?

[Laughter.]

Chairman WICKER. Just kidding. Actually, I spot another highly successful entrepreneur there at the desk with you, Senator Scott, who I believe has some introductory words. Senator Scott, you are recognized.

Senator SCOTT. Thank you, Chairman Wicker and Ranking Member Reed, and Members of the Committee. First off, it is an honor to sit here by my good friend, Mr. John Phelan, to be the next Secretary of the Navy. I would also like to recognize his wonderful wife, Amy, his daughter, Makenzie, and cousin, Francisca, who are here in support of John, along with his friends.

I have known John for a long time. He is a proven leader of exceptional ability, a great businessman, and an individual with unwavering integrity. Whatever he tells you he is going to do, it is going to happen. As a Navy veteran myself, I know he will be an incredible asset to our Nation, leading the Navy, and he will work closely with President Trump and Defense Secretary Pete Hegseth to make the Navy a lethal force with accountability to taxpayers.

John's work in the private sector shows his ability to build teams, foster accountability, and make decisions that prioritize long-term success. He also has demonstrated an ability to manage complex organizations, drive innovation, and deliver results, all talents that are vital in leading the Department of the Navy.

As we all know, our Navy faces significant challenges, global threats from Communist China, Russia, and Iran, the urgent need to modernize our fleet, and the responsibility to recruit and retain the best talent.

Another serious problem the Department of Defense has faced for years is the inability to pass an audit. I know the Secretary is fully committed to fixing this, and he needs people like John leading every single department of the military to make sure this is done as soon as possible.

The issues that the Navy is facing are not just military challenges. They are leadership and management issues. President Trump chose a leader who can deliver for Americans and for the great men and women of our Navy, one who can cut through government bureaucracy to build efficiency and lethality. That is John. His extensive business experience will bring fresh perspective to strengthen the Department and drive solutions for years to come.

With his and the Secretary of Defense's leadership, our military forces will be accountable to taxpayers once again. His financial management and operational efficiency background have made him a respected figure in the business world. He is very well thought of, and he will be an effective and respected leader at the Navy.

I have known John for many years. I know his leadership will help drive the strategic vision necessary to maintain our naval superiority. More importantly, John is deeply committed to the men and women who serve. He respects those who put on the uniform and put their lives on the line to defend and protect our country, as each of us do.

John knows that leadership is not just about numbers; it is about empowering the people in the organization, ensuring they have the trust and tools necessary to complete their mission, and the understanding that his decisions could mean life or death for our sailors and marines. I know he will never take that lightly.

I look forward to hearing from John today about his vision for the Navy and how he plans to strengthen our force. I am confident that his skills, character, and expertise will make him an effective Secretary of the Navy. I look forward to the Committee considering him a highly qualified candidate. President Trump was elected with a mandate. President Trump and the Secretary of Defense need a Navy Secretary who will make sure that mandate is fulfilled in the Department of the Navy.

Thank you, Mr. Chairman, and I hope everybody will support my good friend, John Phelan.

Chairman WICKER. Thank you very much, Senator, and Mr. Phelan, you are now recognized for your opening statement.

STATEMENT OF JOHN C. PHELAN, TO BE SECRETARY OF THE NAVY

Mr. PHELAN. Chairman Wicker, Ranking Member Reed, and distinguished Members of the Committee, it is an honor to sit before you as the nominee for Secretary of the Navy. Thank you for the opportunity. I would also like to thank Senator Scott for his generous introduction.

I am fortunate to be joined here by my wife Amy, my daughter, Makenzie, as well as some dear friends behind me. Their unwavering support through the confirmation process has been invaluable.

I am deeply grateful to President Trump for his trust and confidence in me. President Trump was right. Achieving peace through strength is essential to deterrence and protecting our freedom and our way of life.

Recently I had the humbling experience of visiting Arlington National Cemetery with Medal of Honor recipients and Gold Star family members. Standing among those thousands of crosses and reflecting on the magnitude of what these brave warriors accomplished, but most importantly sacrificed, reminded me of a quote by the late Major Doug Zembiec, also known as the Lion of Fallujah. "Never forget those that were killed. And never let rest those that killed them."

If confirmed, I will use my business and military charitable work experience to ensure that our Navy and Marine Corps are prepared to meet the moment.

The U.S. Navy and Marine Corps remain the most formidable expeditionary force in the world, but the U.S. Navy is at a crossroads. Extended deployments, inadequate maintenance, huge cost overruns, delayed shipbuilding, failed audits, subpar housing, and sadly, record high suicide rates are systemic failures that have gone unaddressed for far too long, and frankly, this is unacceptable.

Admiral Bull Halsey put it best: "All problems become smaller if you don't dodge them but confront them." If confirmed, that is exactly what I will do.

The Department of the Navy's mission requires persistent global deployment across 72 percent of the Earth's surface and the airspace above it. If confirmed, my focus will be on three priorities: the health, welfare, and training of sailors and marines; strengthening naval capabilities, particularly shipbuilding and the defense industrial base; and fostering an adaptive, accountable, and innovative warfighter culture.

Senators, as you all know, people are our most precious resource, and their health and welfare must be our utmost priority. Recruiting and retention challenges have left critical positions unfilled, stretching our forces thin, and reducing readiness. Ships lack full crews, deployments are extended, and the burden on sailors and their families increases. Recruitment and retention challenges demand a renewed focus on quality of life issues. If we are to attract and retain the best talent, the Navy needs to become a place where men and women see not just a job but a future.

Next, we must restore operational readiness. Today we face a strategic inflexion point. Adversaries, in particular, China, are aggressively expanding their naval capabilities. Every shipbuilding delay, every maintenance backlog, and every inefficiency is an opening for our adversaries to challenge our dominance. We cannot allow that to happen.

Naval innovation must also extend beyond hulls and keels. Strengthening relationships with the defense industrial base, incorporating lessons from recent conflicts, and integrating emerging technologies are essential to maintaining our competitive advan-

tage. This requires more than just funding. It requires a relentless focus on execution, innovation, and accountability.

As to culture, the Navy and the Marine Corps historically have embodied resilience, ingenuity, and adaptability. More than ever we need to return to this ethos. I have analyzed thousands of organizations. A common refrain among those that are failing is, "This is how we've always done it." Yes, there is great value in stability and tradition, which I will respect and do appreciate. But when it suffocates adaptability, innovation, collaboration, and trust, it erodes an organization's ability to win.

I understand that some may question why a businessman who does not wear the uniform should lead the Navy. I respect that concern. The Navy and Marine Corps already possess extraordinary operational expertise within their ranks. My role is to utilize that expertise and strengthen it, to step outside the status quo and take decisive action with a results-oriented approach.

I do recognize the critical importance of working closely with Congress, and particularly this Committee. As my father, who served, often reminded me, freedom is not free. That is why I accepted this nomination, because I believe in service to those who dedicated their lives to defending this Nation.

Senators, if confirmed, it is my pledge to support our sailors and marines and ensure we remain the premier maritime force in the world. Thank you, and I look forward to your questions.

[The prepared statement of Mr. John C. Phelan follows:]

PREPARED STATEMENT BY JOHN C. PHELAN

Chairman Wicker, Ranking Member Reed, and distinguished Members of the Committee,

It is an honor to sit before you as the nominee for Secretary of the Navy, thank you for the opportunity. I am deeply grateful to President Trump for his trust and confidence in me.

I would also like to thank Senator Scott for his generous introduction. I am fortunate to be joined today by my wife, Amy, my daughter Makenzie, as well as some dear friends. Their unwavering support has been invaluable, thank you for coming.

As President Trump recently stated, *"we will measure our success not only by the battles we win, but also by the wars that we end, and perhaps most importantly, the wars we never get into." Peace through strength!*

Recently I had the humbling experience of visiting Arlington National Cemetery with Medal of Honor recipients and Gold Star Family members. Standing among those crosses-thousands of them, row upon row-and reflecting on the magnitude of what these brave warriors accomplished but most importantly sacrificed reminded me of a quote by the late Doug Zembiec, *"Never forget those that were killed. And never let rest those that killed them."* If confirmed, I will ensure that our Navy and Marine Corps are prepared to "meet the moment" and never forget. Never forget, Meet the moment!!

The United States Navy and Marine Corps remain the most formidable expeditionary force in the world; however, I believe the Department of the Navy is at a crossroads, a critical inflection point. Extended deployments, inadequate maintenance, enormous cost overruns, delayed delivery and repair dates, failed audits, substandard housing, and sadly, record high suicide rates. Tackling these challenges requires immediate action not a bureaucracy that often prioritizes process over results. These systemic failures have gone unaddressed for far too long and reflect an organization in decay. Waiting for a crisis is the best way to get a crisis and that is not a good idea when your business is warfighting. Admiral Bull Halsey put it best, *"all problems, become smaller if you don't dodge them, but confront them. Touch a thistle timidly, and it pricks you; grasp it boldly, and its spines crumble."* The Department needs to act with a much greater sense of urgency, and I believe that is why President Trump selected me.

The Department of the Navy mission is extremely complex, it requires persistent global deployment across 72 percent of the earth's surface and the airspace over it. To ensure continued dominance, my focus will be on three priorities if confirmed: the health, welfare, and training of sailors and marines; strengthening naval capabilities, particularly shipbuilding and the defense industrial base; and fostering an adaptive, accountable, and innovative warfighter culture.

People are our most precious resource. Recruiting and retention challenges have left critical positions unfilled, stretching our forces thin and reducing readiness. Ships lack full crews, deployments are extended, and the burden on sailors and their families increases.

Now is a crucial time in improving retention. The Navy & Marine Corp 250th Anniversary presents a unique opportunity to showcase the appeal of uniformed service. Recruitment and retention challenges demand innovative solutions and a renewed focus on quality of life for our troops and their families. If we are to attract and retain the best talent, our maritime services need to become a place where men and women see not just a job but a future.

But recruiting and retention alone will not be enough. We must restore operational readiness. Today, we face a strategic inflection point. Near-peer adversaries are aggressively expanding their naval capabilities, investing in advanced platforms, and increasing their presence in contested regions. Every shipbuilding delay, every maintenance backlog, and every inefficiency is an opening for China and Russia to challenge our dominance. We cannot allow that to happen!

Naval innovation must also extend beyond hulls and keels. Strengthening relationships with the defense industrial base, incorporating lessons from recent conflicts, and integrating emerging technologies are essential to maintaining our competitive edge. The Navy and Marine Corps must not only deter aggression but instill fear in any adversary that challenges our maritime superiority. Achieving this requires more than just funding—it requires leadership, execution, and a relentless focus on efficiency, innovation, and accountability.

Throughout history, the Navy and Marine Corps have embodied resilience, ingenuity, and adaptability. More than ever, we need to return to this ethos. Over my 35-year business career, I have evaluated numerous successful and failing organizations. A common trait among failing organizations is resistance to change. Phrases like “this is how we have always done it,” “if it ain’t broke, it don’t need fixing!” The key point is that phrases like this can be dual-edged swords. There is great value in stability, in tradition, in order, in a consistent way of doing things that should be respected and appreciated. But when it suffocates adaptability, innovation, collaboration, and trust, those same phrases erode an organization’s ability to win particularly in a dynamic and rapidly changing environment.

As a surface warfare commander succinctly put it, “*The Navy treats warfighting readiness as a compliance issue . . . you might even use the term compliance-centered warfare.*” Sailors in the same survey described a careerist environment that is risk averse and has a “zero-defect” mentality. We cannot allow such an environment to take root. Reforming large, change-resistant organizations is difficult and often uncomfortable. In the business of warfare, failing to adapt is catastrophic.

I understand that some may question why a businessman who did not wear the uniform should lead the Department of the Navy. I respect that concern. The Navy and Marine Corps already possess extraordinary operational expertise within their ranks. My role is to utilize that expertise and strengthen it—to step outside the status quo and take decisive action with a results-oriented approach. I did not accept this nomination out of personal ambition, but out of a deep commitment to service. I believe in giving back to those who dedicate their lives to defending our Nation. I recognize the critical importance of working closely with Congress—and particularly with this committee—to ensure that our Navy and Marine Corps remain the premier maritime force in the world.

If confirmed, I will work tirelessly to strengthen our naval forces, to support our sailors and marines, and to ensure that America’s adversaries never question our resolve at sea.

Thank you, and I look forward to your questions.

Chairman WICKER. Thank you very much. First of all, Mr. Phelan, there are standard questions which this Committee is required to ask you and which you are required to answer, so let’s begin with that.

Have you adhered to applicable laws and regulations governing conflicts of interest?

Mr. PHELAN. Yes, sir.

Chairman WICKER. Have you assumed any duties or taken any actions that would appear to presume the outcome of the confirmation process?

Mr. PHELAN. No, sir.

Chairman WICKER. Exercising our legislative and oversight responsibilities makes it important that this Committee, its subcommittees, and other appropriate committees of Congress receive testimony, briefings, reports, records, and other information from the executive branch on a timely basis. Do you agree, if confirmed, to appear and testify before this Committee, when requested?

Mr. PHELAN. Yes, sir.

Chairman WICKER. Do you agree to provide records, documents, and electronic communications in a timely manner, when requested by this Committee, its subcommittees, or other appropriate committees of Congress, and to consult with the requestor regarding the basis for any good faith delay or denial in providing such records?

Mr. PHELAN. Yes, I do.

Chairman WICKER. Will you ensure that your staff complies with deadlines established by this Committee for the production of reports, records, and other information, including timely responding to hearing questions for the record?

Mr. PHELAN. Yes, sir.

Chairman WICKER. There may be questions for the record today because we will have rounds of only 5 minutes.

Will you cooperate in providing witnesses and briefers in response to congressional requests?

Mr. PHELAN. Yes.

Chairman WICKER. Will those witnesses and briefers be protected from reprisal for their testimony or briefings?

Mr. PHELAN. Yes.

Chairman WICKER. Here endeth the required questions.

All right, Mr. Phelan, you have extensive experience in entrepreneurship. You testified in your prepared statement about health and welfare, about moving past the status quo in our recruiting and in shipbuilding and in increasing and enhancing the industrial base through execution and accountability.

Could you elaborate on what you think we need to do, based on what you have heard, to improve recruiting?

Mr. PHELAN. Thank you for the question, Senator. I think there are a couple of different things. First of all, I think in the last month, as you mentioned in your opening statement, recruiting numbers have gone up, and I think that is a reflection of first the President's victory, and second, a return to the warfighting ethos, which is really what the business of the military is.

I believe a couple of different things. One, we have the 250th anniversary of the Navy and the Marine Corps coming up this year. I think that is a great opportunity to show the benefits of service, and that is something that I intend to take advantage of, from a recruiting perspective.

Second, I think we can do things better from a digital perspective, in terms of outreach.

Third, I think there is something to be learned from the Marine Corps, who has been pretty consistent in hitting their numbers. As

I understand it, the Marine Corps has used the same advertising agency for over 30 years, which I believe has allowed it to build its brand, and it has got a very powerful message. So I think that is something else we need to focus on is the marketing, and showing the benefit of serving, and what a great opportunity that is for young people, and what they get by serving.

Chairman WICKER. Okay. Let's move to shipbuilding. If we threw a zillion dollars at the Department of the Navy today, we could not build the ships because we do not have the industrial base. We have got to fix that, and I think that is why the President looked to an entrepreneur and an experienced business person.

How are we going to fix our industrial base so we can get to the number of ships that are required for us to be competitive and a deterrent to adversaries that are working together like they have never done before—Iran, Russia, North Korea, and Communist China?

Mr. PHELAN. Thank you for the question, Senator. I know this issue is important to you, and we spent some time together when I met with you in the office.

I think this is a critical task. The President has been very consistent when he spoke with me—shipbuilding, shipbuilding, shipbuilding. I think, if confirmed, I intend to go visit the shipyards. I look forward to hopefully visiting it with you in Mississippi, because I know you have done an exceptional job in the shipbuilding there. I think we need to take some of the best practices from those yards, some of the best practices from some of the foreign yards, as well, to learn.

But we have to reinvigorate the industrial base in America. That could come from a couple of different angles. The SHIPS Act I know is something that is being considered. I think there are some very good ideas in the SHIPS Act in terms of trying to reinvigorate the industrial base, such as opportunity zones for shipbuilding. I think that if we can incent the private sector in the right way—and I think that is by telegraphing demand—then you will get the private sector to actually invest in these yards. I think that is an important thing.

Then I think it is also making a career out of having the appropriate skill set in the workforce, and that comes from training and having proper programs. I think these are things that I have experience with, with businesses that I have run, in terms of construction companies, and how to create an apprentice program that tracks people and also makes sure your most talented skilled labor does not leave so quickly and actually passes on those skills.

Chairman WICKER. Mr. Phelan, when a shipyard welder can go outside the gate and work at a convenience store for a competitive price, that has got to be fixed, does it not?

Mr. PHELAN. It does, sir. That needs to be analyzed and looked at. You cannot have that kind of wage differential for those types of different jobs.

Chairman WICKER. All right. Thank you very much for your testimony. I am going to recognize the distinguished Ranking Member for questions, and hand the gavel to Senator Cotton until I am back from another hearing.

Senator REED. Thank you, Mr. Chairman, and thank you, Mr. Phelan.

Let me zero in on one aspect of the shipbuilding and that is submarine construction. As I pointed out, and as you well know, we are behind. In addition to being behind, we have already made commitments to Australia to provide attack submarines, and that increases the demand on the system. Fortunately, we have been trying to increase funding for submarine construction, and I must commend the Chairman for his efforts last year to include \$5 billion.

But let me just ask you, how do you evaluate the importance of submarines, to not only the Navy but to national defense, and how do you propose securing sufficient funds to get us back on track?

Mr. PHELAN. Thank you for the question, Ranking Member Reed. I appreciated the time we spent talking about this, for sure.

Look, I think the *Columbia* submarine program is incredibly important. It is the most important nuclear deterrent we have. It is the most resilient, survivable one that we have. I think that I need to really get in there and dig in and take a look at what exactly is causing the delays. I am a big believer in what we call kind of root cause analysis. I think there is a lot of this [witness indicated finger pointing] going on, between requirements, contractors, workers. I have not had the benefit of visiting the yard. I look forward to doing that with you, if confirmed.

I think that it is a very complicated manufacturing process. I do think we need to analyze ways to create more competition for some of the components that are made in this sub, and potentially in the sub making. The question is how do you do that, and that comes from incentives. That comes from working together with the private sector.

I think ultimately, at the end of the day, what you want to try to do is make it so that the private sector—you make the pie bigger and so that they can have a smaller slice of the bigger pie. I think if we can create the right incentives, that is the right way.

I think one of the things again, and I have not reviewed contracts, from what I can see, I am candidly fearful of what I am going to find when I read some of these contracts and get in there, in terms of they are pro to the private sector side. But we need to go in there, take a look at them. If they need to be restructured then we are going to have to do that.

But we have to get back to more of a concept of shared risk. I think it is fine for the private sector to earn a profit. They should make a profit, based on the risk that they are taking. That is what we need to really get back to, and look at.

So if confirmed, Ranking Member Reed, this will be a top priority for us, very quickly, to get our arms around this and try to get this out.

Senator REED. Well, thank you very much, and I think you recognize the invaluable role that the civilian workforce provides the Navy and Marine Corps. Is that your view?

Mr. PHELAN. Yes, sir.

Senator REED. Well, it is interesting, because the Department of Defense announced a few days ago that 5,400 probationary employees would be fired, without any real analysis of the need. But more

troubling is the declaration that there will be an eventual 5 to 8 percent reduction, which works out to about 70,000-plus people. I do not know if you are aware of this, but Section 129(a) of Title 10 requires that no Federal civilian workforce employee can be fired unless the Secretary—and I am quoting now—“unless the Secretary conducts an appropriate analysis of the impacts of such reductions on workload, military force structure, lethality, readiness, operational effectiveness, stress on the military force, and burdened costs.”

So the simple question is, do you intend to follow the law as you pursue these reductions?

Mr. PHELAN. Thanks for the question, Senator. If confirmed, I will follow all laws, all lawful orders that we get. I am not privy to the actual cuts that have occurred. I have just read what has been in the paper as it relates to it. I do think the shipbuilding force is critical. I do not know if we have labor shortages. I suspect in certain yards we do. If confirmed, I will sit down with the Secretary of Defense and the President and very quickly talk about that, because I know that is a key priority for the President is ensuring that our shipbuilding is done.

Senator REED. Finally, will you make available the documentation that the Department of Defense must have to justify these firings?

Mr. PHELAN. I'm sorry. Say that again, Senator.

Senator REED. Would you commit to the Committee to make available to us the documentation of all the criteria that I have listed in the statute so that we can confirm that such a review has been conducted?

Mr. PHELAN. Senator, I will follow all laws that exist. I assume you guys get that documentation.

Senator REED. Thank you very much.

Senator COTTON. [Presiding.] Senator Fischer.

Senator FISCHER. Thank you, Senator Cotton. It is nice to see you here today, Mr. Phelan, and welcome to your friends and family for being here with you. I appreciate you putting yourself forward to serve your country in this capacity.

Mr. Phelan, in your Advanced Policy Questions to the Committee you stated, quote, “If confirmed, I will ensure the Department complies with existing statutory requirements to continue funding development of the nuclear sea-launched cruise missile,” unquote. Do you stand by that statement? Yes or no.

Mr. PHELAN. Senator, I think the nuclear sea-launched cruise missile is a very important program. I have not been read-in on the briefings on that, but I know it is a critical component to our defense.

Senator FISCHER. Will you follow the statutory requirements?

Mr. PHELAN. Yes, I will.

Senator FISCHER. Thank you, sir. To followup on the shipbuilding part that has been discussed by the Chairman, the Strategic Posture Commission recommended the establishment of additional shipyards dedicated to nuclear-powered ships and submarines. If confirmed, would you be open to exploring that option?

Mr. PHELAN. Yes, I would, Senator. I think it is a very important part of our strategic focus.

Senator FISCHER. Thank you. What we have learned from the war in Ukraine is that the United States defense industrial base was not equipped to scale up production rates of munitions for these modern conflicts. Is it your view that the United States must further increase munition production capacity?

Mr. PHELAN. Yes, Senator. I think we are at a critical shortage, and we have far too much dependence on one facility.

Senator FISCHER. Do you have any initial thoughts that you can share with us about steps that maybe you would be taking to ensure that the Navy has the munitions stockpiles that are required to meet the needs of the combatant commanders?

Mr. PHELAN. Yes, Senator. I think, as you know, we are short munitions, as we have seen. I think we need to create more of a manufacturing base and incentivize more munitions plants in order to supplement what we already have. So if confirmed, I intend to focus on this very quickly and get that resolved, because I think we are in a dangerously low level from the stockpile perspective, as well as new.

I will use the skills that I had in the business world, in terms of incenting. I think a lot of that also comes with working with you and the Committee and the Congress, because we do need to send signals to the private sector to incentivize them to build these plants to get going. So ordering, giving them a contract to build I think will be critical, and I would like to believe we should be able to create a win-win between the private sector and for the taxpayer of the United States.

Senator FISCHER. You mentioned contracts with the shipbuilding, too, to be able to do a review of those contracts, to make sure that there are incentives, that private companies can make profits with that. You mentioned contracts again now. Would you look at that, as well, in depth, on current contracts that we have with regard to our munitions, and if maybe what we are looking at here are roadblocks in being able to move ahead with being able to provide these munitions?

Mr. PHELAN. Thank you for the question, Senator. Yes, I intend to sit down, day one, and we are going to go through every contract that we have and understand what exactly they say and what flexibility they do or do not give us, what contract needs to change or not change, and why. I intend to do the same thing as it relates to an audit. I need to understand why the Navy cannot pass an audit. The Marine Corps has done it 2 years running now. They deserve a lot of credit for that. I think that is a great thing.

We are going to change and create much more accountability and understanding, because all of these things affect readiness. As I said in my statement, readiness is critical, and I think we are at a very critical inflection point, particularly versus our near-peer adversaries.

These are all things that are a reflection of a culture, as I mentioned, in decay. We need to have a tight focus on these things. If we do not know where our inventory is, how can we have a training mission? I have heard stories of training missions that are failed because the equipment was not there, and so we end up losing that money, and that is not good.

Senator FISCHER. Thank you very much, sir. Thank you, Senator Cotton.

Senator COTTON. Senator Shaheen.

Senator SHAHEEN. Good morning, Mr. Phelan. Congratulations on your nomination. Welcome to your family and your friends who are here with you.

Last week, Secretary Hegseth issued a memo to the Defense Department, which we have referenced already. But it asks the services and the Joint Staff for proposals to cut the defense budget by 8 percent every year for the next 5 years. The memo provides a handful of exemptions, including for the *Virginia*-class submarine program and military construction in the Indo-Pacific only. It does not provide an exemption for our country's maritime industrial base. I am actually concerned that Secretary Hegseth may not be aware of the work that the Navy is doing to modernize our public shipyards. It is something that we discussed when you were kind enough to meet with me.

But because, in his questions for the record following his own confirmation hearing, Secretary Hegseth said, and I am quoting here, in his statement, "The Navy has not made investments to modernize our four public shipyards." Mr. Phalen, that simply is not true. The Shipyard Infrastructure Optimization Plan (SIOP), which we discussed a little bit when we met, is a 20-year, \$21 billion investment to make sure that our shipyards are ready to meet the needs that our Navy has into the next century. I think we discussed the Portsmouth Naval Shipyard, which we have an interest in, in New Hampshire. It sits between New Hampshire and Maine. It is our Nation's longest serving public shipyard.

Senator KING. No. It is in Maine, Senator, just to be clear.

Senator SHAHEEN. But it has an address that is Portsmouth, New Hampshire. I am willing to share it with you, Senator King.

It has the best record for on-time, on-budget maintenance and repair of our submarine force.

I appreciate your focus on operational readiness, but I am trying to square how operational readiness comports with the 8 percent budget cuts that are going to affect our investment in our public shipyards.

Mr. PHELAN. Thank you for the question, Senator Shaheen, and I did appreciate the time with you, and it was enjoyable.

What I would say to you is my understand, again, and I have just read what is in the paper, is that Secretary Hegseth has talked about this as a planning tool, to kind of look at what would happen if we need to cut 8 percent, and that is my understanding, which I think is a useful exercise to go through, which is where would we cut if we need to cut.

Now, also my understanding is it is to take money away from non-lethal activities and reallocate that capital to more lethal activities. Do I view the construction of our subs and ships as lethal activities? The answer is yes, because we need to have these ships and we need to get them out there quickly. As—go ahead. Sorry.

Senator SHAHEEN. Well, and as you know, our nuclear attack submarines are one of the advantages that we have over the Chinese. As we are thinking about how do we stay competitive and

stay ahead, it is very important that we ensure that we are able to maintain those subs and keep them operational.

Mr. PHELAN. Yes, that is critical, and I believe that both the Secretary of Defense and the President would agree with those statements. Our nuclear subs and attack subs are critical. So whatever we need to do to get them out as fast as possible, on time, hopefully quicker than the delays that are currently being estimated, and hopefully with some budget savings, we should be able to do that. So I think that is very critical.

I do look forward to visiting the shipyard in Maine and New Hampshire, as well, and see what you are doing. One of the things I want to see is you guys are doing things on time. Why aren't other shipyards adopting this? What are the things that are not happening? Those are things that we really need to start to do.

Senator SHAHEEN. One of the things that is critical to ensuring that work continues on time, and on budget, is making sure that we have the workforce that is required to do that maintenance. Two weeks ago, Senator Collins and I sent a letter to Mr. Emmert, who is the Acting Secretary of the Navy, pending your confirmation, asking him to work with the Office of Personnel Management (OPM) to create an exception for shipyard employees that would protect them from mass layoffs. We have received no response from Mr. Emmert.

The Pentagon is reportedly preparing to fire up to 75,000 civilians, as Senator Reed said. Portsmouth, I think, cannot afford to cut its workforce. In fact, they need to hire 550 workers annually just to keep up with the Navy's demand for submarine repairs.

So can you commit to this Committee that you are going to engage with OPM to protect our employees who are necessary to ensure that they can do the maintenance that is required for our nuclear subs?

Mr. PHELAN. Senator, I commit to you that I will look into this, and I will sit down with the Secretary of Defense and go through this issue and ensure that we have the workforce we need to complete the work we need on the ships and the subs and make sure we have our talent.

Senator SHAHEEN. Thank you. I look forward to hearing a report on that meeting.

Mr. PHELAN. Thank you.

Senator COTTON. Mr. Phelan, greetings. I want to continue along the line of questions that Senator Fischer had about munitions. You mentioned increasing capacity, building new facilities, and I think that is going to be important in some cases. However, there are also cases in which the Navy has consistently underfunded munitions production, and therefore we have excess capacity that is not being fully used. That is the case, for instance, outside Camden, in Arkansas, at the Highland Industrial Park, where we build many of the munitions the Navy uses, like the Standard Missile 3 and the Standard Missile 6.

What are your thoughts on fully funding those programs so we can get up to full capacity in the facilities that we have now, for the Navy, for the other services, as well as for foreign partners?

Mr. PHELAN. Thank you for the question, Senator Cotton, this is an issue important to you. I appreciated the time we got to spend in your office.

If confirmed, I will look into that. I think it is crazy to not have facilities running at full capacity. So if you are under capacity it just raises expense, in effect. It is one of the things I have noticed when I have looked at all these different weapons programs. It seems like the next missile costs more than the first missile, so you have no economies of scale. That is a prescription for bankruptcy. I do not understand how the second and third one is not less than the first one. That is something, if confirmed, we intend to dig into very hard and understand.

I do think having more flexible manufacturing, when you have excess capacity in plants that are already making munitions, we should absolutely make sure that we are taking advantage of that capacity.

Senator COTTON. Thank you. I do agree, that is probably the quickest and easiest way to address some of these shortfalls. As I said, we are going to need more manufacturing capacity, but making sure that current lines that have excess capacity are fully used is probably the quickest way we can get there. I can assure you that we have lots of people in south Arkansas who are eager to do that work.

One other point I would like to make, just to encourage you, once confirmed, to work with our State Department on foreign military sales. That is another way to send the demand signal to our industry, not just our services but our friends in Europe and the Middle East and East Asia, cutting through the red tape and allowing them to buy the weapons that we are providing here, to provide for their common defense.

Mr. PHELAN. If confirmed, I agree with you.

Senator COTTON. Thank you. Senator Fischer also mentioned the sea-launched cruise missile, nuclear, also occasionally known as SLCM-N. I am glad to hear you are committed to carrying out the law there. I think it is an important part of our deterrent.

Another important part of our deterrent is the *Columbia*-class submarine. It is one of the three legs of our nuclear triad. It is the most survivable leg because they are almost undetectable, that guarantees a second strike capability against Russia, and against China, in particular, as China continues its breakneck nuclear buildup. Are you committed to continuing the Navy's highest priority on the *Columbia*-class submarine?

Mr. PHELAN. Thank you for the question, Senator. Yes, the nuclear triad, and in particular the *Columbia*-class submarine is critical to the triad and its deterrence, and we have to absolutely make sure we get that—

Senator COTTON. Thank you. I am very glad to hear that. Some people up here in Congress need to hear it, as well.

The surface navy has not been in a good place for a long time. I have made this case for many years now. Two destroyers, years ago, were wrecked in the Pacific. The *Bonhomme Richard* caught fire. Commanders were found to be overburdened by administrative tasks and under-focused on warfighting. We had a friendly fire incident with the *Gettysburg* in the Red Sea in December 2024, and

just recently a collision between the *Truman* and a merchant ship in the Suez Canal.

I raised this for the last Administration, and it did not seem like we made much progress on it. What are your thoughts on how we can get the surface navy, in particular, back up to the standards of leadership and execution that the Nation expects?

Mr. PHELAN. Thank you for the question. I did read the study that you helped commission in 2021, and I think one of the captains mentioned compliance-centered warfare versus warfighter-centered warfare.

This comes back to the kind of culture issues that I mentioned, which is I think that we have lost some of the adaptability, some of the accountability, some of making sure that people are doing their jobs, and those who are being promoted are the right ones.

I think there is also a lot of pressure on these captains and these commanders today, because we are undermanned, and that puts pressure on the entire force, which is very difficult.

So I think this comes back to recruiting. I think it comes back to retention. I think it is making sure that we promote the best. These people are operating huge, huge assets that are very, very valuable. So we need to make sure they have the skills and that they have the requisite capabilities around them to execute on this.

So if confirmed, I will focus on this relentlessly, and I would hope that we would not have any more issues like that at all.

Senator COTTON. Thank you. Senator King.

Senator KING. Thank you, Mr. Chairman. I love your focus on maintenance. I have a half-facetious but half-serious suggestion. We should benchmark our availability of our ships against Maersk and Carnival Cruise Lines. If they had the low availability that we have, they would have been out of business a long time ago, and you understand that. When you have a major, an enormous capital asset, it should be used. Every minute that it is not used is penalizing the taxpayers and also diminishing the effectiveness of the Navy.

I hope that you will really focus on that, and I would like to see the metrics over a period of years, of time in dry dock versus availability. I take it that that is going to be a significant focus of your work.

Mr. PHELAN. Thank you for the question, Senator King, and I did enjoy our time together. I jokingly say that President Trump has texted me numerous times, very late at night, sometimes after 1 in the morning, of rusty ships or ships in the yard, asking me what am I doing about it. I have told him I am not confirmed yet and have not been able to do anything about it. But I will be very focused on it.

I view it as a critical issue, as you and I do, and I think your idea about benchmarking versus some of those other private sector companies is a very good idea, and understanding how they keep these things running is very important. I know, under a prior Secretary before, they used Southwest Airlines to come in to help with our planes and getting more efficient.

I think there are a lot of best practices to be shared across the two, and I am hoping with my relationships and contacts in the private sector we should be able to do that.

Senator KING. I loved it when you said “we have never done it that way before” is not a sufficient excuse. We have got to be looking forward, not backward.

That brings me to fighting the next war rather than the last war. There are two areas we have fallen behind in, and I believe have been very damaging to national security and our deterrent. One is directed energy. The other is hypersonics. For years I have been asking admirals, that have been sitting in your seat, you are in the GIUK [Greenland-Iceland-United Kingdom] gap. A hypersonic missile is launched from Murmansk. It will hit your aircraft carrier in 12 minutes. What do you do? I have never had a good answer to that question.

We have got to be able to answer that question. If part of our deterrent and our strategy is forward-based naval assets, we have got to have defensive capability as well as offensive capability in hypersonics. Do you take that as a mission?

Mr. PHELAN. I do, Senator King. I believe, as I think Mr. Feinberg the other day mentioned, hypersonics is a key component to our defense, and we seem to be behind, and I believe we need to focus on that. I think, as to directed energy, you and I spoke about this when we met. I believe that recently the Navy executed a successful directed energy defense against drones in the Red Sea. I think it was the HELIOS program, which was very effective. I think it is a very smart way to deter drone attacks. Using \$2 million missiles to take out \$30,000 drones is not a model that is going to survive.

Senator KING. That is not very business-like.

Mr. PHELAN. No.

Senator KING. Directed energy, I think, is about 50 cents a shot once you have the device there, and I do appreciate that finally the Preble and the HELIOS system are in the Red Sea. It has taken an awfully long time. So that is one I hope you will followup on.

The next major surface combatant is called DD(X) [next-generation guided-missile destroyer]. It is the successor to the DDG [guided-missile destroyer], which is being built now in Mississippi and in Maine. By the way, I want to invite you both to the ill-named Portsmouth Naval Shipyard and to Bath Ironworks, where the DDGs are built.

In our legislation we talked about fostering a collaborative relationship between the Navy and the two major shipyards that build DDGs on the DDX design so that it is designed and is buildable. One of the problems is design is separated, and then you go to build it and it is very, very expensive. I hope you will commit to continuing that collaborative relationship and actually stepping it up, because I understand it has faltered, to some extent.

Mr. PHELAN. Thank you for the question, Senator King. If confirmed, I look forward to visiting Maine and New Hampshire with you.

Yes, I am very focused on that. I have been trying to spend as much time trying to understand how the whole process works. I read a book about how the B-2 bomber was designed by 12 people, and I believe when I met with Senator Ernst she had mentioned to me that, I believe, on one ship we have 800 people designing a

ship. So I do not know how you build something with 800 people. It just adds to requirements, mission creep——

Senator KING. Well, collaboration between the Navy and the shipbuilders I think would bear fruit for the taxpayers as well as the buildability of the ship and the time to getting there.

Thank you very much. Workforce and shipbuilding, I wanted to talk about. Believe it or not, parking and childcare are issues in workforce, and that is something. It does not sound like it would be as Navy project to build a parking garage or a childcare center, but that is absolutely necessary in order to maintain the workforce in shipbuilding and the economy that we are in today. I hope that is something you will attend to.

Mr. PHELAN. Yes, as I mentioned in my opening statement, quality of life issues are something we need to focus on, and if confirmed, I will certainly look into that.

Senator KING. That is it. Thank you very much, Mr. Phelan. Thank you for your testimony and thank you for your willingness to serve your country.

Senator COTTON. Senator Ernst.

Senator ERNST. Thank you, Mr. Chair, and good morning, Mr. Phelan. I want to start by welcoming you, saying thank you for stepping up for this position, and to your family, as well. Thank you so much.

Now, we have talked about this, but I have long been committed to cutting waste in Washington, DC, and even the areas that are very, very important to me, like the Department of Defense and the Navy, as well, they are no exception.

The Department of the Navy receives about 30 percent, or a little more, of the defense budget, but there is a lot of financial mismanagement, and we have audit failures that are persisting. So what reforms will you implement to ensure budget accountability and financial transparency throughout the Department of the Navy?

Mr. PHELAN. Thank you for the question, Senator. I know that is a topic important to you, and I appreciated the time we spent in your office.

I think, as I mentioned, in the private sector if you fail an audit, two things happen. You either go to jail or you get fired, and so I think you need to fix it very fast. What I do not currently know, and I have gotten two different answers as I was getting kind of preparatory briefs, is some have said we have the systems in place to tell us where everything is, and others have told me we have got three more fleet commands to get done. So I do not know the answer. I will get the answer, if confirmed, and get to it very quickly.

Candidly, we should be embarrassed that we cannot pass these things and that we do not know where they are. That is important, and it is little things that you do not do that start to become big problems later.

I suspect that financial sorts of management, financial discipline, are just not viewed as that important throughout the Navy, and it is always that they will get the money. I think that just needs to change. That is a culture change. That is a shift.

I think we need to be more transparent, more communicative, and if confirmed, I will sit down and very quickly we will get our arms around when we will get this done. I know that Congress and

the Committee has authorized us to meet an audit by 2028. My question is, if we have all these systems in, why can't it happen this year? I have not gotten that answer, but I promise you I will, and you will hear directly from me and straight from me if we can't get there and the reasons why. I will endeavor to get those fixed as quick as possible.

Senator ERNST. I appreciate that. I just want to take a moment and get on my soapbox about being very wise about some of our acquisitions. We have talked about the acquisitions process. But I want to remind everybody that we all need to participate in exercising a little more thoughtfulness when it comes to our taxpayer dollars. The Navy procured a number of littoral combat ships years ago, when I was first coming into the U.S. Senate. The Navy did not want them, the Navy did not need them, and yet the primes, the Congress, everybody said you are going to have them.

So we ran into a number of issues with those. Many of them, they are just unusable, so they have been mothballed already. We spent billions and billions and billions of dollars on ships we did not need, cannot survive. What a waste. That money could have been poured into other systems that we are talking about today.

But I also want to remind you that we need to think about the future fight. It is not necessarily all about the aircraft carriers and the destroyers. There are a lot of ways we can do intelligence gathering and using other platforms, autonomous vehicles, and we need to think about technology as we move forward too, so we do not have to rely solely on these ginormous, prime systems that are out there.

So with that, and just very little time remaining, we do still have a lot of personnel and workforce challenges, but also the supply chain struggles, which have left many of our ships waiting for critical spare parts and maintenance. We have about a \$1.8 billion backlog of deferred maintenance. What are your thoughts on getting to those backlogs? How can we reduce that?

Mr. PHELAN. Thank you for the question, Senator. Very important problem we have that we need to get focused on very quickly. I think in terms of understanding the maintenance backlogs and the issues, again I need to get in there and go take a look and understand what is happening and why. I have heard different things. I feel sometimes when I am in these, I have been in these preparatory meetings, that it is like a contractor doing a project. It is always someone else that causes a problem.

Until we can get to the root cause I cannot answer your question optimally. But if confirmed, and once in, I will get my arms around this very quickly and do that.

I think to your point about having the right arsenal, the right tools, I intend to sit down with the combatant commanders to better understand what it is they need and why. I think there are a lot of learning lessons from the recent conflict. I think there are a lot of implications on the Navy in terms of what has happened in some of these recent conflicts, and understanding what weapons we need.

Most important, we cannot fight yesterday's fights. We have to fight tomorrow's fights. So incorporating all that, I think, will be very important and critical.

Senator ERNST. Wonderful. Thank you very much.

Senator COTTON. Senator Rosen.

Senator ROSEN. Thank you, Senator Cotton, and thank you, Mr. Phelan, your family, for being here today.

As we discussed in our meeting, Nevada is proud to host Naval Air Station Fallon, home to Top Gun and our Nation's premier carrier air wing, and our Navy SEAL training centers. The Nevada delegation worked for years with the Navy, Federal agencies, and local and tribal governments to pass modernization for the Fallon Range Training Complex into law, which we did in 2023, in our NDAA [National Defense Authorization Act]. Modernization is going to expand that range by 600,000 acres.

The Navy is in Phase 1 of this modernization, currently working to meet the requirement, under law, that grazing permit holders, who will not be able, no longer be able to graze their livestock anymore, receive full and complete compensation for their lifetime of losses, as the Navy needs this land to modernize.

As the Navy goes through the process of appraising the loss of these permits, it is critical that my ranching community, our ranching community in Nevada, and Nevada stakeholders are adequately and fully compensated.

Unfortunately, the first payment offers to ranchers in the B-16 Range have been well below the estimated value of the land. Appraisals must consider FSA loans, groundwater availability, and the lifetime value of the permit and business. I understand these meetings between the Navy and impacted ranchers are happening regularly, and these specific concerns have been raised extensively.

So, Mr. Phelan, will you commit to reviewing and reassessing the Navy's payment offers based on the latest input your team in northern Nevada has received to ensure that every single permit holder in Nevada is made whole?

Mr. PHELAN. Senator Rosen, thank you for the question. I appreciate the important work you have done on this issue, and I know in our meeting we spent a lot of time on this.

As I mentioned to you in our meeting, I have a great appreciation for multigenerational owners of land and how they feel about it and trying to get the right thing. Fallon is a very, very important base, critical training both for air and for our SEALs. If confirmed, I will look into this matter, as I mentioned to you, and to make sure that we create a fair deal for those landowners and for the American taxpayer.

Senator ROSEN. So I am going to ask you for a specific commitment. I am willing to set up the Zoom with key members from your team, the appropriate members who need to be at the table, and my constituents who are having these issues, to have them make it on a Zoom, all be in the Zoom room so that they can connect, that they can talk to each other, because this is what has been missing. Will you commit to helping me to organize that as quickly as possible?

Mr. PHELAN. Senator, I am happy to have that Zoom call and for us to go through that, if confirmed.

Senator ROSEN. Thank you. The other issue we have in Fallon, of course in rural Nevada, is the remoteness of Fallon Naval Air Station. It is a major asset. It provides, as you know, the range

space needed to ensure that our fleet is deployable and operationally ready. The base has been designated a remote duty installation since 1989, and quality of life challenges accompany it. It is the only Navy base in the continental United States designated as a critical housing area. Housing is in very short supply, well, not just in Nevada, I know across the country. But the vast majority of those stationed in Fallon live in Reno or Carson City, which are both about an hour away.

So the Navy anticipates entering into a public-private venture to build 172 new homes in Fallon, but more infrastructure is needed to support the mission as we expand, and we need more firefighters. We also have to expand our existing wastewater treatment, the infrastructure.

So given the importance of the mission at Fallon, combined with the Fallon Range Training Complex, FRTC, the modernization, the base is expected to grow by 35 percent. Further critical services, childcare, medical care, all of these things are really needed. So if confirmed, will you meet with stakeholders so we can continue to grow Fallon and be sure that the services are there for everyone who works there?

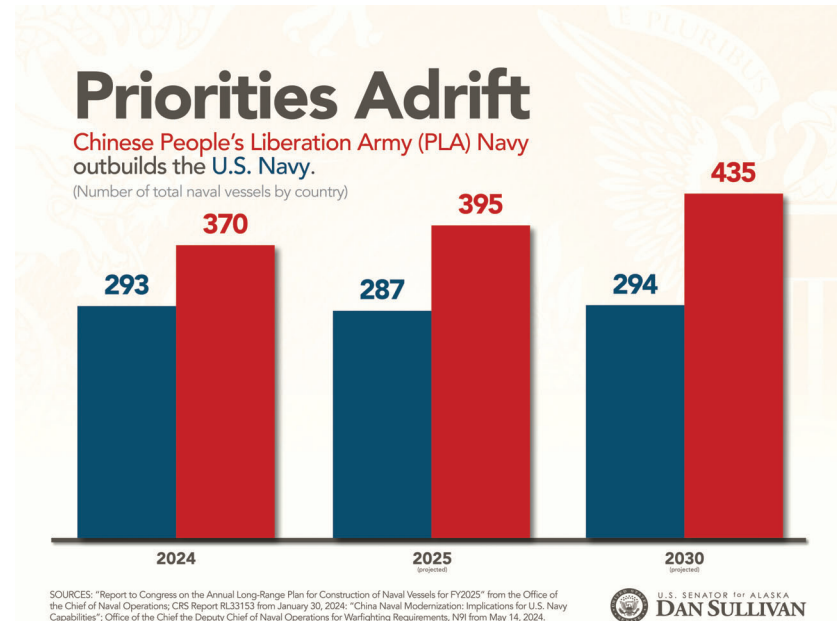
Mr. PHELAN. Senator, thank you for the question. I know this is, again, a very important topic to you. If confirmed, I intend to look into this. I know the housing shortage is real there, and we need to focus on it. I look forward to getting the stakeholders together to study this issue and try to get to an optimal outcome.

Senator ROSEN. Thank you. I appreciate it. The importance of Fallon Naval Air Station on our operational readiness, the readiness of our naval aviators, our Navy SEALs, some of our special operations, is critical so that we expand this base, we have the services, so we are ready to do whatever we need to for service men and women and support them. It is critically important. Thank you.

Senator COTTON. Senator Sullivan.

Senator SULLIVAN. Thank you, Mr. Chairman. Mr. Phelan, thank you very much for your willingness to serve and your family. I appreciate your willingness to take a lot of time with me in a couple of meetings, and I am looking forward to supporting your confirmation.

This chart here depicts, I think, the biggest challenge that is going to be facing you as Secretary of the Navy. I think it is the biggest challenge facing our military, and that is the challenge of the Chinese Communist Party's PLA is on pace to surpass a 400-ship Navy this year, and by the end of 2030, is on pace to have about 120 more ships, compared to our very weak shipbuilding attempts. In 2023, China added 30 ships to its fleet, 15 of which were large surface combatants. We added 2. That is going to define the tenure of your time as Secretary, whether it is successful or not, if we can start to address this challenge.



Fortunately, as you are seeing in this hearing, you will have very strong bipartisan support. Once you get in, take a look under the hood on exactly how we need to address this.

Let me ask one question. One of the things that has not come up yet is the ability to work with our allies to make use of their existing shipbuilding capacity, lessons learned from their shipyards, potential investments. President Trump has expressed an interest in that kind of idea. Do you have any thoughts on that?

Mr. PHELAN. Thank you for the question, Senator Sullivan, and I appreciate it. I appreciated the time we spent together.

Look, this is a critical issue. I think all options have to be on the table. We cannot fall behind. We are already too far behind. So I think that we have to definitely look at expertise and skill that foreign partners have, whether that means they build components, we need to look at that. Or, as you know, Hanwha has recently bought the Philadelphia shipyard, so they are going to look at enhancing that and making that better. So bringing their capital and skill sets here I think will be important. I think this is a very, very critical thing you pointed out.

Senator SULLIVAN. Let me ask this real quick. There is a lot of focus on different surface and submarine warships, all the different platforms. Can you commit to me, and you and I have talked about this, to keep an eye on the amphib fleet? The GAO [Government Accountability Office] recently came out with a report saying the readiness in the amphib fleet is in a dismal State. Less than half of all the ships in our amphib fleet, including four of the nine big Duck amphib, are not deployable.

Can you work with me and this Committee on that very important issue? As you know, we got into law, a couple of years ago,

an amendment of mine saying a minimum of 31 amphibs, 10 big deck amphibs. The last Secretary of the Navy literally ignored that. I would like to get your commitment to work with me so the Marine Corps can have three new ARGs [Amphibious Ready Group] to deploy around the world, which is a huge force capability for the United States.

Mr. PHELAN. Thank you, Senator. I know this question and issue is very important to you. I am glad you raised it. Yes, I will look into this and work with you on this. I know this Committee has passed it, and it is a law, and we need to try to meet that.

Senator SULLIVAN. The Ranking Member mentioned Marine Corps force design. That is an innovative approach the Marine Corps have taken. I think some of us believe that there has been too much combat capability cut out of the Marine Corps. Can you work with me and this Committee on making sure that we have a proper balance on innovation with regard to the Marine Corps but not getting rid of so much amphib and Marine Corps combat capability? Also the marines had previously looked at a UDP [Unit Deployment Program]. They have one in Norway, for cold weather training. They looked at that in Alaska. Can you work with me on doing that, as well, in terms of the overall focus on Marine Corps force design?

Mr. PHELAN. Yes, Senator, I look forward to working with you on that.

Senator SULLIVAN. Finally, I will not disappoint my colleagues here in the Committee. Can I get that next slide? Mr. Phelan, I want to make sure you get a commitment to come to Alaska with me and see the great military up there. Not a lot of Navy and Marines but a lot of Air Force and Army. Can I get your commitment?

Mr. PHELAN. Yes. I look forward to it, Senator.



Senator SULLIVAN. Right now, Alaska is on the front lines of great power competition. This is a slide I have been showing. The Russians, the Chinese are doing bare bomber runs, naval joint task forces, strategic bomber task forces in our ADIZ [air defense identification zone], in our EEZ [exclusive economic zone]. We had two Russian bare bomber runs just 2 weeks ago, in 48 hours.

The ability to address this is challenged by our infrastructure there, both naval and aviation. The United States Northern Command (NORTHCOM) commander and United States Indo-Pacific Command (INDOPACOM) commander, in response to this, which they say are going to continue, recently said they believe that this very strategic Navy base out here, Adak, Alaska, sub base, surface warship base, and a naval aviation base, with huge fuel storage, should be reopened to help address this increasing threat to our northern territory.

Can I get your commitment to work with me on that?

Mr. PHELAN. Yes, Senator. I know it is an important issue, and I think it is worth looking at, and I intend to work with you on it and also talk with the combatant commanders, particularly Admiral Paparo on this, if confirmed. I look forward to learning more about it.

Senator SULLIVAN. Thank you. Thank you, Mr. Chairman.

Senator KING. Mr. Chairman, I wanted to correct the record. I misspoke earlier. The USS *Preble* is not in the Red Sea. It is in Japan. It should be in the Red Sea but it is in Japan. Thank you.

Senator SCOTT. [Presiding.] Senator Peters.

Senator PETERS. Thank you, Senator Scott.

Mr. Phelan, congratulations on your nomination to serve as the Secretary of the Navy, and I am certainly happy that we were able to meet before this hearing and discuss a few of my concerns and

focus areas for the Navy. I certainly enjoyed learning about your priorities, as well, moving forward.

During our meeting we discussed, if you recall, at length, contracting delays, skilled personnel shortages, and overspending related to shipbuilding. As you know, the *Constellation*-class frigate contract was awarded in 2020, during President Trump's first term. Unfortunately, it is experiencing delays with an expected delivery date of 2029, instead of 2026. Now while some of this delay was certainly caused by industry, unfortunately, a good portion of that blame can be squarely put on the Navy.

So my question for you, sir, is if confirmed, how will you collaborate with Congress and industry to ensure timely delivery and sustainment, specifically of the *Constellation*-class frigate?

Mr. PHELAN. Thank you, Senator Peters, for the question, and I did enjoy our time together.

This program is a mess, what it looks like. If confirmed, I plan to dig into this very quickly and understand the issues, and will come back to this Committee very fast with the knowledge that we have, as soon as we get to the root cause of the problem. Most of what I have seen comes from what I have read. I do not know if it is requirement creeps. I have heard that we were using 80 percent design of an existing and only modifying it 20, and that has now been reversed to 80 percent customized and 20 percent standardized. I think we now have a frigate that potentially looks more like a carrier or a battleship, actually, or a destroyer, I would say.

Again, I do not know until I get in there and go take a look at it. There are a number of issues, and there is a lot of pointing fingers at one another. If confirmed, I pledge to work with you on this and get our arms around this and get this resolved quickly and understand what we need to do.

Senator PETERS. Well, I appreciate that. You know, roughly 40 percent of the *Constellation*-class frigate workforce is comprised of Michiganders, and I am extremely proud of that workforce. I am also very proud of the versatile mission and the capabilities of the frigate, from air, surface, electronic, and anti-submarine warfare.

But my question for you, sir, is if confirmed, do I have your commitment to support the *Constellation*-class frigate program—we have got to work through all of these challenges—but as a long-term cornerstone of the fleet, due to the critical role that it will play in those various domains?

Mr. PHELAN. Thank you for the question, Senator. As I said, I will look at this and work with the Secretary of Defense, the Deputy Secretary of Defense, to understand all of the programs we have and how they all fit, and how this important program fits in. So once I have had an opportunity to do that I look forward to coming back to you to discuss it.

Senator PETERS. Very good. I appreciate that.

Mr. Phelan, in 2023, then-Secretary of the Navy Carlos Del Toro announced a new maritime strategic plan to conduct national whole-of-government efforts to transform U.S. and allied naval and commercial maritime power. The Michigan Maritime Manufacturing Initiative was formally launched at that time, within the maritime strategy strategic plan. Through the initiative, the Department of Defense is implementing pipelines and programs tar-

geted to meeting the Navy's demand signal for thousands of new workers that will be necessary for this, and jobs, across my State as well as all across the Great Lakes region.

So my question for you is, how do you plan on using the submarine industrial base funding to partner with states like Michigan, who are industrial states and manufacturing states, particularly precision manufacturing, that can play a key role in addressing supply chain and workforce challenge in this highly technical field?

Mr. PHELAN. Thank you, Senator, for the question. Look, I think Michigan has a great tradition of manufacturing and industrial capability. I think that we need to look across the country to find the appropriate expertise and skill set and workers to do what is a highly complex manufacturing process. The fact that some of those skills already reside there is obviously an advantage, and an important advantage.

So if confirmed, I will look into that, and this is, as I said before, an utmost priority, is making sure that we can ensure that our subs are done on time and on budget.

Senator PETERS. Great. Thank you. Thank you, Mr. Phelan. Thank you, Mr. Chairman.

Senator SCOTT. All right. Mr. Phelan, let me just ask a couple of questions. First up, we have a picture. I just want to get your reaction. I do not know if you have seen this picture yet. This was the USS *Dewey*, in Singapore last week. How does it make you feel?



Mr. PHELAN. Please do not give it to President Trump because I will get a text at like one in the morning.

Senator SCOTT. I am taking it over to the White House right after this, so you will know exactly what your expectations are.

Mr. PHELAN. Yes, I think that is terrible. I think they should be ashamed. I mean, would you want to go on that ship?

Senator SCOTT. No. But if this happened on our ship, we would all have been painting all night long. I mean, we had to constantly paint our own ship. We never would go into a port, when I was in the Navy, it looked like this. It is pretty disgusting.

So you have heard those stories. We do not have enough ships. We cannot build ships. We are not building the right ships. Recruiting is bad. Retention is bad. Maintenance is bad. So, what is your pitch? So you are a business guy. You have dealt with troubled companies before. So how would you do it?

Mr. PHELAN. Thanks for the question. It is very complicated because this is a huge organization that is very complex, with a lot of tradition in it. I think at the end of the day, I have to work with the key senior leadership and set the vision and the tone for what we are going to try to accomplish. I am hopeful that a large majority of that leadership is on board with that vision and that tone and what we are going to try to do. If they are not, then they should reconsider staying on, ultimately.

I need them and they are going to need me. So we need to work together in order to try to turn this around. I think we are at, as I said, a critical inflection point. I take our adversaries at their word. These are very strong people who are going to try to take on our dominance and try to supplant the United States, and I think we are at a much more critical time than most people recognize.

I think we need to fix the Navy. I think it was Ronald Reagan who said the only thing more expensive than a Navy is not having a good Navy, and I believe that is actually right.

So I think it is basically setting the proper vision, setting the proper benchmarks, keep performance indicators, and then creating the appropriate feedback loops to make sure we are getting those done, and having the right team to do it. We have done this before with many companies. Again, this is a complicated one with big tradition. Some of those traditions need to be respected. Some of them need to be questioned, and we need to modernize. That is what I would hope I would bring to the table is more of a partnership approach but with a shared vision and purpose.

Senator SCOTT. So were any of your companies like this?

Mr. PHELAN. I have dealt not with a company this size, but I have dealt with companies that had a lot of complications and that needed to be changed quickly.

Senator SCOTT. All right. Thank you. Senator Warren.

Senator WARREN. Thank you very much, Mr. Chairman. Congratulations on your nomination, Mr. Phelan.

Let's talk about efficiency at the Defense Department. Last year, the Navy asked for \$260 billion to buy everything from ships to night vision goggles. One reason it cost so much, big defense contractors slip restrictions into their contracts that deny sailors access to technical data that they need to maintain or repair equipment, even equipment that the Navy owns.

So I want to give you an example. The Navy's littoral combat ships are designed to operate close to shore, to hunt mines, and to sink submarines. But this ship has been bogged down with maintenance issues, and when something breaks, sailors are not allowed

to make repairs themselves because Lockheed Martin and General Dynamics do not let them have access to the necessary data and materials.

So what does the Navy do? The Navy has to fly contractors out to these ships, which ProPublica found, quote, "adds millions of dollars in travel costs and often delays missions."

Mr. Phelan, these kinds of extra costs and delays to fly contractors to the Pacific to fix minor repairs, are they an efficient use of taxpayer dollars?

Mr. PHELAN. It does not sound like it to me, Senator.

Senator WARREN. I am glad to hear that. Let me give you another example. The Government Accountability Office found that fuel tank level indicators were improperly calibrated on the USS *Fort Lauderdale*, built by Huntington Ingalls. Now, it seems like an easy fix, right? You just go in and recalibrate these things. Uh-uh. The Navy's technicians were denied the information they needed to do that, so every time they had to recalibrate the indicators the Navy had to fly out one of the contractor's technicians.

Mr. Phelan, does not being able to maintain important ship parts put the Navy's readiness at risk?

Mr. PHELAN. It sounds like it, Senator, and I think, as I mentioned earlier, these contracts are something that really need to be reviewed and better understood. I think that, if confirmed, that is something I intend to do is focus on that.

Senator WARREN. I appreciate that, Mr. Phelan, but I want to see more than just "reviewed" here. Sailors need to be able to rely on their equipment, and that means being able to maintain their own equipment. But from fiberoptic navigation lights to cranes that deploy search and rescue boats, sailors do not have the right to repair their own equipment thanks to defense contractors who want to squeeze more money out of the military.

Many people on this Committee, both sides, Democrats and Republicans, understand the risk here. Chairman Wicker released a report last year showing DOD, quote, "consistently underperforms in procuring data rights," and pointed to the lack of technical data as a factor that, quote, "inevitably leads to reduced training and readiness."

Mr. Phelan, can we count on you to advance the Navy's right to repair its own equipment?

Mr. PHELAN. Thank you for the question, Senator. I know this is an issue very important to you. As I said, it is something that I intend to study and look at, and what I would commit to you is let me come back to you and look at this and understand it, because it is a complicated issue. I am in agreement with a lot of the examples you have given do not make sense to me, but I am not up to speed enough yet to give you that answer. But I will come back and see you and commit to that and look at this.

Senator WARREN. I appreciate that. But I just want to say right now, this makes me uneasy, because there is so much pressure to continue to let these defense contractors take advantage of our servicemembers who, we waste taxpayer dollars, we delay missions, we actually put people at risk because we are not permitting basic right to repair. Technical data needs to be a must-have in acquisition contracts for the Navy. My Servicemembers Right to Re-

pair Act would make sure that the Navy and every other part of our military have fair access to the data right and to the other materials that servicemembers need to be able to repair their own equipment and keep themselves safe.

Military right to repair has bipartisan support here in the Senate. I want to work with the Administration, I want to work with my colleagues, and I want to work with you. We owe it to our taxpayers, and we owe it to the men and women in the field to get this straightened out. What is happening right now is fundamentally wrong, and we can put a stop to it.

I apologize for going over, Mr. Chair.

Chairman WICKER. [Presiding.] Thank you very much, Senator, and Senator Banks is next.

Senator BANKS. Thank you, Mr. Chairman, and congratulations, Mr. Phelan. You have been nominated to my dream job, the Secretary of the Navy. I do not think in my lifetime it has ever been more important that we have a leader like you to make the Navy great again, make it strong again. It is especially important to me because I wore the uniform and served as Navy Reserve officer for 10 years. I wanted to ask you, from the outset, have you thought a lot about the importance of the Reserves, and making sure that the Navy Reserves remains a strong component of the United States Navy. Have you given a lot of thought to that and how important it is and what you can do to strengthen it and make it even better?

Mr. PHELAN. Thank you, Senator Banks, for the question. I know it is an important issue to you, and I enjoyed spending time with you in your office.

I think the Reserves are something we need to really look at and strengthen and make better. I think it is kind of, you know, what I have heard again, is that the Reserves are kind of an afterthought, a little bit, in today's Navy, and that is a mistake. I think you have seen Reserve forces used with great efficacy in the Marines and in some of the other service branches, and I think that is something to be looked at, and if confirmed, I look forward to working with you on that, and getting some ideas on that.

Senator BANKS. I appreciate your commitment to that. I deployed to Afghanistan as a Navy Reserve supply corps officer. The Navy Reserves gave me an opportunity, a little bit later in life than typical military service, to use skills that I had, experiences that I had to contribute, to wear the uniform, to serve my country, never thinking that I would give 20 years and retire, but that avenue to service is what the Navy Reserves, the Reserve component, is all about. I appreciate your commitment to making sure that everyone in the Navy organization understands how valuable the Reserves are, and work together to strengthen it.

The other thing we talked about in my office, and I want to talk about today, is the historic recruitment crisis in the United States Navy. In the over 50 years of an All-Volunteer Force, the Navy has missed the mark year after year, under the last Administration. The last Administration had to lower standards to meet their recruitment goals. I wonder, have you thought about that? I mean, how can we get standards back to where they need to be, to find the best and the brightest, the young leaders, whether enlisted or

in the Officer Corps, to fix the recruitment crisis of the United States Navy?

Mr. PHELAN. Thank you for the question, Senator. Look, I think it is critical that we have standards that are high and that we have people who can meet those standards. The business is warfighting, and there is no margin for error in that. So you need the most capable and best people, and we need to have high standards to meet that.

I think that there are some things to learn from some of the other services in terms of what they have done recruiting-wise. I think the Marine Corps, in particular, have done a very effective job at it. What I understand is the Marines Corps put some of their best leadership into the recruiting role, and that is one of the reasons why they do so well with it.

So I am going to try to adapt some of the best practices we get from other services and from my business experience in how to attract and retain talent. A lot of it is making sure that whatever the job may be, that you kind of have the appropriate skill sets mapped out, and then you try to hire that person. I think that is really an important thing.

I think one of the important things, what I have learned in business, is you always want to hire the person for tomorrow, not for today. What happens to a lot of organizations is you hire for that immediate need, and then that person cannot grow to that job. In this business, we need to be hiring the Mr. and Mrs. Tomorrows, to make sure that they can compete and do.

Recruiting will be a major focus for us.

Senator BANKS. Yes, your business background, what you bring to the table, I think can go a long way to helping improve that process. The great news is that the day President Trump was elected, on Election Day, we saw an immediate bump in recruitment at all of the branches. It is remarkable. But it just goes to show that when we tell the young men and women all over this country that America is worth fighting for, that wearing the uniform is indeed the greatest honor that you can have, then those recruitment numbers will go up.

I think you are the man for the job to help us get that done. I appreciate you serving our country in a big way in the United States Navy. I look forward to working with you. You have my full support.

Mr. Chairman, I yield back.

Chairman WICKER. Thank you, Senator Banks. Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman. Thank you for your willingness to serve, Mr. Phelan.

I think you are very familiar with the firings that have taken place in the Defense Department already, the firings of some of the top military leaders, apparently based purely on an issue of political loyalty, not loyalty to the Constitution. Some of our most distinguished and dedicated leaders, including the Chairman of the Joint Chiefs of Staff, the Chief of Staff of the Navy, Lisa Franchetti. Have you spoken to her?

Mr. PHELAN. I have not, Senator.

Senator BLUMENTHAL. Do you plan to do so?

Mr. PHELAN. If confirmed, Senator, I would be happy to hear her views and understand her perspective on things. Obviously, I was not privy to the releases of those people. I would—

Senator BLUMENTHAL. You would agree with me that she is a dedicated officer with an extraordinarily distinguished record of contributing to our country.

Mr. PHELAN. Yes.

Senator BLUMENTHAL. In addition, the Administration appears to be undertaking a first wave, part of a purge, an 8 percent slash to both the budget and defense workforce. I view it as a breathtaking act of disrespect. The Administration has branded these positions as non-mission critical, and I do not know if you are familiar with a memo on the fiscal year 2026 President's budget relook, that reveals the staggering implications of these decisions.

Within its pages, somewhat buried, is a list of proposed reductions amounting to an 8 percent decimation of the existing fiscal year 2026 budget estimate submission. It is a cut of \$70 billion from the \$876 billion defense budget. To put it in perspective, the Pentagon spent only \$100 million on DEI [Diversity, Equity, and Inclusion] initiatives and approximately \$600 million on climate-related programs. So combined, these expenditures are only about 0.1 percent of the defense budget, and yet there is this huge, slashing cut planned that will cause 72,000 personnel to be cast aside, along with spending cuts of upwards of \$70 billion.

Do you support those kinds of cuts?

Mr. PHELAN. Thank you for the question, Senator. As I understand it, these proposed budget cuts were put in for planning purposes, and then to basically take, redirect assets from non-warfighting elements—

Senator BLUMENTHAL. That is why I am asking you. Do you support those cuts?

Mr. PHELAN. Senator, I do not have enough familiarity with them to tell you whether I would support them or not support them.

Senator BLUMENTHAL. Well, would you walk into a corporation—you have taken over many, and you have turned them around—knowing that already a decision had been made to slash your workforce by 10 percent, indiscriminately, across the board, and you had no say in that decision.

Mr. PHELAN. Again, Senator, I am not privy to how they got to their conclusions on this or what they did or what the criteria was, so it is difficult for me to comment on it.

Senator BLUMENTHAL. Well, would you walk into a situation, in a deal—you have done many; you have turned around corporations—where there was a 10 percent slash in workforce before you even started?

Mr. PHELAN. Again, Senator, it is a hard question to answer because I think typically—

Senator BLUMENTHAL. You know, I think that is probably a no. I do not think any expert business person in your line of work would do it.

Would you agree with me that the concerns about politicization of our armed services are well founded, given the kind of firings that we have seen?

Mr. PHELAN. Senator, I do not believe politicization should be in the military, and I do not believe those actions were politicization, but I don't know. Again, I was not part of them, and I have not had any discussions around them.

Senator BLUMENTHAL. Thank you.

Chairman WICKER. Thank you, Senator Blumenthal. Senator Kelly.

Senator KELLY. Thank you, Mr. Chairman. Mr. Phelan, thank you for being willing to do this very important job. The Navy, in particular, means a lot to me. I spent 25 years on Active Duty in the United States Navy, one of the great fighting forces in the world.

I understand earlier you mentioned my SHIPS for America Act. I appreciate that. Senator Young and I, and House members are working on bringing back the U.S. Merchant Marine from its rather dismal State of about 80 ocean-going merchant vessels to something much larger than that. Our adversary on the oceans, China, has 5,500 ocean-going merchant ships. We have 80. We have got to rebuild this industry. It is a national security and economic security issue for us. So thank you for bringing it up. I look forward to getting your feedback on the legislation.

But I want I want to discuss now is something more specific, a weapon system called SLCM-N, the nuclear version of the submarine-launched cruise missile, that is sort of being debated. I want to make sure we are clear on the direction of the system and understand the opportunity costs that might come with fielding it.

So if we field SLCM-N, it would likely necessitate removing some conventional munitions from *Virginia*-class submarines and making some significant changes to the security systems, the launch control systems within the submarines. That is concerning to me if we wind up in a conflict in the Western Pacific, with China. I do not think that conflict is inevitable. One of our great advantage over other navies is our submarine force.

Mr. Phelan, given the cost and operational challenges, do you believe the SLCM-N, the nuclear-armed sea-launched cruise missile program, is worth some of the tradeoffs, and if confirmed, what direction do you plan to take the Navy in with regards to the integration of this missile? Do you think we need it for deterrence?

Mr. PHELAN. Senator Kelly, thank you for the question. I did appreciate the time we spent in your office, and your viewpoints on this I thought were interesting.

I have not been read into the program so I do not have classified information, so it makes it a little difficult for me to ask you. I know there are very strong debates on both sides as it relates to it, and I look forward to working with the Secretary of Defense to come up with what we hope will be the optimal answer as it relates to it. So if confirmed, I look forward to working with you on the program and better understanding the pros and cons of it, and hopefully coming up with the best solution.

Senator KELLY. Yes, it is a big decision. It is one of the, I would say, bigger ones that Navy has to face with regards to a weapon system.

Another decision that is going to have to be made here at some point is whether to move forward with the development of F/A-XX

[future sixth-generation strike fighter]. This is the Navy's version of NGAD [Next Generation Air Dominance] fighter. We need an asymmetric capability. My view on this, in trying to penetrate the A280 bubble that China has built in the Western Pacific, is we need a capability that can fight its way in.

Right now, the F-35 has fantastic capability. It is very hard to see on radar. I mean, the stealth qualities of that airplane are not matched anywhere else in the world. But China continues to build significant weapon systems, surface-to-air, air-to-air missile systems, that have much greater range, ways to detect fighter aircraft. This is changing very, very rapidly.

I am not going to ask you a question on this. I just want—well, I just want some reassurance that you understand the challenge in the Western Pacific, that we cannot just replace this stuff right now, anyway, with unmanned systems. Hearing some of that from some corners of the Administration, where the thought is that we could just do all this stuff with drones—we cannot. We do not control the electronic warfare environment the way we would need to do that. I think some day we could get there. I just do not believe now is the day. With the Chinese, some of their innovation, there are areas where we have traditionally stayed way ahead. I am concerned that we are getting to the point, in some of these areas, where they are catching up, and these are the kinds of things we need.

So thank you. I look forward to working with you on it.

Chairman WICKER. Thank you, Senator Kelly. No doubt Mr. Phelan is now quite aware of your view on this issue, and they make a lot of sense. Senator Hirono.

Senator HIRONO. Thank you, Mr. Chairman. Welcome to you and your family.

I ask the following two foundational questions relevant to fitness to serve of every nominee before any of my committees. Since you became a legal adult, have you ever made unwanted requests for sexual favors or committed any verbal or physical harassment or assault of a sexual nature?

Mr. PHELAN. No, Senator, I have not.

Senator HIRONO. Have you ever faced discipline or entered into a settlement relating to this kind of conduct?

Mr. PHELAN. No, Senator, I have not.

Senator HIRONO. Mr. Phelan, I represent Hawaii, which is a locale for INDOPACOM, the largest AOR [area of responsibility] critical to our Nation's defense. I am glad that you testified that politics should not enter into how the DOD is run, and of course, the Navy. But we have Elon Musk with his chainsaw, cutting government programs and eliminating positions without any transparency or criteria. Do you think this approach will hurt Navy strength and readiness?

Mr. PHELAN. Thank you for the question, Senator Hirono.

Senator HIRONO. That is a yes-or-no answer, please.

Mr. PHELAN. It is a hypothetical question. I do not actually know what DOGE is doing and how they are doing it. I am not privy to that so I cannot really—

Senator HIRONO. Okay, that is kind of amazing because you are going to lead the Navy, and not to insult you or anything, but I

do not think you need a lot of information to conclude that a slash-and-burn approach to programs and personnel is the way to go.

In 2021, a massive and devastating leak at the Red Hill Fuel Storage Facility contaminated Oahu's drinking water. Ninety-three thousand people were affected. They had to move to hotels. Some of them left the State altogether, and it certainly hurt the military's reputation, although it was actually a naval facility. But for the people of Hawaii, they do not need to make a distinction between something that the Navy was responsible for versus the Army or Air Force or the Marines. So it is taking a lot to rebuild the community's confidence in our Navy.

Ultimately, the senior DOD leaders made the correct decision to defuel and permanently close the facility, a complicated, as you can imagine, ongoing effort being led by the Navy's Closure Task Force, and it is scheduled to complete in 2028.

I would like to get your commitment to see through the completion of the transparent closure of Red Hill, which involves not only providing the adequate resources and manpower but also close collaboration with the State government officials and the Hawaiian community to restore trust and faith in the military.

Mr. PHELAN. Thank you, Senator. I know this is an issue very important to you. I am committed to a full review of the issues at Red Hill as related to the people of Oahu and Pearl Harbor, and I am committed to the Navy fixing the issues that the Navy is responsible for.

Senator HIRONO. I think seeing this project or seeing this issue through is going to be one of the major ways that you are going to be able to restore faith.

The Navy is currently building a critical new dry dock at Pearl Harbor to support *Virginia*-class attack submarine maintenance, and this construction project is the largest in DOD history, at nearly \$4.5 billion, but has been beset by significant cost overruns, including an \$834 million—that is not very far from a billion—increase just last year.

I hope you are prepared to take steps to ensure that this dry dock project remains on time and on budget and, in fact, I included a provision in last year's NDAA directing the Secretary of the Navy, which would be you, should you be confirmed, to conduct briefings on steps being taken to prevent future cost overruns.

Mr. PHELAN. Senator, thank you for the question. I am going to have to see a \$4.5 billion dry dock. That is something that seems quite astronomical to me. If confirmed, I look forward to seeing it there and hopefully visiting with you there to see it, and you do have my commitment to getting my arms around this.

Senator HIRONO. Yes. I think that it is going to be very critical that we do not keep getting the kind of increases that happened just about 2 weeks after I was at the opening, wherein I said I hope that this is going to come in on budget, and the next thing you know it is a billion dollars more.

Thank you, Mr. Chairman.

Chairman WICKER. Thank you, Senator Hirono. Mr. Phelan, let me just say that that type of overrun has to end. We have got to wrestle this issue down to the deck, and I hope this is the moment where we can turn that around. Senator Rounds.

Senator ROUNDS. Thank you, Mr. Chairman, and Mr. Phelan, first of all thanks for the opportunity to visit with you in my office. I appreciated that, and I most certainly think that you have got a good insight into what some of the challenges are.

I also want to say thank you to your family for their recognition of what you are in for and the challenges of having a family that will not see you as much as they would have otherwise. So I appreciate their sacrifice in this, as well.

Mr. Phelan, as you have heard me say before, and we talked a little bit about this in my office, 24 senior DOD officials have confirmed that forcing the Department of Defense to vacate any portion of the 3.1 to 3.45 GHz band of the spectrum would have severely negative consequences on our warfighting capabilities. Specifically, the Navy relies heavily on spectrum, especially as it pertains to radar. As we speak, our sailors are conducting missile defense missions off the coast of the U.S. Homeland, with *Arleigh Burke*-class destroyers, and the Navy is protecting our deployed forces in the Red Sea against pervasive Houthi missile and drone attacks, with their AN/SPY-6 radars on seven different classes of ships. The Navy's Aegis Combat System relies heavily on the lower 3 band, using radars to track threats and guided weapons to targets.

If the Navy had to vacate that portion of the spectrum, testimony before this Committee indicates it would cost up to \$250 billion to migrate those capabilities elsewhere, which may not even be possible, given the unique physics of the lower 3 band.

If confirmed, will you advocate for protecting the Navy's warfighting systems that require spectrum to function optimally?

Mr. PHELAN. Senator Rounds, thank you for the question. I did enjoy our time together, as well. I am aware of this issue, and I do not believe any changes should be made that increase risk to the Navy.

Senator ROUNDS. Thank you, and look, we have got to do something about 5G and about being able to expand our abilities here in terms of 5G and beyond. The fear I have is that some interests do not understand how significant the threat is to our Homeland, and in particular with the fact that the President has indicated he really would like to do an Iron Dome for America like has been done in Israel. There is no way he could do that without the protection of this particular part of the band. That is the reason why I continue to bring this up. It is critical that we continue to let the American public know, with these public discussions, but also individuals, our concern about what could happen if we do not protect that band of the spectrum. So I thank you for that statement, sir.

Also, I understand that it basically costs right now, and based upon what the Chairman's concern has been about shipbuilding and so forth, I understand that it costs roughly twice as much to build a ship in the U.S. as it does elsewhere. Have you given any thought to how AI and automation could be leveraged to dramatically increase our shipyard efficiency?

Mr. PHELAN. Yes, Senator, I have, and I think there are a number of ways. We are in the early stages with AI and its implementation, and its ability to impact this. But I do think that there are going to be ways to increase digital design and things that will

allow us to design things quicker, to potentially reduce change orders, as I like to call them, and increase speed of production. I think there are a number of things being done with 3D printing that we need to be looking at, particularly as it relates to parts and things along those lines.

So if confirmed, I look forward to working with you and this Committee on some of the more technologically advanced ways we can increase manufacturing and help get our shipbuilding base in order.

Senator ROUNDS. Thank you. I have got language, by the way, in the NDAA, the fiscal year 2025 NDAA, that would require the Navy to use AI-enabled software to optimize workflow at one or more of the shipyards. I am just hope that would be something that you would support, and it sounds like you would, so I appreciate that.

Let me just finish with this. Analysts agree that there is a growing potential that our next great conflict will be a multi-theater conflict involving multiple near-peer adversaries. If confirmed, what steps would you take to prepare the Department of the Navy to simultaneously execute and sustain operations across multiple regions while maintaining readiness and deterrence globally? Two theaters, not just one.

Mr. PHELAN. Thank you, Senator, for the question. Look, this is a critical thing, and I need to work with the combatant commanders, the CNO, and the Commandant of the Marine Corps. My job is to train, man, and equip the Navy to make sure that they have all the appropriate tools that they need in order to defend the country and to take on our adversaries.

Senator ROUNDS. Thank you. Thank you, Mr. Chairman.

Chairman WICKER. Thank you, Senator Rounds. Senator Kaine.

Senator KAINE. Thank you, Mr. Chairman, and Mr. Phelan, good to see you again. I enjoyed our visit.

A report came out this morning, at 10, so nobody has had a chance to really see it, but I would recommend it to you. It is from the GAO, and the title of it is, "Shipbuilding and Repair: Navy Needs a Strategic Approach for Private Sector Industrial Base Investments." I am just going to read you, on page 67, the opening paragraph, or the conclusion.

"Problems in Navy shipbuilding and repair have remained relatively unchanged over the past decades. Programs are not achieving costs and schedule goals, and as a result, the battle force is not sufficiently modernized and ready to meet national security needs. These problems are, in part, because the ship industrial base faces workforce and infrastructure challenges that put the Navy's goals out of reach."

Here is the part I really wanted to read:

"Yet the Navy continues to expect different performance outcomes in the coming years than it has achieved in the past. There is no basis for expecting industrial base outcomes to improve without changes from the Navy that would motivate a different level of private industry investment and performance."

I would like to introduce the report for the record, Mr. Chair.

Chairman WICKER. Without objection, and with a hear, hear.

Senator KAINE. Yes.

Chairman WICKER. It is so ordered.

[The information referred to follows:]

Please see Appendix A for the GAO report.

Senator KAINE. I think that this is something you are going to want to read, although much of it seems to track things that we discussed.

You are a nontraditional appointee for this position, and that can be okay if the tradition is not working, and I think the punchline in this report is the tradition is not working. I explained to you that having been on the Committee now in my 13th year, and always been in the seapower space, that I have kind of operated on the assumption that if we just do our job here on the resource side, the Navy and our innovative private sector will deliver a product successfully, and I have been wrong in that assumption. It has not worked.

Last year, we not only had a robust defense budget but we joined together in a bipartisan way twice in the year to bulk it up, once in the April supplemental package and then once at the end of the year.

So just putting more money into the bucket without changing how we are doing things, I now have completely lost confidence that that is going to solve the problem.

That leads me back to you. You are a nontraditional nominee, but you are nominated for a position where the tradition does not seem to be working, and so that makes me intrigued with what you might do differently than has been done in the past.

When the President asked you to do the job, I know you guys—I do not want to really get into the substance so much, but he asked you for a reason. There were other people he could have asked. In the discussions with the President, what do you understand to be his priorities for the Navy and why he would think that you would be the right person to carry out those priorities?

Mr. PHELAN. Thank you, Senator, for the question. I did enjoy our meeting, as well.

I do not think I can say shipbuilding enough times in terms of the President's priorities, as he has made it very clear. I think what is missing, from what I can see, is the sense of urgency. It is kind of, we are just going along, and it is kumbaya. It is almost as if you are waiting for a crisis to happen to ignite things. I think in the business of warfare, that is a dangerous place to be.

So I think why the President selected me is I will bring a sense of urgency to this. I will bring a sense of accountability to this. I am good at setting up feedback loops. I am good at creating accountability and making sure people execute. I am good at rewarding performance. You perform, you move up. And I think those are all things that need to happen and need to be looked at again. And I think that sense of urgency is important.

You know, again, I jokingly mentioned earlier in the hearing, the President texted me, I think it was 1:18 in the morning, of like three rusty ships in a yard, and said, "What are you doing about this? This is terrible. How can this exist?" He is very focused. You

know, Senator Wicker initially asked, do I still want the job after hearing everything. He is a demanding man who wants things done. And it will be a challenge, but I think the Navy needs to recognize that.

And I think one of the keys is you have to develop a strategy and a vision, and then you basically have to come up with a force goal, so that strategy is going to drive the force goal. So you sit down with the combatant commanders and come up with a force goal. And then you have got to make it affordable.

So we are going to need to make tradeoffs. We are going to need to look at what is working, what is not working. What legacy systems no longer matter? What other conflicts have we seen things happen that is going to inform what we should do?

Senator KAINE. I will say on that one, one virtue of being a newcomer to this, in some ways, is you are not attached to a legacy system because it was the system that you trained on and you have a particular loyalty to.

I am over time, but I will just say this to conclude. I am heartened to hear—I mean, I do not mind criticizing the President when I think he is wrong, but when I think he is right, I will say it, and I think shipbuilding is a focus, shipbuilding and ship repair.

And one of the little plusses in this report is they actually say that we have gotten better at ship repair in the last 5 years. Still got a long ways to go, but we actually have shown some improvement. So there may be some improvement strategies that would think about and then apply to shipbuilding.

I would love to go with you down to the shipyard in Norfolk sometime, the public shipyard and the Huntington Ingalls shipyard where we build carriers and subs.

With that, Mr. Chair, I yield back.

Mr. PHELAN. I will look forward to that.

Chairman WICKER. I think you will be doing a good bit of traveling to shipyards, Mr. Phelan.

At this point I ask unanimous consent to enter into the record a number of letters supporting the nomination of Mr. Phelan, the first by Thomas J. Mundell, President and CEO of the National Medal of Honor Center for Leadership; the second being a letter signed by Melissa P. Allen, President and Chief Operating Officer, and Steven D. Cashen, Chief Executive Officer, of the Third Option Foundation; the third being a letter from Robert Sweetman, Navy SEAL retired, founder of the Creed for Peaceful Warriors; fourth being a letter of endorsement from Jim Hake, Founder and CEO, on behalf of the Spirit of America; and finally, a letter of endorsement from Pam Zembiec, widow of Major Doug Zembiec, known to many as the Lion of Fallujah.

Without objection, those letters will also be entered into the record.

[The information referred to follows:]



National Medal of Honor Center for Leadership
 962 Houston Northcutt Blvd, Suite 203
 Mount Pleasant, South Carolina 29464
mohcenterforleadership.org

February 25, 2025

Chairman Roger Wicker
 Ranking Member Jack Reed
 Senate Armed Services Committee
 228 Russell Senate Office Building
 Washington, D.C. 20510

Dear Chairman Wicker, Ranking Member Reed, and Distinguished Members of the Senate Armed Services Committee,

I write to you today on behalf of the National Medal of Honor Center for Leadership to express my strong and unequivocal support for the nomination of John Phelan as the next Secretary of the Navy. His distinguished career in leadership, strategic decision-making, and commitment to service aligns with the values that define our nation's military and the principles we seek to instill in future generations—honor, integrity, courage, and accountability.

At the Medal of Honor Center for Leadership, we work to ensure that the extraordinary values embodied by our nation's most decorated heroes are passed on to future leaders. Strong civilian leadership of our armed forces is critical to this mission, and Mr. Phelan's extensive experience in managing complex organizations and navigating high-stakes decisions makes him uniquely suited to lead the Department of the Navy.

As a business leader, investor, and philanthropist, Mr. Phelan has demonstrated an unwavering commitment to excellence. His role as a Partner and Co-Chief Investment Officer at MSD Capital required the ability to assess risk, optimize resources, and drive efficiency—skills that are essential in the oversight of one of the most complex branches of our military.

His leadership extends beyond the private sector, as he has played a key role in educational initiatives and leadership development, underscoring his dedication to shaping the next generation of Americans who will serve and lead.

Mr. Phelan's appointment would bring a fresh, results-driven perspective to the Department of the Navy. At a time when our naval forces must maintain strategic superiority, confront global challenges, and adapt to evolving threats, his leadership will ensure that our sailors and Marines have the resources, training, and support they need to succeed.

Furthermore, his ability to foster collaboration between the public and private sectors will help modernize and strengthen the Navy's capabilities for the future.

For these reasons, I strongly urge the Committee to confirm Mr. Phelan as Secretary of the Navy. His proven leadership, strategic expertise, and commitment to service will make him an exceptional steward of our naval forces and an advocate for the men and women who defend our nation and their families.

Thank you for your time and consideration. Please know I deeply appreciate your dedication to ensuring the best possible leadership for our military.


Respectfully,

A handwritten signature in black ink, appearing to read "Tom Mundell".

Thomas J. Mundell
 President & CEO

COURAGE SACRIFICE CITIZENSHIP INTEGRITY COMMITMENT PATRIOTISM

THIRD OPTION



26 February 2025

Chairman Roger Wicker
 Ranking Member Jack Reed
 Senate Armed Services Committee
 228 Russell Senate Office Building
 Washington, D.C. 20510

Dear Chairman Wicker, Ranking Member Reed, and Esteemed Members of the Senate Armed Services Committee,

We are writing on behalf of Third Option Foundation to acknowledge Mr. John Phelan for his extraordinary service and dedication to our mission. Third Option Foundation was established in 2013 to support the officers and families of the CIA Special Activities Center (SAC) and the families of SAC fallen officers. Since the Foundation's inception, Mr. Phelan has been a stalwart supporter and leader of our organization and has demonstrated unwavering commitment to our constituency.

Third Option Foundation was founded in the wake of a tragedy involving the loss of many SAC officers killed in action while supporting covert operations abroad. As the spouses and children of these fallen heroes struggled with the lack of access to military support services typically available to families, they found themselves facing overwhelming financial and emotional challenges. It was during this difficult time that Mr. Phelan stepped forward, offering vital assistance to Third Option Foundation. Investing time, talent and treasure, Mr. Phelan worked with our Founders to ensure that these families had an organization to lean on and resources to navigate their grief and their lives, moving forward.

In the years since, Third Option Foundation has grown into a trusted resource for SAC families in crisis. We provide comprehensive support to SAC officers, their families, and the surviving families of SAC fallen, who do not fall under the typical military assistance framework. In his role of Chairman of our Board of Directors, Mr. Phelan played a key role in guiding our organizational growth, advising on strategic direction, and developing our comprehensive programming to ensure that our constituents receive the support, resources, and recognition that they deserve. Due in large part to his leadership, we are now assisting hundreds of families facing some of the most trying circumstances imaginable.

Mr. Phelan's commitment to Third Option Foundation's mission illustrates his deep and abiding respect for the service of SAC officers and their families. Mr. Phelan is a person who prioritizes people, whether it's supporting a grieving widow or navigating complex organizational challenges. His ability to build

11160-C1 South Lakes Drive, #158 | Reston, VA 20191 | www.thirdoptionfoundation.org

Quietly Helping Those Who Quietly Serve



Senate Armed Services Committee
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strong relationships and diverse networks, combined with his empathetic approach to leadership, made him an outstanding figure at our organization.

During his tenure at Third Option Foundation, Mr. Phelan developed a deep understanding of the intricacies of service, from the personal to the operational. His unwavering sense of duty to the SAC community earned him the trust and respect of all around him and enabled him to forge deep connections among SAC officers and their family members.

In conclusion, we at Third Option Foundation are grateful to Mr. John Phelan for his extraordinary record of service with our organization. We wish him all the best in his next endeavor should he be confirmed as Secretary of the Navy. We have no doubt that Mr. Phelan will bring this same dedication to service and commitment to American values to his next post.

With respect and admiration,

Melissa P. Allen
President and Chief Operating Officer
Third Option Foundation

Steven T. Cashen
Chief Executive Officer
Third Option Foundation

February 25, 2025

Robert Sweetman
U.S. Navy SEAL (Ret)
Founder, Creed of Peaceful Warriors
Founder, 62romeo Non-Profit
Founder, Sleep Genius



Chairman Wicker and Members of the U.S. Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510-6050

Subject: Endorsement for John C. Phelan as Secretary of the Navy

Dear Senator Wicker,

I am writing to express my strong support for the nomination of John C. Phelan as Secretary of the Navy. His exceptional leadership, financial acumen, and deep commitment to service make him the ideal choice to lead the Department of the Navy at this critical juncture. Mr. Phelan's distinguished career spans over three decades, during which he co-founded MSD Capital, L.P., and MSD Partners, L.P. Under his visionary leadership, these firms generated over \$20 billion in profits while consistently delivering double-digit net returns. His strategic foresight and financial expertise have been instrumental in navigating complex economic landscapes—an invaluable skill set for managing the Department of the Navy's vast resources and operational challenges.

As a former Navy SEAL, I have witnessed firsthand the critical role of sleep in military readiness. As indicated in my memorandum to the Secretary of Defence titled "Weaponizing Wellness: Fueling Lethality Through Optimal Health," the intersection of performance optimization and human resilience is essential to our national security. I strongly believe that Mr. Phelan's leadership will uphold these priorities. We must be dedicated to enhancing the health, cognitive function, and operational effectiveness of service members, veterans, and first responders through science-backed sleep solutions.

Beyond his professional achievements, Mr. Phelan has demonstrated a lifelong commitment to philanthropy and public service, earning honors such as the SMU Distinguished Alumni Award and the American Ireland Funds Philanthropic Award. His dedication to service, integrity, and sound decision-making aligns with the core values of the Navy. Given the increasing global demands on our naval forces, we need strong, visionary leadership to ensure readiness, efficiency, and resource allocation that directly supports mission success.

I respectfully urge the Committee to fully consider and confirm Mr. Phelan's nomination as Secretary of the Navy. His leadership will strengthen our naval forces, enhance operational effectiveness, and reinforce the lethality of our warfighters.

Thank you for your time and consideration of this critical nomination.

Sincerely,

Robert Sweetman

U.S. Navy SEAL (Ret)
Founder, Creed of Peaceful Warriors
Founder, 62romeo Non-Profit
Founder, Sleep Genius



February 28, 2025

Chairman Roger Wicker
 Ranking Member Jack Reed
 Senate Armed Services Committee
 228 Russell Senate Office Building
 Washington, DC 20510

Dear Chairman Wicker, Ranking Member Reed, and Esteemed Members of the Senate Armed Services Committee,

Thank you for the opportunity to write in support of Mr. John Phelan's nomination as Secretary of the Navy. In my capacity as founder and chief executive Officer at Spirit of America, I have known and worked with Mr. Phelan for more than 10 years. Spirit of America is a privately funded 501c3 nonprofit that for more than two decades has provided private assistance in support of the missions of US military and foreign service personnel serving abroad. We do not receive and would not accept government funding and we have no involvement in policy or politics. We have pioneered an innovative new model that harnesses the power of the American people and private philanthropy in support of American values and US national security objectives around the world.

Our ability to carry out this vital mission depends on strong, visionary leaders who understand the magnitude of the sacrifices made by our service members, their families and that appreciate the indispensable role America plays as a global leader. Mr. Phelan is precisely such a leader. He has been a tireless champion of Spirit of America without ever seeking recognition or favor. There are American servicemembers who have lives and limbs today because of Mr. Phelan's efforts.

Mr. Phelan's deep commitment to the welfare of our troops is evident in every aspect of his career. He has consistently demonstrated a profound respect for the men and women in uniform. I am confident that, as Secretary of the Navy, he will ensure our Sailors and Marines receive the training, support, and resources necessary to meet the complex demands of modern warfare. Mr. Phelan's leadership is further distinguished by his steadfast adherence to the values that form the foundation of our democracy - honesty, integrity, and a profound sense of duty.

Mr. Phelan has an entrepreneurial mindset that he will use to find ways to strengthen America's security more effectively and at lower cost. He combines that entrepreneurial mindset with a keen intelligence and ability to ask deeply insightful questions, connect with and listen to individuals from diverse backgrounds, and synthesize inputs into effective courses of action. As he has done with Spirit of America, Mr. Phelan will find and embrace other innovative approaches that serve our military, strengthen our security, and serve America's interests, if he is confirmed as Secretary of the Navy.

Mr. Phelan is an executive leader of great talent, patriotism, and character who will serve our great nation with honor. I respectfully encourage you to confirm his nomination as quickly as possible.

Very respectfully,



Jim Hake
 Founder and CEO
 jimhake@spiritofamerica.org

Chairman Roger Wicker
Ranking Member Jack Reed
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Wicker, Ranking Member Reed, and Distinguished Members of the Senate Armed Services Committee,

I write to you today not just as the widow of Major Doug Zembiec but as someone who has lived alongside the men and women who dedicate their lives to defending this nation—people who sacrifice everything because they believe in something greater than themselves. These are the individuals who form the backbone of our armed forces, and they deserve leadership that honors their commitment with action, not just words. That is why I strongly endorse John Phelan for Secretary of the Navy.

My late husband, known to many as “The Lion of Fallujah”, lived and died by a simple principle: “Never forget those who were killed. And never let rest those who killed them.” This was not just a motto—it was his way of life. Doug led his Marines through some of the toughest battles in Iraq with unwavering courage and commitment. In 2007, while on loan from the Marine corps to the CIA, Doug was killed in action while leading a raid in Sadr City, Iraq — fighting alongside the very Iraqi forces he had trained. His sacrifice, like so many others, reminds us that leadership is not about ranks or privilege; it is about responsibility and service to others.

John Phelan understands this at his core. He did not need to step forward for this role—he felt called to it. He believes in something greater than himself, in service to the nation that has given him so much. He is not seeking power or prestige, but the opportunity to lead and to give back. That is the mark of true character.

John Phelan has built a reputation as a leader who delivers results. He sees the Navy and Marine Corps at a critical crossroads. He is here to fix what is broken, to restore accountability, and to ensure that Sailors, Marines and their families have the support and resources they need to win.

For John Phelan, failure is not an option—victory is the only path forward.

Like my late husband Doug, John Phelan believes leadership is not about titles—it is about action. He understands that readiness is not just about budgets or policies—it is about people. It is about ensuring that every sailor and Marine is properly trained, equipped, and supported, and that their families are never forgotten.

John’s commitment to service members extends beyond leadership; it is personal. His philanthropic work with Gold Star families like mine is a testament to his values.

He understands the weight of sacrifice, and he has made it his mission to ensure that the families left behind are not just remembered but supported. That kind of dedication is rare, and it is exactly the kind of leadership we need at the helm of the Department of the Navy.

This is a defining moment in our history. We need leaders who are unafraid to take bold action—leaders who will prioritize readiness, accountability, and the well-being of our service members and their families.

John Phelan is that leader. He is ready to meet the moment, and if Doug were here today, I believe he would stand beside me in saying that John is the right person to lead the Department of the Navy.

I urge you to confirm John Phelan as the next Secretary of the Navy. Our sailors, Marines, and their families deserve nothing less.

Very Respectfully,


Pam Zembiec

Chairman WICKER. Now one final question. Mr. Phelan, regarding nuclear submarines and shipbuilding, nuclear submarines are some of our most formidable weapons. We must get these programs back on track. The Navy developed an innovative contracting technique called SAWS, S-A-W-S, Shipbuilder Accountability and Workforce Support, SAWS. The goal of SAWS is twofold, to invest in our shipbuilders and to free billions of dollars over the next 5 years to support the shipbuilding industrial base.

Regrettably, the last administration did not move forward with this plan, which has broad bipartisan support. Mr. Phelan, you have said today that we have to end business as usual. So will you commit to discussing with me, soon after confirmation, the benefits of SAWS?

Mr. PHELAN. Yes, Senator. I look forward to that.

Chairman WICKER. Thank you very much. And if there are no further questions or comments, this hearing will soon be adjourned. But I must say some magic words.

The record will be open for 2 days. Questions for the record will be due to the Committee within 2 business days from the conclusion of the hearing.

Without objection, we are adjourned. Thank you, sir.

Mr. PHELAN. Thank you, Senator.

[Whereupon, at 11:33 a.m., the Committee adjourned.]

[Prepared questions submitted to Mr. John Phelan by Chairman Wicker prior to the hearing with answers supplied follow:]

QUESTIONS AND RESPONSES

DUTIES AND RESPONSIBILITIES AS SECRETARY OF THE NAVY

Question. What is your understanding of the duties and responsibilities of the Secretary of the Navy?

Answer. The Secretary of the Navy is responsible for leading the Department of the Navy, which includes the Navy and Marine Corps, ensuring they are properly trained, equipped, and ready to defend the Nation's interests. This role involves setting strategic priorities, managing budgets, strengthening shipbuilding and maintenance.

nance efforts, and enhancing the welfare of sailors, marines, and their families. The Secretary must also drive innovation, improve operational efficiency, and uphold accountability within the force. Additionally, the position requires close collaboration with the Congress, the Department of Defense, the CNO/CMC, industry partners, and allied nations to maintain maritime superiority and effectively support national defense objectives.

Question. What management and leadership experience do you possess that you would apply to your service as Secretary of the Navy, if confirmed?

Answer. Throughout my 35+-year career in business, I have overseen and funded large, complex organizations, managed significant budgets, and driven operational efficiency in dynamic and challenging environments. I have a track record of helping transform organizations by fostering accountability, streamlining processes, and implementing strategic reforms—skills that are directly applicable to leading the Department of the Navy. I understand the challenges of workforce management, recruiting, and retention, and I have successfully built teams that balance experience with fresh talent. Just as in business, the Navy must adapt to evolving challenges, and I will bring a results-oriented, innovation-driven approach to ensure our naval forces remain the most capable and lethal in the world.

Question. If confirmed, what duties and responsibilities would you assign to the Under Secretary of the Navy?

Answer. Under Title 10, the Under Secretary of the Navy performs the duties and exercises such powers as the Secretary of the Navy may prescribe. The Under Secretary serves as the Chief Management Officer of the Department, which carries the primary responsibility for the business operations of the Department of the Navy. Additionally, the Under Secretary oversees a number of other matters assigned by the Secretary of the Navy. If confirmed, I will review the current duties and responsibilities assigned to the Under Secretary and will work closely with the Under Secretary to identify any appropriate reassignments, delegations or other measures allowed by law that may more efficiently align responsibilities toward facilitating warfighter readiness.

Question. If confirmed, over which members and organizations of the Navy would you direct the Chief of Naval Operations to exercise supervision and what would be the scope of such supervision? What other duties would you assign to the Chief of Naval Operations or the Commandant of the Marine Corps?

Answer. Under Title 10, the Chief of Naval Operations and the Commandant of the Marine Corps perform their assigned duties under the authority, direction, and control of the Secretary of the Navy and are directly responsible to the Secretary. If confirmed, I will review the supervisory responsibilities of the Chief of Naval Operations and the Commandant of the Marine Corps and consider any appropriate reassignments, delegations or other measures allowed by law that may more efficiently align responsibilities toward facilitating warfighter readiness.

Question. If confirmed, what innovative ideas would you consider providing to the Secretary of Defense regarding the organization and operations of the Department of the Navy?

Answer. If confirmed, I would prioritize innovation in four key areas: personnel, shipbuilding, operational efficiency, and financial accountability. First, I would advocate for bold recruitment and retention reforms, cutting bureaucratic red tape and improving quality of life initiatives to attract and retain top talent. A key component of this effort would be reinvigorating the Navy's marketing strategy, leveraging both traditional and digital platforms to better connect with today's generation. The upcoming 250th anniversary of the Navy and Marine Corps presents a unique opportunity to celebrate their proud history while inspiring the next generation to serve. We must ensure this milestone is not only a commemoration but a catalyst for strengthening the force.

Second, I would push for a more agile, accountable and flexible shipbuilding strategy by streamlining procurement, enhancing budget flexibility, strengthening partnerships with the defense industrial base, and holding contractors accountable for cost and schedule overruns. I would also drive operational modernization by leveraging emerging technologies, enhancing warfighter training through AI and simulation, and fostering a culture that prioritizes adaptability and mission effectiveness over rigid compliance. Finally, I would emphasize financial accountability, ensuring the Department of the Navy achieves a clean audit as soon as practicable, a critical step in restoring public trust, improving efficiency and readiness, and maximizing every defense dollar. These efforts would ensure that the Navy and Marine Corps remain the world's most capable and formidable maritime force.

CONFLICTS OF INTEREST

Question. Federal ethics laws, like 10 U.S.C. § 208, prohibit government employees from participating in matters where they, or certain family members or organizations with which they have certain relationships, have a financial interest.

Do you agree, without qualification, if confirmed, to disclose any potential conflicts of interest, including investments, business ties, family relationships, or other connections that could be perceived as influencing your decisionmaking?

Answer. Yes

Question. Do you agree, without qualification, if confirmed, that if a conflict of interest arises, you will recuse yourself from participating in any relevant decisions regarding that specific matter?

Answer. Yes

Question. Do you commit, without qualification, if confirmed, to decisionmaking on the merits and exclusively in the public interest, without regard to private gain or personal benefit?

Answer. Yes

MAJOR CHALLENGES AND PRIORITIES

Question. What do you consider to be the most significant challenges you would face if confirmed as Secretary of the Navy?

Answer. Shipbuilding, passing a department-wide audit, and recruiting and retaining servicemembers are the most significant challenges that I see within the Department of the Navy.

Question. What plans do you have for addressing each of these challenges, if confirmed, and on what timeline?

Answer. I have spent my career leading businesses, recruiting talent, driving performance, and solving problems. I will work alongside our industry partners and uniformed and civilian leadership to deliver innovative solutions on time and within budget starting on day one.

As a businessman I understand the importance of financial audits. They represent accountability to Congress and the American people. I will endeavor to instill a culture of ownership, transparency, and accountability in the Department of the Navy.

Question. The Chief of Naval Operations published her strategic guidance, the “2024 NAVPLAN,” seeking readiness for sustained high-end joint and combined combat by 2027. What plans do you have that will support her strategic goals of readiness for the possibility of war with the People’s Republic of China by 2027 and enhancing the Navy’s long-term advantage?

Answer. The Department of the Navy’s ability to maintain and modernize complex weapons platforms is key to strengthening our naval forces with combat relevant capabilities. If confirmed, I will prioritize accelerating the development of a lethal, modernized naval force capable of countering China’s challenges across the conflict spectrum. I will focus on fleet modernization, maintenance, and sustainment to ensure readiness for prolonged conflict if necessary. I will work with Congress and this Committee to secure necessary resources and will closely monitor progress, keeping the Committee fully informed.

IDENTIFYING AND ADDRESSING SYSTEMIC PROBLEMS

Question. In 2017, the Navy conducted a Comprehensive Review of Surface Force Incidents after a series of incidents including the tragic collisions of the USS *Fitzgerald* (DDG 62) and the USS *John S. McCain* (DDG 56) with civilian merchant ships and the resulting combined loss of 17 U.S. sailors. The review listed a series of systemic and endemic faults within the Surface Force and issued dozens of actions and recommendations for changes to the Surface Force. While some GAO reports indicate the Navy has successfully monitored changes to Surface Warfare Officer training, other GAO recommendations still remain open, such as addressing fatigue and inadequate sleep. To what extent has the Surface Force been successful in tracking and implementing the recommendations from the 2017 Comprehensive Review? Who is in charge of tracking completion of those recommendations? Has the Navy conducted a review of the adequacy of the changes that have been implemented to ensure the systemic and endemic faults have been corrected?

Answer. The collisions of USS *Fitzgerald* and USS *John S. McCain* are tragic, and my heart goes out to the families and teammates of the sailors lost in those incidents. I understand the Navy has taken significant action to ensure these incidents are not repeated, not only in the surface fleet, but across the breadth of the Department.

If confirmed, I look forward to getting additional insight into what the Navy learned from those incidents and how those lessons are being applied, including the incorporation of any outstanding GAO recommendations.

Question. In the fallout of the Glenn Defense Marine Asia (GDMA) scandal, numerous Navy personnel, including a significant number of Navy admirals, were investigated for bribery, corruption, and violations of criminal conflict of interest laws and executive branch ethics regulations. Some were prosecuted and convicted in Federal courts, and many more were subject to public censure and forced into early retirement from the Navy. Are you satisfied with the actions the Navy has taken in response to the GDMA scandal to ensure that its officers and other personnel are trained—throughout their careers—on Government ethics and standards of conduct and the Navy's core values? Explain the steps the Navy has taken to train its personnel at each stage in their career on Government ethics and standards of conduct.

Answer. If confirmed, I will expect every sailor, marine, and civilian—including myself—to act with utmost integrity and comply with Government ethics laws and standards of conduct and the DON's Core Values. While I am not aware of all the actions the Department of the Navy has taken in response to the GDMA scandal, in order to maintain an ethical culture, I believe that a continuum of quality training needs to be provided throughout an individual's career. If confirmed, I will ensure that initial and annual training, as required by law and regulation, are faithfully executed. Moreover, I will continue to support the programs that were established to provide milestone-based legal training on issues associated with incremental leadership responsibilities. This includes, but is not limited to, government ethics and standards of conduct training for prospective executive and commanding officers; major commanders; and Flag Officers.

Question. In 2021, the Navy conducted a Command Investigation and Major Fires Review following the fire on the USS *Bonhomme Richard* (LHD 6) which resulted in the total loss of the ship. To what extent has the Navy been successful, through its Learning to Action Board or otherwise, in implementing and assessing the approved recommendations from these investigations?

Answer. I understand the majority of the Learning to Action Board's overall recommendations are implemented, improving shipboard firefighting and safety during maintenance periods and fostering strong relationships with community first responders to provide additional support, when required. If confirmed, I look forward to reviewing the lessons from this tragic event and driving resolution on any remaining recommendations to ensure enduring solutions preclude complacency and sustain adherence to fire safety requirements across the Fleet.

Question. A 2023 GAO report found that the Navy still has not shared lessons learned about fire safety across the Fleet nor has it developed a Navy-wide standard for evaluating the effectiveness of fire safety trainings. To what extent is the Navy tracking these open recommendations from the GAO toward completion?

Answer. I do not have insight into the particular systems and processes Navy uses to share such lessons. However, if confirmed, I will be committed to instilling a culture of shared learning. I look forward to reviewing the Navy's actions regarding fire safety and any specific open recommendations from GAO.

NAVY AND MARINE CORPS READINESS

Question. How would you balance the near-term demand for naval forces with the need to generate readiness and surge capacity for future contingencies?

Answer. If confirmed, I would prioritize Fleet readiness first, while continuing emphasis on building the fleet of tomorrow to ensure we are prepared to deter future conflict, defend the homeland, and protect American interests. Our Nation and our sailors deserve a lethal, modern fighting force, and I believe this will be achieved through proper, on-time maintenance and strategic modernization of the fleet we have today and dedicated efforts to deliver the fleet of tomorrow as expeditiously as possible. It also demands the right mix of depot capability and capacity across the commercial and organic industrial base to ensure that the Navy can surge to meet increased maintenance demands when necessary. If confirmed, I commit to ensure that this mix is maintained.

Question. To what extent has Optimized-Fleet Response Plan (O-FRP) been successful in stabilizing rotational deployments and making them more predictable?

Answer. It is my understanding that the O-FRP has allowed the Navy to project forces around the globe to support U.S. national security in a predictable manner. I understand the O-FRP is a 36-month schedule for surface ships that dedicates time for maintenance, training/certification and deployment/sustainment and aligns to support deployments of Carrier Strike Groups and Amphibious Readiness Groups. The O-FRP has been successful with regard to providing stable, predictable maintenance.

nance and repair schedules for the vital Navy Repair Shipyard Industrial Base, while generating sufficient operational forces to support operational demands. Notional O-FRP dedicates 8-months for Maintenance, 10-months for Training/Certification and 18-months for Sustainment. While ships don't normally deploy for 18-months at a time, I understand O-FRP allows Operational Commanders to have surge capacity of forces in times of escalation or conflict.

Question. Amphibious warfare ships account for nearly 75 percent of deferred maintenance in the fiscal year 2025 budget request.

If confirmed, how would you address the deferred maintenance accruing to the amphibious warfare ships?

Answer. It is my understanding the Navy conducted an Amphibious Ship Maintenance Study to identify areas where the Navy can apply its Get Real Get Better methodology. That study covered broad aspects of maintenance planning, execution, government oversight, and quality control. If confirmed, I would evaluate the results of the study and progress achieved in order to continue to reduce deferred maintenance on amphibious warfare ships.

Question. Given the current operational tempo, are the Navy and the Marine Corps able to maintain desired dwell ratios?

Answer. Dwell ratios are critical periods for training, maintenance, as well as Quality of Service and Quality of Life for our personnel in between deployments. While the current operational tempo poses challenges; I am committed to closely monitoring and assessing the impact on dwell ratios. By prioritizing personnel readiness, optimizing deployment schedules, and implementing efficient resource management practices, I will aim to uphold the desired dwell ratios for our sailors and marines. My focus will be on balancing operational requirements with the well-being and readiness of our servicemembers to sustain a high State of readiness across the Naval force.

BUDGET

Question. In its 2018 and 2024 reports, the National Defense Strategy Commission recommended that Congress increase the base defense budget at an average rate of three to 5 percent above inflation through the Future Years Defense Program (FYDP).

If confirmed, by what standards would you measure the adequacy of funding for the Department of the Navy?

Answer. If confirmed, I will work with the Department of Defense to ensure the Department of the Navy has a balanced budget that aligns with the President's priority to achieve Peace through Strength. As the Secretary of Defense has directed, we must act urgently to restore the warrior ethos, rebuild our military, and reestablish deterrence.

The budget should be focused on delivering resources to ensure America's maritime forces—our Navy and Marine Corps team—are ready, resilient, flexible, and forward-deployed to do our Nation's tasking.

Question. How will you ensure the Navy and the Marine Corps are appropriately resourced to simultaneously modernize, grow readiness, and take care of their people?

Answer. If confirmed, I will work with the Department of Defense to ensure the Navy and Marine Corps have a balanced budget that aligns with the President's priorities. The budget will prioritize the Navy and Marine Corps ability to deploy and fight in this decisive decade, invest in our Warfighters, and invest in the health of our industrial base.

The budget should be strategy-driven to meet the requirements of the National Security Strategy, National Defense Strategy and the President's priorities to preserve peace through strength.

Question. Section 222a of title 10, U.S. Code, provides that not later than 10 days after the President's submission of the defense budget to Congress, each Service Chief must submit to the congressional defense committees a report that lists, in order of priority, the unfunded priorities of his or her armed force. If confirmed, would you agree to support the Chief of Naval Operations and the Commandant of the Marine Corps in providing their unfunded priorities lists to Congress in a timely manner?

Answer. Yes.

ALLIANCES AND PARTNERSHIPS

Question. Mutually beneficial alliances and partnerships are one of our greatest comparative advantages in competition with near-peer rivals.

Answer. I agree. Mutually beneficial alliances and partnerships enhance deterrence, provide additional strength and lethality and are a strategic competitive advantage over our near-peer rivals. Today's operating environment is interconnected, multi-domain, and requires integration with Allies and partners across all warfighting functions. In an era of strategic competition, our alliances and partnerships enable unified action to deter our adversaries during competition and complicate adversary decisionmaking.

Question. What do you see as the role of the Department of the Navy in building relationships and interoperability with allies and partners?

Answer. In today's security environment, the United States will be more secure and prosperous if we work alongside Allies and partners who align with our objectives and work across the instruments of national power to advance the President's national security objectives. If confirmed, I will ensure that our maritime forces work with not only our strongest Allies but also emerging partners in order to leverage their unique capabilities and regional expertise to grow our access, interoperability and combined lethality to deter potential adversaries such as the PRC and limit malign influences that seek to challenge our security.

Question. If confirmed as Secretary of the Navy, what specific actions would you take to prioritize and strengthen existing U.S. alliances and partnerships, build new partnerships, and take advantage of opportunities for international cooperation?

Answer. If confirmed, I will leverage all the security cooperation tools available to support the President's America First Foreign Policy. Under the direction of the President and Secretary of Defense, the Department of the Navy will work to identify and advance opportunities to improve our global force and basing posture, strengthen interoperability with partners in priority regions such as the Indo-Pacific, and expand collaborative development and production of weapons and munitions to increase productivity of our industrial base. If confirmed, we will conduct bilateral and multilateral exercises with both our strongest Allies and also emerging partners to maintain our competitive advantage and grow our influence where it makes the United States more secure. Using these and other means we can expand U.S. reach around the globe while lessening the burden on the United States and the American taxpayer by leveraging the combined capabilities of our partners to strengthen our collective security.

INDO-PACIFIC REGION

Question. What are the key areas in which the Department of the Navy must improve to provide the necessary capabilities and capacity to the Joint Force to deter Chinese aggression and, if necessary, prevail in a potential conflict with China?

Answer. In the face of China's rapid development of sophisticated military capabilities and continued aggressive behavior that threatens regional stability and security, the Department of the Navy has an urgent mandate to fully resource the fighting force required to reestablish deterrence. If confirmed, I will lead the Department to meet this challenge, focusing on weapon and system modernization; investing in our forward deployed force posture and required infrastructure; prioritizing the Indo-Pacific; energizing key alliances and partnerships; and, expanding the core of our capacity through a re-doubled emphasis on recruitment, retention, and shipbuilding. I pledge to work with the Congress to provide the Joint Force a lethal, integrated Navy and Marine Corps team of combat-ready forces.

Question. How would you assess the threat to Navy forces and facilities from Chinese missile forces? In your assessment, have Navy investments, posture shifts and/or new operational concepts sufficiently addressed this threat?

Answer. I do not yet have access to the information necessary to assess these threats. China continues to rapidly develop and field both an increasingly sizable and sophisticated conventional missile force and nuclear force. Forward deployed and expeditionary Naval forces are critical to maintain freedom of the seas in peacetime and prevent an adversary from controlling the seas in wartime. If confirmed, my goal would be for the Navy and Marine Corps to provide joint and allied forces with the best resourced, most lethal naval force to ensure our freedom of maneuver and to protect our national interests. If confirmed, I will thoroughly examine this issue and ensure Naval forces and facilities have the protection they need to carry out their missions.

Question. In your assessment, what are the priority investments the Department of the Navy could make that would help implement the National Defense Strategy in the Indo-Pacific?

Answer. I do not yet have access to the information necessary to make an assessment. I believe providing resources to conduct forward operations, securing greater access and logistics to operate forward; and developing the right force posture in the

Indo-Pacific are essential to reestablishing and strengthening deterrence. Identifying and making—with the help of Congress—the key investments in the force structure, capabilities, and capacities to deter and defeat adversaries will be critical for implementation. In addition, we must prioritize rebuilding our military through the training and exercise of naval and naval infantry forces with regional Allies and partners, to establish new and strengthen existing strategic maritime partnerships, and enhance interoperability and lethality in support of a safe and secure Indo-Pacific. If confirmed, I will thoroughly examine this issue to ensure the Department of the Navy's investments are properly prioritized.

Question. What is your current assessment of the risk of operational failure in a conflict with China as a result of a critical logistics failure?

Answer. Although I lack access to information to fully address the risk of operational failure, I recognize that our logistics and sustainment capabilities and capacities are critical to any successful campaign, and any conflict with China invariably will be fought under the conditions of contested logistics. If confirmed, assessing our logistics capabilities in support of maritime and joint operations, and addressing any gaps found, will be a priority.

Question. In your opinion, what role will Guam play in a conflict with China? Do you believe Guam's infrastructure is currently adequate to support the current and future mission?

Answer. I understand the strategic significance of Guam to our national security and position as a Pacific power. Guam is a critical strategic hub in the Pacific due to its proximity to Taiwan and the South China Sea. However, its aging infrastructure and increasing DOD on-island presence present challenges. Continuous modernization to enhance its defense and resilience against missile and cyber threats will be critical. If confirmed, I intend to support collective DOD efforts to ensure our force posture on Guam is balanced with the appropriate defenses and risk mitigations necessary to enable continued and unimpeded access to the Western Pacific.

Question. What is your view of the role of unmanned systems in deterring conflict in the Taiwan Strait?

Answer. Unmanned systems can play a crucial role in deterring conflict in the Taiwan Strait. These systems, operating in the air, surface, and sub-surface domains, provide the Combatant Commander with a host of low-cost, attritable, scalable, and resilient capabilities. By providing persistent surveillance, intelligence gathering, defensive, and strike capabilities, unmanned systems will enhance lethality and serve as a strong and efficient deterrent to quickly respond to provocation while reducing risks and maintaining flexibility in the region. Integration of unmanned systems into naval and joint force architecture is a force multiplier for providing combat capacity against peer competitors and adversaries. An integrated manned/unmanned force, leveraging the unique and disruptive elements that unmanned systems provide, is a critical component of our capability to deter and, if necessary, prevail in conflict against a peer competitor like China who enjoys a numeric advantage, and thereby plays a crucial role in deterring conflict in the Taiwan Strait.

Question. What are the key areas in which the Navy must improve to provide the necessary capabilities and capacity to the Joint Force to deter Russian aggression and, if necessary, prevail in a potential conflict with Russia?

Answer. If confirmed, I will ensure the Department of the Navy is manned, trained, and equipped to promote America's national security interests and to support the President's priority to reestablish peace and prosperity through strength. I am committed to defending U.S. interests and promoting national security, in close partnership with our regional partners and Allies with aligned interests. The Department of the Navy must collaborate with Allies and partners in the region, continue to modernize our surface and submarine fleets globally, improve our logistics and resupply capabilities, and maximize our mobility to rapidly deploy forces to key littoral terrain. We must also ensure that our NATO Allies invest in the capabilities they need to more robustly deter Russian aggression and maintain interoperability with our Allies.

Question. In your view, are there investments the Navy should prioritize for the competition with Russia below the level of direct military conflict in order to counter Russian malign influence and hybrid warfare operations?

Answer. The Navy must prioritize non-traditional investments such as cyber capabilities, information operations, and enhanced anti-submarine warfare. Engaging with Allies and partners through joint exercises and cooperative deployments focused on countering hybrid tactics will strengthen our collective resilience. Investment in scalable, cutting-edge hardware and software in support of a variety of autonomous systems, artificial intelligence, and advanced sensors and munitions will

enable the Department of the Navy to field flexible response options for combatant commanders to respond to a variety of adversary actions.

Question. How do you assess the Navy's current posture to support operations in Europe?

Answer. I do not yet have access to the information necessary to make this assessment. The Department of the Navy's current posture in Europe is robust but requires continuous adaptation to evolving global threats. It will be important to continue work with our Allies and partners in the region to identify areas of collaboration that strengthen ally and partner capabilities and provide a credible deterrent. Forward deployed forces provide critical maritime power projection. If confirmed, I commit to support the Administration in an assessment of global posture laydown and appropriate scaling of our naval posture in Europe to meet our commitments to NATO.

MIDDLE EAST

Question. Iranian-linked Houthi rebels continue to launch drone and missile attacks against United States and international vessels in the Red Sea, disrupting global commerce and putting the United States, its allies and partners at risk. If confirmed, how would you adjust or augment the current strategy to be more effective to deter and counter Houthi attacks?

Answer. Forward-deployed Navy assets have executed persistent deterrence and precision strikes to impose greater costs on Houthi operations. We must adapt our technologies and tactics based on the lessons we are learning in response to Iranian backed Houthi drone and missile attacks against U.S. and international vessels in the Red Sea. I am committed to looking at our full suite of capabilities to ensure we can confront and defeat threats of this nature and to ensure we have more cost-effective solutions to counter such threats.

ACQUISITION

Question. Congress has expanded and refined the acquisition-related functions of the Chief of Naval Operations, the Commandant of the Marine Corps, and the other Service Chiefs. If confirmed, how would you synchronize your acquisition responsibilities and those of the Assistant Secretary of the Navy for Research, Development, and Acquisition, with those of the Chief of Naval Operations and the Commandant of the Marine Corps?

Answer. I am committed, if confirmed, to ensuring the Navy-Marine Corps team functions optimally; our sailors and marines deserve no less. The Department of the Navy's acquisition process require collaboration between the uniformed Services and the Secretariat to provide the best equipment to our sailors and marines. The Chief of Naval Operations and the Commandant of the Marine Corps play critical roles in developing requirements, identifying tradeoffs, and protecting against requirements creep. Once requirements are set and resources provided, the Assistant Secretary of the Navy for Research, Development and Acquisition has responsibility to acquire and deliver within cost, schedule, and performance thresholds. If confirmed, I look forward to revitalizing the engagement and synergy across the Department of the Navy as we deliver incredible capability to the fleet.

Question. Congress has authorized a range of authorities, including the Middle Tier of Acquisition authority, rapid acquisition authority, and the software acquisition pathway, to tailor the acquisition process to enable the rapid delivery of new capabilities.

In your view, what benefit has the Department of the Navy derived from its utilization of Middle Tier of Acquisition authorities?

Answer. It appears the Department of the Navy (DON) has fully embraced the use of the Middle Tier of Acquisition (MTA), and I am encouraged by the codification of these authorities in the Fiscal Year 2025 National Defense Authorization Act. The DON has proven the effectiveness of the MTA pathway, which in my view allows programs to start faster and often get capability to the fleet faster. The MTA pathway also enables the DON to "fail fast" and rapidly pivot, if needed, to more promising solution sets.

Question. In your view, what benefit has the Department of the Navy derived from its utilization of the rapid acquisition authority?

Answer. Similar to the Middle Tier of Acquisition (MTA) pathway, I believe rapid acquisition authority allows the Department of the Navy (DON) to respond in the most expedited manner to critical fleet and combatant commanders needs. It is my understanding that the DON has leveraged rapid acquisition authority to address emerging operational contingencies. With the coming strategic challenges, tools that support rapid acquisition will be more essential than ever before.

Question. How will you ensure that rapid acquisition pathways are not inundated with unnecessary or unwarranted bureaucratic processes?

Answer. It appears the use of many of the new acquisition pathways have only existed over the past five to 6 years. If confirmed, I look forward to utilizing and accelerating these hard-won pathways; having these tools in the toolchest is absolutely critical to being able to get more capability into the fleet at a much more up-tempo pace. I am aware that the Department of the Navy (DON) has leaned in significantly to delegate authorities and streamline approvals to minimize unnecessary or unwarranted bureaucratic obstacles. If confirmed, I will scrutinize any barriers to these novel and promising pathways, and will continue to streamline processes. I am also supportive of the Forged Act's efforts to apply these same improvements to the ways in which DON conducts oversight of Major Capability Acquisition programs and eliminate obstacles that impede these rapid acquisition pathways.

Question. How will you seek to balance the need to rapidly acquire and field innovative systems while ensuring acquisition programs provide effective capabilities for the joint force?

Answer. It is clear to me that we must deliver capabilities faster, and if confirmed I'm committed to sparing no effort in achieving that outcome. That means a mix of innovative technologies, with perhaps non-traditional players, but also ensuring rigor and accountability for the key strategic and power-projecting assets and programs that the Navy and Marine Corps bring to the table.

Question. Based on your experience, how would you structure the Navy to conduct better tradeoff analysis so that programmatic investments are not stove-piped and can be assessed against the impact of various alternatives?

Answer. As I understand it, there exists a robust process for analysis of alternatives, with the objective of selecting an optimal solution prior to proceeding with an acquisition program. If confirmed, I am committed to instilling a greater focus on capability portfolio management and to eliminating stove pipes that exist today. I believe that if we provide more flexibility within our Program Executive Offices, we will achieve better acquisition outcomes.

Question. What is your assessment of the adequacy with which the Navy has been transitioning nontraditional defense contractors from research and development into production contracts? What steps, if any, would you take to improve the Navy's ability to do business with nontraditional defense contractors?

Answer. It appears that organizations the Department of the Navy (DON) put in place, such as NavalX, have helped create venues to connect more broadly with non-traditional defense companies, and I believe that more effort is required to integrate the technologies these firms offer into Naval environments. If confirmed, I look forward to working with industry, defense innovation organizations, and Congress to knock down barriers to entry with respect to doing business with the DON. I am equally convinced that the DON's traditional contractors will continue to play a critical role into the future as well. The DON needs to more effectively employ these critical opportunities as we face down adversaries in both the distant and near future.

TEST AND EVALUATION

Question. What do you see as the role of the developmental and operational test and evaluation communities with respect to rapid acquisition, spiral acquisition, and other streamlined acquisition processes?

Answer. Test and evaluation of all systems, regardless of acquisition approach, is critical. I understand that the Department of the Navy's acquisition policy provides program managers and test teams guidance for developing tailored, capabilities-based test and evaluation strategies that best align with the selected acquisition pathway to include urgent capability acquisition, rapid prototyping and fielding (mid-tier) acquisition, and rapid and iterative software capability acquisition. If confirmed, I will continue these efforts to ensure that each program has the appropriate level of test and evaluation rigor to assess effectiveness, suitability, survivability and safety while providing the data needed to inform acquisition and fielding decisions.

Question. Are you satisfied with Department of the Navy's test and evaluation capabilities? In which areas, if any, do you feel the Navy should be developing new test and evaluation capabilities?

Answer. As the Department of the Navy continues to develop systems capable of operating autonomously with greater endurance and at increased ranges, it may not be practical to always conduct live testing of these systems in all of their intended operational environments. Innovative solutions must be identified to bridge this gap, much as the increased use of high-fidelity models and simulations, to evaluate

weapon systems across a broader range of representative operational conditions. If confirmed, I am committed to assessing the Navy's test and evaluation capabilities to identify areas for improvement to ensure we continue to field the weapon systems our warfighters need.

Question. Do you believe that current Navy test and evaluation facilities and personnel and technical test apparatuses are up to par for what is needed for the modernization challenges of the Navy, now and in the near future?

Answer. As the complexity of weapon systems increases, test and evaluation facilities must continue to evolve and adapt to meet these demands. Stable investments will be needed to ensure the Department of the Navy meets the demands of future weapon systems. With respect to the test and evaluation workforce, they must continue to implement best practices to support programs that incorporate iterative and accelerated development strategies. Additionally, developmental and operational test teams must be fully integrated and utilize Capabilities Based Test and Evaluation methodologies to enable these programs to "test like we fight" and provide data in a mission context throughout the acquisition lifecycle.

Question. What do you see as the operational test and evaluation needs for non-developmental or commercial items to ensure they can still meet the technical requirements and human factor needs of environments often more complex and demanding than commercial settings?

Answer. Operational test and evaluation will play a vital role in ensuring systems that incorporate non-developmental or commercial items are effective, suitable, survivable and safe. In cases where robust, mature commercial items are utilized there may be opportunities to leverage data from previous tests to reduce government testing and expedite fielding. Having a thorough understanding of the risks associated with these items will enable programs to strike the right balance between the need to rapidly field the capability and the level of data needed to inform decision-makers that the system can execute its intended mission. If confirmed, I will focus on reducing the barriers that impede the fielding of needed capabilities while ensuring the level of testing is adequate to support sound decisions.

AUDIT

Question. If confirmed, what specific actions will you take or direct to enable the Navy to achieve a clean financial audit in the most expedited fashion?

Answer. If confirmed, achieving a clean audit for the Department will be a priority to ensure the Department meets the congressional deadline of 2028.

Question. What are the benefits to Navy missions and effectiveness of achieving and maintaining a clean audit?

Answer. Achieving a clean audit will enable the Navy to improve operations, be more effective, and prevent wasteful spending. A clean audit permits the Department to be transparent with the public and Congress and ensures we are using taxpayer funds for the benefit of our country. Specifically, a clean audit improves the accountability of our assets to enable the warfighter needs.

Question. How will you hold Department of the Navy leaders and organizations responsible and accountable for making the necessary investments and changes to correct findings and material weaknesses identified in the audit process?

Answer. If confirmed, I will ensure leaders and organizations are held accountable through an entity-wide governance structure that conducts mandatory and regular audit readiness reviews, which will ensure audit is a priority throughout the Department. Senior leaders will be held accountable for audit outcomes through performance standards and evaluations and Flag Leadership promotions will be tied to successful execution of audit responsibilities.

Question. Based on your experience, how do you see improved data from Navy financial management IT systems that support audit help Navy decisionmaking and readiness?

Answer. Improved data management can significantly enhance decisionmaking and readiness by offering a clearer, more accurate financial picture. This enables agile reallocation of resources when needed, which increases buying power, and that in turn, improves force readiness outcomes.

RED HILL BULK FUEL STORAGE FACILITY (RHBFSF)

Question. The Department of the Navy is continuing efforts to close and remediate the Red Hill Bulk Fuel Storage Facility after several high-profile fuel leaks in 2021. The Navy needs to continue to rebuild trust not only with the local population, but also with sailors and their families who reside in the area.

If confirmed, what steps will you take to continue to communicate transparently with the local community and sailors and their families in the area to ensure concerns are investigated properly?

Answer. Nothing is more important than the health, safety and well-being of sailors, marines, civilians, their families, and neighbors. The Navy Closure Task Force—Red Hill (NCTF-RH) conducts extensive community outreach regarding tank closure, remediation, and water security via a robust combination of open houses, webinars, podcasts, websites, roundtables, engagements at neighborhood boards, and participation at State-led discussion forums. If confirmed, I will make sure that this active outreach will continue throughout the Navy response efforts at RHBFSF.

Question. The challenges at RHBFSF have highlighted several significant infrastructure challenges relating to power, water infrastructure, and others, on Oahu. If confirmed, how will you prioritize resourcing these necessary improvements to avoid any future water contamination or power generation shortages?

Answer. I plan to take the lessons learned from this incident to ensure the Department is focused on proactive improvements to our infrastructure in order to provide sustainable and resilient infrastructure in support of operations.

COST OF RECAPITALIZING THE FLEET

Question. Despite the Navy's existing 355-ship policy goal, the Navy is currently operating with 287 battle force ships. Every year over the past decade, the Congress has added funding to the President's budget request for shipbuilding, and yet the Navy has failed to grow the fleet according to the 30-year shipbuilding plans.

If confirmed, what actions would you take to ensure growth of the fleet to the 355-ship policy goal?

Answer. The Navy is currently operating with 295 battle force ships, and if confirmed, I am committed to ensuring the Navy continues its coordination with Congress, OSD, and industry to increase our national shipbuilding capacity. I understand this will require targeted efforts to improve shipyard productivity and address workforce development issues across the shipbuilding supply chain ecosystem, and I am committed to making this a priority as growing our fleet is of critical importance to our Nation.

Question. What is your view on balancing the need for the 30-year shipbuilding plan to provide a stable demand signal for industry and the need to be flexible in response to changing requirements?

Answer. I understand and agree that the Navy's 30-year shipbuilding plan is a key communication tool to industry of the future demand signal for the number and types of ships required. While requirements may evolve at the macro level due to changing world and operational environments, I do not anticipate these changes being abrupt or significant enough to drastically change the Navy's plans that are published annually. We must provide a fixed plan as a stable demand signal for industry.

Question. The 30-year shipbuilding plan assumes that construction backlogs will be eliminated and ships will be produced on-time and on-budget. If confirmed, what would you do to support industry in controlling costs and reducing build-spans for ships?

Answer. If confirmed, I plan to work closely with the Assistant Secretary of the Navy for Research, Development & Acquisition to identify opportunities to get our shipbuilding programs back on track, delivering prioritized and critical capability on time and on budget. Our plan to improve shipbuilding must address the size and modernization of public and private shipyards, the depleted shipbuilding workforce and the number and quality of suppliers and subcontractors.

IMPROVING GOVERNMENT TECHNICAL CONTROL IN SHIPBUILDING

Question. The *Constellation*-class frigate was intended to be an affordable capability based on a parent ship design. The previous Secretary of the Navy certified basic and functional design completion in August 2022 in order to start construction, but the GAO report Navy Frigate (GAO-24-106546) found that most basic and functional design packages remained incomplete due to Navy-directed changes to the proposed design.

What is your view of the relationship between the Navy's Senior Technical Authority and the Program Manager in reviewing and approving designs on Navy ships?

Answer. Relationships are crucial, and in designing and producing the ships our Navy needs, few relationships are as crucial as those between our technical and program management communities. This relationship must be one that is committed to delivery of the most capable and lethal equipment that our Warfighters can uti-

lize while doing so cost effectively and with urgency. For this reason, the relationship between the Navy's Senior Technical Authority and the Program Manager must be based upon unity of purpose, pragmatism, and with clarity toward the goal of efficiently delivering capability to the Fleet.

Question. If confirmed, what improvements would you make to coordinate and control lead ship design activities?

Answer. Both lead ship design efforts as well as construction of early ships within a class have presented significant challenges for the Department. I am keenly interested in determining the root causes for these issues. If confirmed, it will be my highest priority to ensure basic principles and best practices are applied to lead ship design activities. This, along with a critical look across the breadth of the acquisition process, are crucial in rebuilding our fleet.

Question. The GAO's report "Navy Shipbuilding, Increased Use of Leading Design Practices Could Improve Timeliness of Deliveries" May 2, 2024, (GAO-24-105503) recommended reevaluation of requirements, the incorporation of end user representation in design choices, the creation of a digital ship design library, and timelines to approving design products.

Do you support recommendations #1, #3, #4, and #6 from GAO's report? Why or why not?

Answer. I support the GAO's recommendations to improve Navy shipbuilding efficiency, particularly regarding the reevaluation of requirements, the creation of a digital ship design library, and the establishment of clear design approval timelines. These measures will enhance program stability, reduce costly redesigns, and improve ship delivery schedules. Implementing these best practices aligns with the Navy's ongoing efforts to optimize shipbuilding, mitigate risks, and ensure readiness.

Question. If confirmed, what other options would you explore for improving lead ship performance?

Answer. If confirmed, I would explore options to ensure critical systems are matured before integration to reduce design and construction risks. Expanding collaboration with industry and shipbuilders early in the process would improve design feasibility and production efficiency. Additionally, leveraging digital ship design tools and advanced manufacturing techniques would streamline processes and reduce costly delays. Strengthening contractor accountability and incentives for meeting cost and schedule goals will also drive improvements in lead ship performance.

TECHNICAL WORKFORCE

Question. A significant challenge facing the Navy today is a shortage of highly skilled data scientists, computer programmers, cyber, and other scientific, technical and engineering talent, especially those needed to work at Navy institutions outside of the defense laboratories and technical centers (which currently benefit from specific workforce authorities available to Navy labs). If confirmed, what actions would you take to increase the recruiting and retention of scientists, engineers, software coders, and in other technical positions across the Navy's enterprise?

Answer. The crucial role that our high-performing civilian employees with qualifications in fields such as data science, cybersecurity, and engineering cannot be understated as they are key contributors to meeting the Department of the Navy's mission. It is imperative that we remain focused on attracting and hiring individuals with these core technical skills while simultaneously implementing strategies to keep our current technical cadre employed within the Department by providing opportunities for growth, competitive compensation, and a positive work environment. If confirmed, I will examine existing human capital strategies and work with appropriate stakeholders to develop new and innovative approaches that will target highly skilled individuals committed to the ideals of American greatness.

FORD-CLASS AIRCRAFT CARRIERS

Question. What are your views on the procurement of CVN-82 and CVN-83? Do you believe the two ships should be part of a block buy?

Answer. It is my understanding that the Navy maintains a Battle Force Ship Assessment and Requirement (BFSAR) objective of 12 nuclear aircraft carriers (CVNs) and a commitment to sustain a Title 10 minimum of 11 CVNs. A 2023 Navy Report to Congress recommends an optimal CVN procurement strategy of two-ship buys with 3 years of advance procurement, and 4 years between builds, to reduce supply chain and industrial base risks to production and reduce acquisition costs to taxpayers. Such a block buy for CVN 82/83 is the most efficient and cost-effective means of acquiring *Ford*-class aircraft carriers. It is my understanding that the CVN 80/81 two-ship buy saved approximately \$4B versus single ship buys. It is my

understanding that the Navy estimates a two-ship buy for CVN 82/83 will support CVN construction efficiency and stabilize the CVN industrial base, delivering a substantial procurement savings. If confirmed, I will authorize an examination of whether a block buy for CVN 82/83 is the most efficient and cost-effective means of acquiring *Ford*-class aircraft carriers. If a block buy is confirmed as the best approach, I will pursue funding for a block buy.

Question. Do you support the fiscal year 2025 plan to delay the CVN-82 buy until fiscal year 2030, or would recommend that we buy it sooner?

Answer. Balancing Navy topline, Fleet requirements, vendor capacity and reducing unit costs are some of the critical factors for determining where best to place individual ship acquisitions. In the case of CVN 82, if confirmed, I will work with Assistant Secretary of the Navy for Research, Development and Acquisition and the Assistant Secretary of the Navy for Financial Management and Comptroller, as well as the Chief of Naval Operations, to determine the optimal acquisition timeline in consideration of those factors.

Question. What is the optimal number of years of advance procurement for the *Ford*-class aircraft carrier?

Answer. Advance procurement is a critical authorization from Congress that provides sufficient lead time for vendors to deliver sequence critical material on time to support the most efficient and effective build strategy for a nuclear aircraft carrier (CVN). If confirmed, I will work with Assistant Secretary of the Navy for Research, Development and Acquisition and the Assistant Secretary of the Navy for Financial Management and Comptroller to determine the best optimal timing of advance procurement to maintain the industrial base and deliver schedule of our CVN program.

COLUMBIA-CLASS SUBMARINES

Question. The *Columbia*-class will replace the *Ohio*-class ballistic missile submarines and are expected to ensure the Nation's most survivable nuclear forces remain effective into the 2070's. However, costs for the program have continued to grow and projected completion dates are slipping. Navy leaders have testified that if a higher Navy topline or outside funding is not provided, the investment required by the *Columbia*-class program will result in equivalent reductions elsewhere within the Navy budget.

If confirmed, what steps will you take to arrest cost growth and schedule slippage in the *Columbia*-class program?

Answer. If confirmed, I will ensure a comprehensive affordability review and implement targeted actions to address the underlying causes of cost growth and schedule slippage in submarine construction. This will include evaluating current processes, identifying inefficiencies, and developing proposals to streamline operations, improve cost management, and ensure timely delivery. My focus will be on driving accountability, optimizing resources, and fostering closer collaboration between stakeholders to prevent further delays and cost overruns.

Question. The Navy has proposed selectively extending the operational life of certain *Ohio*-class submarines to mitigate the risk of *Columbia*-class delays. If confirmed, what mitigation options would you consider in the event the *Columbia*-class program incurs schedule delays that prevent the lead ship from deploying in 2031?

Answer. If confirmed, the recapitalization of the Navy's Ballistic Missile Submarine Fleet would remain my top acquisition priority, as the *Columbia*-class is vital to maintaining the survivability of the nuclear triad. It is my understanding that the Navy is working closely with industry to identify and implement mitigation actions. If confirmed, I will evaluate all proposed options to address the delay and ensure the program meets its critical objectives.

Question. If confirmed, do you commit to ensuring that the *Columbia*-class program will remain the Navy's highest priority shipbuilding effort?

Answer. If confirmed, I commit to ensuring that the *Columbia*-class program remains the Navy's highest priority shipbuilding effort. As the cornerstone of our submarine-based strategic deterrence, it is the most survivable leg of the Nuclear Triad and critical to our national security.

ATTACK SUBMARINE FORCE LEVELS

Question. The Navy's current requirement for attack submarines is at least 66. However, the Navy currently has less than 50 attack submarines in the fleet inventory.

Do you support the 2-per-year *Virginia*-class submarine production requirement, growing to at least 2.33-per-year in support of the agreement between Australia, the United Kingdom and the United States, referred to as AUKUS?

Answer. Yes, I fully support the current submarine production requirement. The execution and delivery of submarines, along with the successful implementation of the tri-lateral AUKUS agreement, are critical strategic imperatives. Achieving this requires once-in-a-generation investments and a unified effort from both government and industry to strengthen the defense industrial base. It is my understanding that the Navy is deeply committed to the health of the submarine industrial base and is working closely with our industry to increase overall production capacity.

Question. How could the Navy improve attack submarine readiness through changes to the maintenance, repair, and overhaul enterprise?

Answer. It is my understanding that the submarine industrial base supplemental funding provided by Congress is key to supporting both domestic submarine production and operational readiness. By focusing on workforce development, advancing manufacturing technology, and expanding large-scale fabrication and outfitting capacity, we can better support our critical strategic partnerships. The supplemental funding not only strengthens the shipyards involved in new construction but also boosts the capacity of the Navy's four public shipyards, which are crucial for repairing and modernizing nuclear submarines. If confirmed, I would continue to pursue this holistic approach that ensures a more efficient, effective, and ready attack submarine fleet.

NAVEL REACTOR FUEL

Question. The Director of Naval Reactors, in their dual hatted role in the Department of Energy, has a statutory responsibility to supply naval reactor fuel for the existing and future fleet of submarine and surface ships. The Director of Naval Reactors estimates that an adequate supply of such fuel will not be available in the late 2040's. The Department of Energy currently does not have a capability to enrich or recycle spent Naval fuel. They estimate that it will take at least a decade to develop such a capability to be able to meet existing and future Navy fleet requirements. If confirmed will you commit to advocate for the necessary funding and programs within the Department of Energy to meet current and future Naval reactor fuel requirements?

Answer. The Naval Nuclear Propulsion Program, or Naval Reactors, is responsible for keeping the U.S. Navy's aircraft carriers and submarines safely operating around the globe under nuclear power. If confirmed, yes, I will continue to work alongside Naval Reactors, and in coordination with the Department of Energy and its National Nuclear Security Administration, to ensure continued availability of enriched uranium to fuel the U.S. Navy's nuclear fleet. It is my understanding that the Navy has sufficient enriched uranium to support Navy shipbuilding into the 2050's, and Naval Reactors is directly engaged with the Department of Energy and its National Nuclear Security Administration on efforts to meet future enriched uranium requirements.

SHIP MAINTENANCE

Question. The Navy has experienced continuing problems maintaining the current fleet, including experiencing cost overruns and delays in schedules. These problems have plagued both public and private shipyards.

In your view, what are the benefits and challenges of establishing a fully rotatable pool of spare and repair parts to avoid maintenance availability delays and cannibalizations?

Answer. Improving maintenance throughput for our submarines and surface ships hinges on several key levers, including having the correct material available at the start of a maintenance availability, which significantly reduces the risk of schedule delays, minimizes the need for parts cannibalization, and allows ships to return to the fleet faster. Accomplishing this by establishing a fully rotatable pool of spare and repair parts for our submarines and surface ships may provide some benefit to reducing delays but also presents challenges due to the multiple configuration and maintenance requirement differences between platforms.

Question. In your view, how could contract changes for new and growth work in private yard availabilities be made more efficient?

Answer. If confirmed, I look forward to working with all stakeholders to focus on efficient change management, which is critical to delivering ships on time. For new work, I understand the Navy team is continuing to explore ways to improve execution planning by awarding the larger, more complex availabilities earlier, allowing the collective team to better identify new or growth work before starting the availability. For growth work and changes during execution, I look forward to working with stakeholders to learn more about the positive results being realized from pilots currently in progress, which aim to drive down change cycle time during surface

ship availabilities being performed in private ship repair yards, and to identify opportunities and timelines to scale these pilots across the surface portfolio.

To update and improve the capability of the Navy-owned public shipyards, the Navy has been pursuing a Shipyard Infrastructure Optimization Program (SIOP). The Committee is not aware of a specific plan to expand the capacity or improve the efficiency of private sector shipyards.

Question. In your view, can the SIOP plan be accelerated without harming the public shipyards' ability to improve readiness of the nuclear fleet?

Answer. The Navy's four public shipyards are strategic enablers to the National Security of the United States. For over 100 years these shipyards have played a vital role in our Nation's defense. As we look into the future, these facilities will continue to have an out-sized role essential to our National Defense and are required to maintain our current and future nuclear-powered platforms. The Navy remains fully committed to the needs of our force and to ensure the safety of our shipyard workforce, the public, and the environment. Accordingly, the Navy is making historic investments to modernize these century old facilities to modern standards. Change will not happen overnight. It takes deliberate planning and time to ensure we do this in a smart fashion to upgrade facilities without impacting production. If confirmed, I will look for opportunities to accelerate the SIOP plan without impacting our readiness.

Question. Should the U.S Government spend money to expand private shipyards?

Answer. I understand the Navy stood up the Maritime Industrial Base Direct Reporting Program Office in 2024. That organization is focused on industrial base health for shipbuilding, repair and the supply chain. If confirmed, I will seek to understand the ongoing analysis of where investments should be made. I am committed to working with Congress to identify those critical investments required to enable our industrial base to support our maritime needs. In the meantime, the authority granted by Congress to support the private ship repair yards in the Fiscal Year 2024 National Defense Authorization Act will be critical in supporting the industrial base.

MISSILE DEFENSE

Question. Aegis ballistic missile defense (BMD) ships perform their mission in support of other Navy assets, as well as in defense of U.S., allied, and partner forces on land. There continues to be higher demand for Aegis BMD ships than the number of ships available at any given time.

Do you view BMD as a core Navy mission?

Answer. Yes, Ballistic Missile Defense is a core Navy mission.

Question. How would you balance the competing demands for Aegis BMD ships? Are there opportunities to transition some of the defense of land-based forces to other Navy or land-based assets, to free up Aegis BMD ships for maritime-focused missions?

Answer. The Navy uniquely provides missile defense from the sea. This capability allows for the forward projection of missile defense, as demonstrated in the Red Sea last year, and enables sea forces to operate within the threat range of adversary missile systems, enhancing our lethality. To balance the competing demands for Aegis BMD ships, if confirmed, I will direct the Navy to enhance ship deployment efficiency, transition certain land-based defense missions to other platforms, and emphasize the doctrinal use of naval forces. By advocating for multi-mission destroyers and strengthening collaboration with other military branches, I will aim to maintain a strong maritime focus while ensuring effective integration into the national Ballistic Missile Defense System and any future requirements for defense of the homeland. Combatant Commanders rely on Navy Destroyers for offensive and defensive effects across multiple mission areas.

NUCLEAR ENTERPRISE

Question. Every Nuclear Posture Review (NPR) has reaffirmed the importance of all three legs of the nuclear triad. Additionally, due to the rapid expansion of adversary nuclear capabilities, the last two administrations have also elected to pursue additional supplemental capabilities to manage the threat of escalation, including the W76-2 warhead, the nuclear-armed sea-launched cruise missile, and the B61-13 gravity bomb.

Do you support full funding for the modernization of each leg of the nuclear triad and the National Nuclear Security Administration (NNSA) weapons complex?

Answer. Yes. It is critical to maintain and modernize all three legs of the triad; the nuclear command, control, and communications systems; as well as the Department of Energy's ongoing efforts to modernize the Nation's nuclear weapons stock-

pile and infrastructure. The Navy is committed to modernizing its contribution to the triad through development of the *Columbia*-class SSBN replacement for the *Ohio*-class SSBN and fielding a life extension to the TRIDENT II D5 missile to carry through the life of the *Columbia*-class program.

Question. Do you believe the current Navy program of record is sufficient to support the modernization of the sea-based leg of the nuclear triad?

Answer. Yes, I believe the *Columbia*-class SSBN Major Defense Acquisition Program will fully meet the Navy's requirement for a survivable strategic deterrence platform. In conjunction with the fielding of the successor to the TRIDENT II D5 Life Extension (D5LE), D5LE2, the combined weapons system will fully meet the requirements of the sea-based leg of the strategic nuclear triad. If confirmed, I will review each of these programs to ensure effectiveness, responsiveness, survivability, flexibility, visibility and on-time delivery of capability to the Nation.

Question. The first Trump administration identified a need to begin development and redeployment of a nuclear-armed sea-launched cruise missile to address known gaps in United States tactical nuclear forces—gaps which have only been exacerbated by the rapid growth of Chinese, Russian, and North Korean arsenals. Congress supported this effort on a bipartisan basis and has directed the Navy and the National Nuclear Security Administration to establish a formal program to deploy this weapon no later than 2034.

If confirmed, do you commit to complying with existing statutory requirements to continue funding development of the nuclear-armed sea-launched cruise missile and work toward meeting the congressionally mandated date of 2034 for initial operational capability?

Answer. Yes. If confirmed, I will ensure the Department complies with existing statutory requirements to continue funding development of the Nuclear-Armed Sea-Launched Cruise Missile (SLCM-N) in support of a 2034 initial operational capability.

Question. In 2014, then-Secretary of Defense Hagel directed a comprehensive review of the DOD nuclear enterprise in response to adverse incidents involving U.S. nuclear forces. The review yielded recommendations to improve personnel management, enforce security requirements, increase deliberate senior leader focus and attention, enact and sustain a change in culture, and address numerous other concerns. More than 10 years later, responsibility for addressing these recommendations and monitoring implementation of corrective actions has been transferred from OSD to the Military Services.

In your view, is the Navy maintaining appropriate focus on implementing the corrective actions recommended by the 2014 nuclear enterprise review?

Answer. My understanding is that the Department of the Navy has maintained a strong focus on implementing the 2014 nuclear enterprise review recommendations, prioritizing readiness, personnel management, and security across its nuclear platforms, weapons, infrastructure, and personnel. An Echelon 1 nuclear regulator conducts regular assessments, while the Navy Nuclear Deterrence Mission Oversight Committee ensures continuous oversight and transparency. If confirmed, I will uphold the Navy's commitment to nuclear security, safety, and readiness—aligning capabilities with threats, reinforcing deterrence, and ensuring sustained oversight of corrective actions.

Question. If confirmed, how would you ensure that the Navy continues to improve the training, readiness, morale, welfare, and quality of life of the sailors charged to execute and support the Navy's nuclear mission?

Answer. I understand the criticality of the Navy's nuclear mission and the important role of our nuclear trained sailors. If confirmed, I will work with the Navy to provide the highest-level training, readiness, and Quality of Service for all sailors, improving their readiness to fight and win. It is my understanding the Navy has succeeded in implementing lessons learned in the Red Sea, creating a rapid feedback loop to the Fleet training centers to provide more ready forces. Furthermore, I will review current Quality of Service initiatives and, working closely with the Chief of Naval Operations, I will focus Department efforts on effective, efficient improvements to the amenities and care we provide our sailors.

AMPHIBIOUS FLEET REQUIREMENTS

Question. What is your view of the requirement for the Navy to have 31 amphibious warfare ships in the active inventory?

Answer. I understand the required minimum inventory for Amphibious Warships is 31 ships, to include no less than 10 large deck, amphibious assault ships. If confirmed, I would maintain the inventory as required by law while directing the Chief

of Naval Operations and Commandant of the Marine Corps to evaluate our 30-Year Shipbuilding Plan and Force Structure to ensure our inventory is sufficient.

Question. If confirmed, how would you support the Commandant of the Marine Corps' goal of having three deployable Amphibious Readiness Groups and Marine Expeditionary Units at all times?

Answer. As a Navy-Marine Corps team, we will generate ready and certified forces to meet our service and joint requirements. The Fiscal Year 2023 National Defense Authorization Act delineated in statute a requirement for not less than 31 traditional amphibious ships. I support procuring our amphibious ships affordably and as efficiently as possible to meet this requirement.

Question. It is my understanding that the Navy is working with the Marine Corps to identify a path to meeting presence requirements. Additionally, the Navy is focused on improving ship maintenance outcomes across the portfolio to improve operational readiness levels. If confirmed, completing availabilities on time and with required work completed would be a top focus of mine and challenge to the maintenance and acquisition communities. Fleet commanders must be able to depend on every ship to be on-time and ready.

READY RESERVE FORCE (RRF) RECAPITALIZATION

Question. DOD has developed a three-pronged recapitalization strategy for the Ready Reserve Force (RRF) and Military Sealift Command surge fleet consisting of a combination of constructing new vessels, extending the service life of certain vessels, and acquiring used vessels.

What is your understanding of the Navy's recapitalization strategy for the RRF and the affordability of acquiring more than 40 sealift vessels as outlined in the latest 30-year shipbuilding plan?

Answer. The Navy needs to recapitalize its fleet of Ready Reserve vessels. I understand the Navy, Military Sealift Command, and the Maritime Administration are executing a 2-part strategy that includes buying used roll-on, roll-off vessels, and building new ships. If confirmed, I will review this plan to ensure it is the most cost-effective way to quickly recapitalize sealift capacity.

Question. To what extent do you believe the Navy has identified the appropriate mix of used and new ships to meet sealift and auxiliary requirements?

Answer. I understand the Navy conducts market research to identify candidate vessels for the buy-used program and utilizes this research to continually evaluate the appropriate mix of new and used ships needed to satisfy the sealift requirement. The buy-used program is critical to replacing lost capacity and complements the new construction program while the new vessel is in the design and construction process.

I understand the Navy procures auxiliaries through new construction avenues and assesses the feasibility of buying used vessels if necessary.

If confirmed, I will review each of these strategies to ensure we deliver the required capacity to the fleet efficiently and on-time.

UNMANNED SYSTEMS

Question. The Chief of Naval Operations identified that robotic autonomous systems are a crucial pillar for the future naval force in Navigation Plan 2024.

What steps will you take to integrate unmanned systems into the existing fleet while ensuring operational effectiveness and readiness?

Answer. The Navy's recent IOC of the MQ-4C Triton high-altitude UAS and its introduction of the MQ-25 Stingray unmanned aerial refueling tanker are crucial steps toward a future of Manned-Unmanned Teaming in Naval aviation. These "pathfinder" platforms establish the foundation for autonomous airborne operations within the fleet force structure. The MQ-4 is already realizing rapid improvement in intelligence gathering and dissemination across multiple forward locations as Fleet Commanders increasingly employ its sophisticated sensor suite. The MQ-25 will carry similar importance within the Carrier Air Wing (CVW), immediately increasing strike fighter availability by taking over refueling duties from F/A-18 E/Fs. I understand the Navy is developing a comprehensive training and support pipeline for the MQ-25, ensuring proficiency with unmanned systems while maintaining current fleet readiness. If confirmed, I will study recent actions taken to determine how to integrate future unmanned systems into the fleet.

Question. If confirmed, how will you prioritize funding for unmanned systems in the Navy's budget and ensure that all the needs for doctrine, organizations, training, materiel, leadership, personnel, and facilities are addressed?

Answer. The unique capabilities that unmanned systems bring to the naval and joint force are a tremendous force multiplier, and I believe the Department of the Navy should appropriately and adequately resource the right solutions and doctrine,

organization, training, personnel and facilities that support these capabilities, particularly in the Indo-Pacific. There can be no dispute that unmanned systems are now very much part of the landscape of modern war. Also revealed is the rapid pace of innovation for these systems, as well as the rapid operational adoption of the evolving systems in battle. If confirmed, I will thoroughly examine this issue to ensure the Department of the Navy investments are properly prioritized in this area by ensuring appropriate system selection through early, data-driven analysis. This will include championing joint investment in enabling technologies like autonomy, mission systems, and communications to guarantee interoperability across services and with coalition partners, for example through ongoing all-domain attritable autonomous systems efforts. I will prioritize timely infrastructure and logistical readiness, such as the ongoing modifications to *Nimitz*-class carriers for unmanned system integration. Furthermore, I will advocate for smart investments in programs like Collaborative Combat Aircraft, fostering competition—including non-traditional industry players—to drive down costs, accelerate timelines, and maintain technological superiority.

Question. How do you plan to ensure interoperability between manned and unmanned systems, both within the Navy and with other branches of the armed forces?

Answer. I understand the Navy, Marine Corps and Air Force are aligned on key enabling technologies, including mission systems, autonomy architecture, and communication and command architecture. This alignment ensures that both manned and unmanned platforms can operate effectively together, enhancing interoperability across branches. If confirmed, I will commit to continue collaboration with the other services and the Office of the Secretary of Defense to ensure that systems are compatible and ready to integrate seamlessly in joint operations, supporting interservice coordination and maximizing mission effectiveness.

Question. What role do you see for small businesses and non-traditional defense contractors in advancing unmanned technologies?

Answer. Small businesses and non-traditional defense contractors play an essential role by bringing innovation, competition, and agility into developing cutting-edge solutions rapidly. If confirmed, I will work to ensure that the Department of the Navy continues to promote Small Business Innovation Research / Small Business Technology Transfer (SBIR/STTR) programs, and DOD small business programs that encourage participation from smaller firms in critical Navy programs such as the submarine industrial base. This will streamline acquisition processes making it easier for small businesses and non-traditional defense contractors to contribute, establish partnerships facilitating knowledge exchange between traditional primes and innovative newcomers, support incubators/accelerators by nurturing groundbreaking ideas that transform into viable products/services benefiting naval operations involving unmanned tech advancements and enable warfare centers and laboratories to actively engage with ecosystems that include non-traditional and small business partners to drive experimentation and fleet integration.

Question. The Navy divested all legacy Hornets (F/A-18C/D) from its Active component squadrons and has stopped buying Super Hornets. What is the Navy's plan for upgrading and maintaining its Super Hornet fleet and on what timeline will this plan be executed? What capabilities are being added or should be added to maintain the Super Hornet's relevance in the high-end fight?

Answer. I understand the Navy intends to use capability upgrades and Service Life Modification to enhance inventory and maintain tactical relevance of the F/A-18E/F Super Hornet with those modifications already underway and fully mature. Those upgrades, including Beyond Line-of-Sight communications, passive survivability systems, and future weapons capabilities, will deliver relevant lethality and survivability, while ensuring that the aircraft can provide the capacity to augment the capability provided by the F-35C. Should I be confirmed, I will work to ensure the Department is making investments in capability and sustainment to maintain the Super Hornet's tactical relevance in a future conflict and to carry out the required missions articulated in the National Defense Strategy.

Question. The Navy delayed the development of the F/A-XX next generation strike fighter in the fiscal year 2025 budget request. What is your view on the future of the carrier air wing and the need for developing the F/A-XX? Where do you see Collaborative Combat Aircraft (CCA) fitting into this future? In what ways could the Navy and Air Force work together on next generation aircraft, if any?

Answer. I understand that the F/A-XX next-generation aircraft, offering significant advancements in operational reach and capacity within contested environments, is intended to enable Carrier Strike Groups to outpace adversaries while maintaining naval air dominance. I also understand the Navy, Marine Corps, and Air Force are collaborating closely to ensure interoperability through shared ena-

bling technologies like autonomy, mission systems, and communication architectures. This collaborative approach, encompassing both manned and unmanned platforms, including Collaborative Combat Aircraft (CCA), will maximize operational effectiveness and flexibility across the services. In my view, aligning technology development and operational requirements will ensure the Services are poised to fully leverage next-generation unmanned systems, ultimately enhancing capabilities and long-range mission effectiveness.

Question. The Navy is investing in extending the E-2D Advanced Hawkeye into the 2040's as part of its naval battle management function.

What is the Navy's approach to air battle management command and control and how do the Navy and Air Force intend to execute joint air battle management in a high-end fight?

Answer. I understand the Navy, in conjunction with the Air Force, Joint Staff and the combatant commanders, is beginning an Office of Secretary of Defense's (OSD) Cost Assessment and Program Evaluation (CAPE)-directed study to define the requirements for joint air battle management in a high-end fight. The results of this study will inform me, if confirmed, and the rest of the Navy leadership as to any potential investments needed in airborne command and control capabilities.

Question. Given the new capabilities the E-2D Advanced Hawkeye will bring to the battlespace, and the new tactics and concepts of operation it will enable, does the Navy perceive a need for expeditionary squadrons of E-2Ds? Why or why not?

Answer. The E-2D Advanced Hawkeye is designed to operate as part of the carrier air wing (CVW), and it is the airborne centerpiece of the Carrier Strike Group air warfare and surface warfare missions. I understand that in conjunction with the Air Force, the Joint Staff and the Combatant Commanders, the Navy is beginning a study to define the requirements for employment of expeditionary joint air battle management capabilities. The results of this study, to include the concepts of operations, basing options, training, materiel, and doctrine, will inform me, if confirmed, and the rest of the Navy leadership as to any potential investments needed in expeditionary airborne command and control capabilities.

THE F-35 JOINT STRIKE FIGHTER PROGRAM

Question. The follow-on modernization of the F-35 is scheduled to bring key warfighting capabilities to the fleet, but the budget and schedule remain in flux. The total number of F-35s planned for the Department of the Navy was set at 680, but the Marine Corps alone has articulated a requirement for 420 F-35B and F-35C.

Do you believe that the plan for 680 aircraft can fully accommodate the needs of both the Navy and the Marine Corps?

Answer. I understand the United States Navy and Marine Corps continuously evaluate the number and types of platforms to ensure they can meet their commitment to defend U.S. interests around the globe, maintain a high State of readiness for any contingency, and be prepared to ensure Naval and Marine air dominance in times of war. If confirmed, I will evaluate this requirement and ensure the Navy and Marine Corps are right sized to meet these objectives.

Question. How many of the Marine Corps' current F-35Bs will not be upgraded to Block 4?

Answer. My understanding is that the Marine Corps has not yet fully defined the desired capabilities for a Block 4 upgrade. Therefore, if confirmed, I will evaluate the Marine Corps' Short Take-Off and Vertical Landing (STOVL) variant of the F-35, to gain a comprehensive understanding of the Marine Corps evolving operational needs and translate those into clear requirements for a potential Block 4 upgrade.

Question. What is the appropriate mix of F-35B and F-35C in the Marine Corps?

Answer. I understand the Marine Corps continually assesses its platforms—ensuring it has the right number and types—to fulfill its mission of defending U.S. interests globally, maintaining a high State of readiness, and guaranteeing Naval and Marine air dominance in times of war. If confirmed, I will evaluate this requirement to ensure the Marine Corps is appropriately sized to meet these objectives.

Question. What do you view as the biggest challenges to successful integration of the F-35 into the carrier air wing?

Answer. The F-35 is the most lethal and capable multi-mission aircraft in the United States Navy's inventory. It provides stealth, sensor fusion, and interoperability that is unmatched by any 4th generation aircraft. Accordingly, it serves as a deterrent against our most advanced adversaries and is in high demand. Unfortunately, the speed at which the Navy can procure and deploy these aircraft to promote our national security objectives remains the biggest challenge to successful integration of the F-35 into the carrier air wing.

Question. The F-35B brings new capabilities and operational possibilities to the Marine Expeditionary Unit (MEU). What is your vision for how the F-35B can enhance amphibious assault ship connectivity with the joint force? What are the Navy's current plans to achieve that vision?

Answer. The F-35 delivers unparalleled joint force connectivity and will remain a force multiplier for decades to come. Due to its rapid deployability with Marine Expeditionary Units, my vision is to use F-35B as a critical asset for crisis response, providing the Joint Force with immediate connectivity, advanced sensing capabilities, and fire support. This ability to rapidly process and share data across the battlefield, especially at the tactical edge, provides a decisive advantage over adversaries. If confirmed, I plan to prioritize investments in capabilities, such as F-35B, that enhance warfighter situational awareness and enable decision dominance, creating a more lethal and effective force.

MODERNIZATION OF MARINE CORPS CAPABILITIES

Question. The Marine Corps' concepts for modernization of its amphibious capabilities have included Ship-to-Shore Connectors, Landing Ship Medium, LCU-1700's, and Amphibious Combat Vehicles.

What is your assessment of the current capability of amphibious maneuver and assault systems in the Navy and Marine Corps?

Answer. I understand that amphibious surface mobility is critical to enable ship-to-shore and shore-to-shore maneuver and sustainment in support of distributed maritime operations. Navy is modernizing its landing craft inventory with the steady procurement of Ship to Shore Connector and LCU-1700's to ensure the fleet has the capacity needed for global crisis response and amphibious operations. In addition to landing craft, a purpose-built Landing Ship Medium (LSM) is essential and will be procured and delivered to support intra-theater operational mobility and tactical maneuver to enable naval expeditionary forces, such as Marine Littoral Regiments, campaigning to deter threats in the Indo-Pacific, and in times of crisis or conflict. If confirmed, I will confer with the Commandant of the Marine Corps to understand the Marine Corps' current capabilities as well as the readiness of the assets and any gaps in capabilities that the Marine Corps has identified.

Question. If confirmed, how would you prioritize the development and acquisition of capabilities required for sea basing, connectors, and armored amphibious assault and tactical mobility ashore to achieve a full spectrum capability in the Marine Corps?

Answer. If confirmed, I will confer with the Commandant of the Marine Corps to understand the Marine Corps' current capabilities, as well as the readiness of the assets and any gaps in capabilities that the Marine Corps has identified. In my view, I believe the development and acquisition of capabilities required for sea basing, connectors, and armored amphibious assault and tactical mobility ashore should be prioritized to holistically support the amphibious warfare requirements of the Marine Corps. We must have prioritization must include a realistic balance between new acquisitions and effective, economical upgrades to legacy capabilities.

Question. Given the Marine Corps' operating concept of the stand-in force, how will the Navy ensure that such forces are adequately sustained in a contested environment?

Answer. I understand the Navy has identified Contested Logistics as one of five Key Capabilities in the 2024 Navigation Plan. Contested Logistics includes essential skills, technologies and assets to achieve strategic naval objectives, including supporting sustainment of Marine Corps stand-in forces.

MUNITIONS

Question. Navy munitions inventories—particularly for precision guided munitions and air to air missiles—have declined significantly due to high operational usage, insufficient procurement, poor program execution, and a requirements system that does not adequately account for the ongoing need to transfer munitions to our allies.

If confirmed, what steps would you take to ensure the Navy has sufficient inventories of munitions to meet the needs of combatant commanders?

Answer. Recent events have exposed the inability of our munitions industrial base to meet the demands of a high-intensity conflict. Modern weapons often rely on complex, global supply chains, leaving us vulnerable to adversaries. If confirmed, I will implement a multi-pronged approach. First, I expect the Department will invest in cutting-edge technologies like hypersonic weapons, directed energy, and autonomous systems, while enhancing our cyber warfare capabilities. Second, I expect the Department will revitalize the industrial base by incentivizing domestic production, streamlining regulations, and securing critical supply chains. Third, I expect the De-

partment will order a renewed focus on operational wargaming, leveraging data and analysis to ensure our commanders have the most effective weapons and munitions for any contingency. These actions will guarantee our military remains the most lethal fighting force in the world.

Question. If confirmed, what changes in budgeting and acquisition processes would you recommend to facilitate faster Navy munitions replenishment rates?

Answer. If confirmed, I will direct a munitions acquisition and industrial base strategy that aligns resources and objectives. It will encompass organizational structure, acquisition processes, and communications with industry. The Department will build on momentum that Congress has given us in legislation. We will also provide industry a clear demand signal to build investment strategies and accurately plan. I would also explore all means to onboard new commercial entrants and increase competition. The department also needs to create a stable funding stream that is protected from programmatic rebalancing to maintain a consistent demand signal and encourage small businesses to participate.

Question. If confirmed, how will you address the cost-exchange ratio challenges experienced in the Red Sea where more expensive rounds are used to defeat anti-ship threats?

Answer. The Red Sea engagements provided valuable lessons. While cost exchange ratios are a useful metric against low-cost threats, they don't encompass the full complexity of naval warfare. I fully support a Captain utilizing the most effective means available to eliminate threats and protect their multibillion-dollar ship and crew. However, we must provide them with a wider variety of reliable options beyond their current limited and costly solutions. If confirmed, I will prioritize expanding development of layered ship defense capabilities, including guns, directed energy, loitering munitions, and other innovative technologies.

Question. The Navy has long been at the forefront of development for new and novel energetic materials, especially at places like the Naval Surface Warfare Center-Indian Head Division and the Naval Air Weapons Station China Lake. However, since the end of the cold war the Navy has struggled to maintain investment to keep up with developments from adversary nations in this space.

What do you see as the levers to motivate the defense industrial base to make additional capital investment (for facilities and tooling), as well as research and development investments to broaden the range of energetic materials available to the Navy?

Answer. The defense industrial base has several options to pursue additional capital investment to refine and expand their ability to deliver energetic materials solutions to the Navy. OSD and Navy Manufacturing Technology programs, Small Business Innovation Research grants, Small Business Technology Transfer grants, the Office of Strategic Capital, and other OUSD R&E programs all provide significant capital investments opportunities. In addition, procurement officials can better apply contracting incentives to encourage industry to meet or exceed production deadlines. The organic industrial base serves as a critical lever to develop, transition, and surge energetics capacity by working industry.

Question. How is the Navy considering incorporation of new energetic materials, like CL-20, or new manufacturing processes for energetics, like biomanufacturing, into existing munitions to increase explosive effects or operational envelope of its weapons?

Answer. I understand that the Navy is working to integrate higher performance energetic materials, like CL-20 into existing munitions as they allow for increased lethality while decreasing size. From what I understand, the Navy's organic industrial base locations at Indian Head and China Lake are at the forefront of exploring these modern processing methods for both energetics, and non-energetics, that will allow for scaled approaches or bring on additional entrants. I am also aware that biomanufacturing of energetic ingredients may provide a great opportunity to decrease reliance on foreign sources.

FREEDOM OF NAVIGATION

Question. In your view, what role should the Navy play in supporting the freedom of navigation in international waters, including in the South China Sea and in the Arctic?

Answer. The Navy plays a vital leadership role in ensuring international waters and airspace are free and open. This freedom of navigation and overflight is crucial to the flow of global commerce and to the national security interests and prosperity of the United States, as outlined in the Title 10 mission of the Navy.

The Department of the Navy plays a pivotal role in preserving these navigational rights through presence and global operations. Protecting this freedom of navigation

and overflight is especially important in strategically contested areas like the South China Sea and the Arctic.

Question. If confirmed, how would you lead the Navy in engaging our allies in the common cause of ensuring freedom of navigation?

Answer. Freedom of navigation and overflight is fundamental to our national interests and the preservation of the global economic order. If confirmed, I will ensure that the Department of the Navy continues to defend America's access to the global commons, including freedom of navigation and overflight rights. I will work closely with our Allies and partners to ensure a shared understanding of the necessity of freedom of navigation, to reinforce our collective security, and to vigilantly assert and preserve the navigation and overflight rights that are essential to our collective security and prosperity.

CYBER AND ELECTRONIC WARFARE

Question. Section 1657 of the fiscal year 2020 National Defense Authorization Act (NDAA) directed the appointment of an independent Principal Cyber Advisor (PCA) for each Military Department, to act as the principal advisor to the Secretary concerned on all cyber matters affecting that Department.

If confirmed, how would you plan to utilize the Navy PCA as part of your leadership structure?

Answer. If confirmed, I will ensure the PCA remains my independent advisor solely focused on the Department of the Navy's (DON) cyberspace activities, in accordance with section 392a of Title 10 of the U.S. Code. I will expect the PCA to certify the adequacy of the DON's cyberspace activities budget and provide funding recommendations based on their analysis. In addition to coordinating within the Navy and Marine Corps, I expect the PCA to effectively engage with the Office of the Secretary of Defense, Joint Staff, Combatant Commands, and Military Departments to ensure I am fully informed of the Department's cyberspace activities.

Question. What are the Department of the Navy's top 3 Cyber Challenges, and how will you use the Principal Cyber Advisor to address them?

Answer. The Department of the Navy's top three challenges are: securing defense critical infrastructure and weapon systems; increasing cyber force readiness; and executing critical modernization efforts. Removing legacy information technology, modernizing cryptography, implementing zero trust, and hardening classified networks all contribute to modernizing the Department of the Navy. Importantly, the readiness of our military and civilian workforce is critical for achieving our priorities in cyberspace. It is my understanding that the Navy and Marine Corps have made notable progress in strengthening cybersecurity and resiliency in operational technology environments and in improving the readiness of their personnel in the Cyber Mission Force. Additionally, the Department of the Navy recently delivered the first fully validated implementation of a true Zero Trust architecture in the Department of Defense. If confirmed, I will expect the PCA to work closely with the Chief Information Officer and Navy and Marine Corps stakeholders to drive tangible outcomes in these areas.

Question. In November 2023, the Navy released its inaugural Cyber Strategy. In your view, how well postured are the Navy and the Marine Corps to meet the goals outlined in the 2023 Department of the Navy Cyber Strategy?

Answer. The 2023 Department of the Navy Cyber Strategy outlines an effective path forward for the naval services in cyberspace. I believe the Navy and Marine Corps can achieve the goals outlined in the Department of the Navy Cyber Strategy and are demonstrating success in key areas. Where work remains to be done, I will support the necessary combination of personnel, resources, and funding to drive credible outcomes in alignment with the Department of the Navy Cyber Strategy.

Question. If confirmed, what will you do to enhance Navy and Marine Corps information dominance capabilities?

Answer. If confirmed, I would seek a detailed briefing on our information dominance capabilities and determine resourcing, workforce, and innovation priorities to integrate into the joint force's modernization efforts. I will maintain a close partnership with our industrial base which will be critical in achieving success. I would also engage with the Secretary of Defense to ensure our maritime information forces have the authorities needed to accomplish national security objectives.

Question. Given the difficulty in defining where cyber operations and electronic warfare merge, if confirmed, how would you organize, train, and equip the Navy to minimize gaps and seams in these two critical mission areas?

Answer. The Information Warfare Community integrates Naval information-based capabilities to include cyber operations and electronic warfare. If confirmed, I will empower the Naval Information Warfare Community to recruit, retain and promote

the most skilled and qualified sailors to train and conduct integrated fires to effectively deter and combat threats to our Nation. These actions align to the Department of the Navy Cyber Strategy which calls for effective sequencing and synchronization of non-kinetic effects to generate decisive advantages.

Question. The Navy has had the hardest time among the military services in training and retaining cyber forces provided to US Cyber Command for the Cyber Mission Force.

What ideas do you have to improve the readiness of cyber mission forces within the Navy?

Answer. If confirmed, I will advocate for integrating cyber course curricula into service training centers to bring force generation under direct service control for greater efficiency. I will advocate for continued investment in recently acquired infrastructure to ensure all training is completed before personnel report to their teams, maintaining readiness and effectiveness. I will continue to work with CYBERCOM to implement cyber incentives that help drive advanced skills and retain a qualified workforce and I look forward to working with Congress on this issue.

Question. In what ways could Navy cyber forces be better leveraged to address tactical cyber effects at a theater warfighting level?

Answer. I believe the Navy is in a unique position to take advantage of extended access granted via waterways to support cyber effects in the littoral zone. Small cyber tactical teams deployed on Navy platforms could be force multipliers in a contested environment.

NAVY-RELATED DEFENSE INDUSTRIAL BASE

Question. What is your assessment of the Maritime Industrial Base (MIB) program office? If confirmed, how would you coordinate this office with the Program Executive Officers?

Answer. It is my understanding the Navy's Maritime Industrial Base program office is the Navy's lead organization to integrate, facilitate, and support efforts across the Department of the Navy, the Department of Defense, other U.S. Government agencies, and industrial base partners to develop and execute programmatic efforts to increase the capacity of the maritime industrial base, to scale and deploy modern manufacturing technologies, and to support the development of a new generation of skilled workforce that support our national security programs. This effort includes closely working with the Program Executive Officers to ensure real portfolio and platform needs and requirements are being met. Revitalizing the Nation's maritime industrial base is a national security imperative. If confirmed, I would work with these offices to ensure the industrial base is capable of supporting the Department of the Navy's national security missions, and ability to surge in response to a dynamic threat environment.

Question. What is your assessment of the systems and processes for identifying, evaluating, and managing risk in the Navy's industrial base, especially the shipbuilding industrial base?

Answer. The Navy's industrial base, particularly the shipbuilding sector, plays a critical role in ensuring national security, so understanding and being responsive to the systems and processes for managing risks within this sector is vital. The Maritime Industrial Base program office directly reporting to the Assistant Secretary of the Navy for Research, Development and Acquisition (ASN RD&A) is responsible for assessing, tracking, and reporting on the performance of the industrial base and its ability to meet the Department's shipbuilding acquisition programs' needs. If confirmed, I intend to better understand the drivers that are impacting the performance of the Navy's industrial base and the ways we can more proactively respond to those drivers.

Question. If confirmed, would you support expanding the strategy of dedicated industrial base funds currently used for the submarine industrial base to other capabilities?

Answer. Stabilizing, modernizing, and expanding the defense industrial base may require dedicated industrial base funds, and likely a model similar to that currently used for the submarine industrial base. The dedicated funding model for the submarine supply base is addressing the unique challenges and complexities associated with nuclear platform construction and maintenance, especially given the high costs, long production cycles, and specialized workforce required. Applying this approach to other defense capabilities would require careful evaluation of the needs and landscape of each sector. If confirmed, I will undertake this evaluation.

Question. If confirmed, how will you improve the timeliness and quality of the qualification, certification, and test process for suppliers to participate in the Navy's industrial base?

Answer. If confirmed, as the Navy develops advanced munitions and the maritime industrial base, I will ensure the Department eliminates the bureaucracy that prevents these capabilities from transitioning to the battlefield.

Question. If confirmed, how will you ensure prime contractors leverage new or expanded sources of supply?

Answer. The Navy must ensure that both our prime contractors and our Program Offices can equally access our new and expanded sources of supply. We can structure contracts and incentives to build resiliency in the production lines. The Navy should evaluate its license rights over technical data and proactively certify new sources where critical sub-components have been identified. We must partner with our Primes, to balance adding new sources vs spreading procurement too thin.

Question. How would you seek to ensure the Navy engages with the broadest industrial base possible, including traditional contractors, nontraditional contractors, and small businesses?

Answer. This is one of the most exciting times to be developing new warfighting solutions for the Navy. Navy has access to a new set of commercial entrants and a revitalized organic industrial base. Navy must use it all and leverage existing programs to reach all types of businesses. If confirmed, I would instruct my acquisition executives to develop engagement plans to bring our challenges and opportunities directly to industry and to our defense association partners who can reach up and down our supply chains, in collaboration with our Department of Defense innovation organization partners.

OPERATIONAL ENERGY AND ENERGY RESILIENCE

Question. The Department defines operational energy as the energy required for training, moving, and sustaining military forces and weapons platforms for military operations, including the energy used by tactical power systems and generators. Department of Defense energy requirements are projected to increase due to technological advances in weapons systems and the execution of distributed operations over longer operating distances.

If confirmed, how would you lead the Navy in harnessing innovations in operational energy and linking them with emerging joint operational concepts in order to reduce contested logistics vulnerabilities for warfighters?

Answer. If confirmed, I will leverage my experience and harness the Department of the Navy subject matter experts to identify and accelerate operational energy innovation advancements that improve warfighting capability. These innovations, coupled with emerging joint operational concepts, will assist with reducing contested logistics vulnerabilities for our warfighters.

Question. In what specific areas, if any, do you believe the Navy needs to improve the incorporation of energy considerations and alternative energy resources into the strategic planning processes?

Answer. If confirmed, I will work to understand the role of energy considerations and alternative energy resources in the Navy's strategic planning process.

Question. How can energy supportability that reduces contested logistics vulnerabilities become a key performance parameter in the requirements process beyond just a "check the box" consideration?

Answer. If confirmed, I will use my business background and exercise oversight to ensure that key energy performance indicators are aligned with mission needs. I believe that the integration of energy supportability issues early in the capability development process is essential to enhancing our warfighting capabilities while also mitigating logistical risks in contested environments.

Question. It is essential that DOD maintain capability to sustain critical operations in the event of an energy disruption—including commercial grid outages.

If confirmed, specifically to Guam, how would you inculcate energy resilience as a mission assurance priority for the Department of the Navy, including acquiring and deploying sustainable and renewable energy assets to support mission critical functions and address known vulnerabilities?

Answer. If confirmed, I will ensure that mission assurance assessments and installation energy plans inform the evaluation of generation, distribution, and storage technologies available to meet Department of Navy energy resiliency requirements. Furthermore, the Department of the Navy is part of a whole of government effort to mitigate known vulnerabilities, including vulnerabilities to cyber threats to Guam's energy infrastructure, to ensure that the Navy and Marine Corps critical missions are supported.

Question. How can the Department of the Navy better integrate energy security and resilience as standard components of its Military Construction (MILCON) programs, in your view?

Answer. The DON integrates Installation Energy Plans into the master planning process to inform necessary enhancements of the Department's energy security and resilience posture. If confirmed, I will ensure critical mission energy requirements identified in the Installation Energy Plans are included in the MILCON process to better support warfighter readiness.

INSTALLATION MODERNIZATION AND RESILIENCE

Question. Decades of underinvestment in Department of Defense installations has led to substantial backlogs in facilities maintenance, and substandard living and working conditions for sailors and marines.

In your view, how is the readiness of navy shore installations linked to the readiness and lethality of naval power?

Answer. Navy and Marine Corps shore installations are the platforms from which our sailors and marines train, equip, and operate their aircraft, ships, submarines, and weapons systems for future deployment. This makes the capabilities of these installations a key component of the readiness of the Fleets and Fleet Marine Forces and facilitates the lethality of the Navy and Marine Corps forces. Infrastructure and facilities capabilities are derived from military operational requirements. Shore Installations are a critical piece of mission performance that directly impact the operations and maintenance of our offensive and defensive weapons systems and the Quality of Life and Quality of Service for sailors and marines.

Question. In your view, does the Department of the Navy receive adequate funding for base operations support, writ large? Please explain your answer.

Answer. From what I understand, the systemic underfunding of the maintenance, sustainment, and modernization funding for aging shore infrastructure requirements has led to a backlog of maintenance needs and degraded systems across the DON. Like many communities across the Nation, the Department shore installations are upwards of 60 years old. Modernization of the core utilities, telecommunications, and transportation infrastructure is far more expensive and requires significantly more funding to upgrade. If confirmed, I will look for innovative solutions to update the Department's infrastructure within our designated budget and available authorities.

Question. Do you have any specific plans to leverage infrastructure modernization to improve the quality of life for Navy and Marine Corps servicemembers and their families, who are under considerable strain as a result of repeated deployments?

Answer. Quality of Life is an important aspect of Readiness. Ensuring sailors and marines are afforded the quality resources from which to work and quality facilities in which to live is a top priority. If confirmed, I am committed to identifying and supporting opportunities that will sustain and improve the quality of life for sailors, marines, and their families and I am supportive of the Department's efforts to prioritize critical infrastructure and Quality of Life projects, including the focus on unaccompanied housing.

ENVIRONMENT

Question. According to the GAO, the Navy has identified 127 installations with known or suspected releases of perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA).

What is your understanding of the Department of the Navy's strategy for monitoring drinking water on Navy and Marine Corps installations, as well as public and private drinking water off-installation, for PFOS, PFOA, and other contaminants?

Answer. It is my understanding that consistent with Department of Defense policy, the Navy and Marine Corps will monitor and treat for Per- and Polyfluoroalkyl Substances (PFAS) in drinking water, in compliance with the U.S. Environmental Protection Agency's (EPA) April 2024 National Primary Drinking Water Regulation final rule requirements, for Navy and Marine Corps-owned drinking water systems in the United States, including those drinking water systems not subject to EPA's rule, but which provide drinking water to our on-installation communities.

For public and private drinking water wells off-installation, I understand the Navy has been proactively addressing elevated PFAS levels from Navy and Marine Corps sources under Federal cleanup law, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Currently, the Navy addresses PFAS in private wells from Navy and Marine Corps sources in accordance with the Department of Defense policy memo, "Prioritization of Department of Defense Cleanup Actions to Implement the Federal Drinking Water Standards for Per- and

Polyfluoroalkyl Substances Under the Defense Environmental Restoration Program.” This policy describes DOD’s plans to incorporate EPA’s PFAS drinking water levels into DOD’s ongoing PFAS cleanups and prioritize actions to address private drinking water wells with the highest levels of PFAS from DOD activities.

Question. If confirmed, how would you further efforts to identify and remediate PFOS/PFOA contamination on Navy installations, including Reserve component locations?

Answer. This program is vital to protect the health of sailors, marines, civilians, their families, and the communities in which they serve, and I will commit to supporting this program to the benefit of our long-term mission goals.

SCIENCE, TECHNOLOGY, AND INNOVATION

Question. What are the key technologies that the Navy should be focused on to support modernization activities?

Answer. I recognize that invention, innovation and modernization are the driving forces behind technological breakthroughs, ultimately leading to a more dominant maritime force. Our potential adversaries have demonstrated significant science and technology capability that challenges our capacity to maintain our technological lead. I believe the Department should focus on technologies across a spectrum of cutting-edge fields, including artificial intelligence driven autonomous systems and advanced decisionmaking systems, quantum capabilities, advanced materials and maritime cybersecurity. A forward-looking approach will ensure our naval superiority.

Question. What do you see at the role of the Navy’s in-house laboratories and research and development centers in supporting Navy modernization goals?

Answer. The Office of Naval Research, Naval Research Lab and the Naval Warfare Centers are critical to the Naval fighting capabilities. They are engines of innovation, bringing the warfighter, industry and domain area experts together to tackle hard technical challenges and deliver for the Fleet and Force. They actively work in a number of areas that address the scientific and technological foundation needed to support Naval modernization goals with emerging technologies including cyber, directed energy, advanced sensor technologies, artificial intelligence, autonomous systems, quantum sensors and quantum computing, advanced manufacturing technologies for ships, submarines and air platforms, advanced electronics, swarming technologies, space and terrestrial robotics, hypersonics, biotechnologies for logistics advantage and warfighter performance, communications and networking technology, and advanced electronic warfare (EW).

It is important to maintain a robust portfolio that not only works with industry and other stakeholders to develop disruptive capabilities, but also supporting the increased lethality, survivability and affordability of our current platforms.

Question. Are there enduring technology areas that might not be considered emerging (for example, energetic materials, or corrosion control) that the Navy should remain focused on as categories outside of the modernization priorities?

Answer. I understand that the Office of Naval Research, Naval Research Lab and the Warfare Centers are actively working in several foundational areas that address the scientific and technological components supporting operations in the harsh maritime environment, significant deep ocean depths and other unique Naval mission areas. The Navy fights from the deep oceans to space and to pace the threat requires a wide range of superior technology across numerous domains.

Question. How should the Navy make investment decisions to balance the needs between these emerging and enduring technology areas?

Answer. It is a national security imperative to achieve and maintain unquestioned and unchallenged global Naval technological dominance. To do so, I believe the Navy must strike a balance between investments that make the current Fleet and Force more lethal and survivable with—higher risk—potentially high impact capabilities in the future. Visionary investments made many years ago resulted in the capabilities our sailors and marines have use in the fight with great effect today. Near-term readiness will be paramount to ensuring deployed and deploying forces are prepared for any challenges they may encounter. Still, the Department of the Navy must make investment decisions in Naval cutting-edge science and technologies that will be transitioned to industry and acquisition to scale and support. The Navy incorporates science and technology into its war games to shape the future of the Fleet and Force, and experiments at sea to drive the solutions it needs near term. Naval research teams bring industry, leading researchers and other innovative problem solvers to the table to help us make the right choices. If confirmed, I intend to make strategy-driven, data-informed decisions maximizing effectiveness

to balance near-term capacity with future capability requirements and modernization opportunities with enduring Naval needs.

Question. If confirmed, what steps would you take to support the Navy's in-house innovation enterprise at its labs and engineering centers?

Answer. The Naval Warfare Centers and Naval Research Laboratory have a proud legacy of innovation, seamlessly transitioning cutting-edge scientific discoveries into real-world capabilities for the Naval Services and our Nation's fleet. Today, they are agile and on-call supporting the warfighter pivoting technology to pace our adversaries. The workforce, comprised of brilliant scientists, engineers, and dedicated business and administrative personnel, is a strategic advantage. These individuals, working collaboratively across the Naval Research and Development Enterprise (NRDE), form the very foundation of technological edge, driving discovery, development, and delivery of critical technologies to our warfighters.

If confirmed, I am committed to further strengthening the Naval laboratory enterprise, recognizing its critical role as our "technical bench." This enterprise spans the full spectrum, from groundbreaking science and technology development, to providing indispensable technical expertise, to acquisition programs, and sustaining our fleet and force to support the Naval research and development enterprise efforts to address workforce challenges, anticipate emerging technology requirements, and modernize infrastructure.

Question. If confirmed, how would you ensure that a greater percentage of the technologies being developed by Navy labs transition into programs of record for deployment to the warfighter? How would you ensure that appropriate technologies are transitioning more quickly into programs of record?

Answer. The ultimate goal of research investments is to put capability into the hands of sailors and marines to fight and win. Sailors and marines operate in a world of evolving security threats and rapid technological change. It is vital to accelerate discovery and delivery, and key to that is partnerships with industry and the Nation's commercial innovative capacity. Successful transitions in the innovative naval prototype and future naval capability portfolio have coupled the pioneering science and technology development of our research and technology teams such as the Warfare Centers, Office of Naval Research and the Naval Research Laboratory, academia and other partners with commercial industry earlier resulting in faster capability with firm commitments to acquisition to support smoother integration into our Fleet.

Additionally, our Naval Warfare Centers, have consistently provided responsive technical leadership and engineering support to our programs of record, directly connected to the Fleet and Force, they are a key enabler for transitioning technologies into the demanding environments our warfighters operate within.

In that regard, I would encourage and support quick reaction efforts that apply new technology capabilities to solve current warfighting gaps and give us an advantage over our adversaries.

Question. What efforts is the Department of the Navy making to identify new technologies developed commercially by the private sector and apply them to military and national security purposes?

Answer. The Navy must seek ways to engage new industry partners to support the Fleet and Force. I understand NavalX, working in conjunction with the Naval Warfare Centers and Department of Defense innovation partners, works to lower the barrier of entry to bring new capabilities to the table. They execute deliberate and dedicated efforts to foster innovation ecosystems with non-traditional, commercial industry partners and enable the exposure and experimentation of those commercially available and developing technologies in operationally relevant environments supporting transition opportunities. Navy efforts to spearhead innovation and competitiveness in critical and emerging technologies is essential as Navy is fostering the transition of science and technology from across traditional and non-traditional partners. Office of Naval Research develops and enables the business of innovation within the Department of the Navy to expand the Naval industrial base via engagement with traditional and nontraditional innovative commercial partners, entrepreneurs, and academia to innovate and rapidly identify and transition cutting edge technologies with military application to the warfighter for competitive advantage.

Question. How do you think the Navy needs to approach the testing, experimentation and integration of such commercial technologies in parallel with traditional innovation processes?

Answer. Rapid experimentation is a foundational learning tool used across the full spectrum of technology maturity. The Navy and Marine Corps must focus on conducting a wide array of experimentation, bringing new and enduring industry partners, the research teams, and most importantly the sailors and marines to learn and

drive solutions. Navy must learn from these experiments as well as current system employment in operations.

MILITARY HEALTH SYSTEM (MHS) REFORM

Question. Do you support the implementation of the MHS reforms mandated by the NDAAs for fiscal years 2017, 2019, and 2020?

Answer. Yes. I understand the mandated reforms intended an integrated system of readiness and health. The MHS is critical to the Navy's ability to generate medically ready operational forces, and I understand the DON is committed to helping stabilize the MHS with a staffed and ready medical force.

Question. Will you ensure that the Navy continues to provide the military medical personnel needed to provide care in these facilities?

Answer. Yes. The Department is committed to supporting the Defense Health Agency with predictable military staffing to support healthcare delivery for our sailors, marines and their families, concurrently continuing to train, sustain, and modernize our medical forces in support of operational missions.

Question. If confirmed, how would you ensure that the Navy reduces its medical headquarters' staffs and infrastructure to reflect the more limited roles and responsibilities of the Navy Surgeon General?

Answer. It is my understanding that Navy Medicine underwent two significant cuts of both military and civilian manpower due to the transfer of military treatment facility oversight to the Defense Health Agency. If confirmed, I will ensure our medical headquarters structure complies with the readiness responsibilities retained by the Navy and the Marine Corps.

END STRENGTH

Question. The Navy's Active Duty end strength was 352,633 in fiscal year 2021 and has fallen to a requested average end strength of 332,933 in fiscal year 2025. The Marine Corps' Active Duty end strength is also shrinking from 179,678 in fiscal year 2021 to 172,300 requested in fiscal year 2025.

Do you believe that Navy and Marine Corps end strengths are appropriate and sufficient to meet national defense objections? Please explain your answer.

Answer. Navy and Marine Corps end strength must be sufficient to address the Nation's security challenges. If confirmed, I would assess Navy and Marine Corps end strength together with the mission requirements and budget factors driving those numbers.

Question. GAO report "Navy Readiness" (GAO-24-106525) found that surface ships were undermanned by 19 to 37 percent leading to work overload. If confirmed, what steps will you take to support adequate personnel aboard ships?

Answer. I understand the Navy has significant gaps in sea assignments, largely from increasing operational requirements. My understanding is that the forward deployed ships are manned at the highest levels to ensure operational readiness. Proper ship manning is essential to operational readiness and the well-being of our sailors. If confirmed, I would ensure the Navy aggressively addresses these gaps and employs effective efforts to attract and retain America's best and brightest.

NAVY AND MARINE CORPS RESERVES

Question. What is your vision for the roles and missions of the Navy and Marine Corps Reserves? If confirmed, what objectives would you seek to achieve with respect to the organization, force structure, and end strength of the Navy Reserve? Of the Marine Corps Reserve?

Answer. Warfighting Readiness is Priority One. The Navy and Marine Corps Reserve Forces provide strategic depth to the most powerful Navy and Marine Corps in the world and stand ready to carry out missions across the globe. The Reserve Forces can rapidly mobilize and deploy to support emerging and steady-State operations for the Navy, Marine Corps, and Joint Force. If confirmed, I will work with leaders across the Department of Navy and the Department of Defense to expand our Nation's Maritime Dominance by ensuring our Reserve Components are sized and organized for maximum readiness and lethality.

Question. Do you expect to meet prior service accession goals for the Navy and Marine Corps Reserves this fiscal year? Please explain your answer.

Answer. It is my understanding from public reporting that the Navy and Marine Corps are both on track to meet their accession goals this year. If confirmed, I will work with the Services to meet accession goals.

RECRUITING AND RETENTION

Question. The 2024 National Defense Strategy Commission stated that “The DOD workforce and the all-volunteer force provide an unmatched advantage. However, recruiting failures have shrunk the force and raise serious questions about the all-volunteer force in peacetime, let alone in major combat.” In addition, DOD studies indicate that only about 23 percent of today’s youth population is eligible for military service, and only a fraction of those who meet military accession standards are interested in serving.

In response to military recruiting difficulties, the Navy has lowered enlistment standards more than any other service, including accepting category IV recruits at the maximum amount allowed by law and lowering the test scores required to serve in dozens of enlisted ratings.

In your view, what is the risk associated with accessing large numbers of category IV recruits, and if confirmed, do you intend to continue with this practice?

Answer. The Department of the Navy must play a role in inspiring America’s young people to serve, ensuring they meet the high standards of enlistment, and developing them so that they continue to meet those high standards throughout their careers. I am committed to evaluating and thus ensuring the highest fitness and aptitude standards. I understand the Navy has recently accepted additional recruits with lower Armed Forces Qualification Test scores, but requires they complete the Future Sailor Preparatory Course intended to improve aptitude prior to bootcamp. If confirmed, I intend to review the risks, benefits, and mitigation strategies the Navy has put in place, and will assess if any changes are necessary.

Question. Rather than relying solely on ever-higher compensation for a shrinking pool of volunteers, what creative initiatives would you implement, if confirmed, to expand the pool of eligible recruits and improve Navy and Marine Corps recruiting?

Answer. Service in the Navy or Marine Corps offers the American public a value proposition that is both exciting and unique relative to typical private sector occupations. I understand the Navy and Marine Corps, and the Department of Defense as a whole, have been proactively exploring opportunities to expand the pool of eligible recruits. If confirmed, I would consider all potential options to expand our reach across the country so that the Department of the Navy maximizes our ability to find high-quality young Americans interested and able to serve. I would also ensure we are making informed and right-sized investments and modernizing our efforts to recruit effectively in an evolving market for talent and effectively conveying the value of service within our two military branches.

Question. In your view, what effect do current recruiting standards—particularly DOD-wide criteria for tier-one recruits—have on recruit attrition and/or future success in the Navy and the Marine Corps?

Answer. I believe higher-quality recruits are more likely to succeed. If confirmed, I will review data concerning the degree to which current recruiting standards predict success in the Navy and Marine Corps. If these standards are less likely to yield effective lethality and deterrence, I will work with leaders in the DOD to modify those standards.

Question. What recommendations would you have for increasing the pool of youth who are both eligible and disposed for military service?

Answer. I believe the Department of the Navy should be partnering with all stakeholders to demonstrate the value of service to one’s personal and professional growth and future opportunities. The opportunity for training and education is world class and we should be showcasing that to all Americans. The Department of the Navy must play a role in inspiring America’s young people to serve, ensuring they meet the high standards of enlistment, and developing them so that they continue to meet those high standards during their careers. If confirmed, I look forward to sharing the story of naval service with lawmakers, educators, and community leaders who can carry that message back to their communities.

MILITARY COMPENSATION

Question. What is your assessment of the adequacy of military compensation?

Answer. Regular evaluation of military compensation is necessary to ensure that pay and benefits for servicemembers remain competitive. I understand that the 14th Quadrennial Review of Military Compensation (QRMC) found that regular military compensation remains very competitive relative to civilian earnings for those with similar education levels and work experience. The QRMC also found that special and incentive pays remain effective means of increasing the recruitment and retention of personnel with skills that command higher wages in the civilian marketplace or who need to be compensated for particularly arduous or dangerous duties. Ultimately, the relevant gauge of the adequacy of military compensation is whether we

are able to recruit and retain sufficient talent to man the Navy and Marine Corps. It is my understanding that the Navy and Marine Corps are currently achieving recruiting and retention goals in the aggregate, but face challenges for specific skillsets. If confirmed, I will work closely with Navy and Marine Corps leadership to preserve our recruiting and retention in an ever-changing environment.

THE GI BILL, VOLUNTARY EDUCATION, AND CREDENTIALING PROGRAMS

Question. Do Navy and Marine Corps Voluntary Education Programs contribute to military readiness, in your view? Please explain your answer.

Answer. It is my understanding that the voluntary education programs play a key role in enhancing military readiness because they contribute to the development of a skilled and accomplished force and promote recruitment and retention. From my experience in the private sector, I recognize that education is a powerful recruiting and retention tool that helps members of a team realize their full professional and personal potential. An educated force that is skilled, adaptable, and flexible is essential for addressing emerging global threats and challenges.

Question. What progress have the Navy and Marine Corps made in identifying and leveraging credentialing programs, both to enhance a sailor or Marine's ability to perform his/her official duties, and to qualify the sailor or Marine for meaningful civilian employment on separation from the military?

Answer. I understand that the Department of the Navy Credentialing Opportunities Online (COOL) program offers sailors, marines, and DON civilians many opportunities to earn licenses and certifications that validate their knowledge and experience, while opening doors to new opportunities in both the Department and the civilian sector. I understand successful programs like these come through meaningful partnerships with Congress and other stakeholders.

Question. What is your vision of the role and mission of the Naval Community College?

Answer. My vision of the U.S. Naval Community College (USNCC) is to provide accessible, high-quality educational opportunities to enlisted sailors, marines and coastguardsmen that are aligned with the operational needs of our naval services. The goal is to deliver naval-relevant curricula for maximum warfighting effectiveness. Additionally, USNCC educational offerings will improve the professional and personal development of servicemembers. If confirmed, I would seek to build upon the initial successes of the USNCC, continuing to work in partnership with accredited universities and institutions to ensure the program is developing servicemembers who can outthink and outfight any adversary.

NON-DEPLOYABLE SERVICEMEMBERS

Question. In your view, should sailors and marines who are non-deployable for more than 12 consecutive months be subject either to separation from the service or referral to the Disability Evaluation System, as is current Department policy?

Answer. The Navy and Marine Corps must maintain a globally deployable force. It is my understanding that sailors and marines who are non-deployable for more than 12 consecutive months will receive an individualized review that weighs whether their continued service is in the Nation's best interest. If confirmed, I commit to evaluating existing policy and processes to ensure our personnel are being properly cared for, while simultaneously maintaining an effective fighting force capable of achieving the mission.

Question. Under what circumstances would the retention of a servicemember who has been non-deployable for more than 12 months be "in the best interest of the service"?

Answer. I understand the determination of whether it is in the best interest of the Service to retain a servicemember who has been non-deployable for more than 12 months is based upon an individualized review of several factors, including the likelihood that the member will be able to return to deployable status and the member's unique skills and qualifications to fit identified needs of the Service.

Question. In your view, should a sailor or marine's readiness to perform the required specific missions, functions, and tasks in the context of a particular deployment also be considered in determining whether that servicemember is deployable?

Answer. Yes, the ability of a sailor or marine to perform the specific job function should be a consideration when making any assignment.

Question. What are your ideas for addressing the challenges of medical non-deployability in the Reserve components?

Answer. If confirmed, I would seek to better understand the unique challenges associated with non-deployable Reserve Component members. Along with the Service Chiefs, I would consult with the Chief of the Navy Reserve and the Commander of

the Marine Corps Forces Reserve to understand their current process, demands, and challenges, and would welcome their feedback and proposed solutions.

MILITARY FAMILY READINESS AND SUPPORT

Question. What do you consider to be the most important family readiness issues for sailors, marines, and their families?

Answer. Family readiness is an important tenet of warfighter readiness. If we take care of our families, our warfighters are ready. In that vein, some of the most pressing issues facing sailors, marines, and their families are increased access to health care, spouse employment, and reliable quality and affordable childcare. These issues, along with many others, are vitally important to the readiness that allows our sailors and marines to deploy far from home with reasonable assurance that their families will be safe and have what they need to cope with what are often long absences. Through my interactions with our brave servicemembers, I am acutely aware of the many sacrifices our families make for us every day. I am committed, if confirmed, to ensure that families do not just endure, but thrive, in the Navy and Marine Corps family.

Question. If confirmed, how would you ensure that the family readiness issues you identified are properly addressed and adequately resourced?

Answer. Family readiness and quality of life issues will be a top priority if I am confirmed. It is my understanding that the Navy and Marine Corps provide a comprehensive range of programs. I plan to examine these programs to learn how we can improve our family readiness, measure program effectiveness, and ensure adequate resourcing.

Question. The Navy completed a Quality of Service review after a string of suicides. If confirmed, how will you continue the work to improve the quality of service of sailors? Are there any new efforts you would undertake?

Answer. It is my understanding that the Navy currently has an effort led by a three-star admiral addressing quality of service issues associated with that review. If confirmed, I will seek a briefing to understand how the report's recommendations have been implemented so far, any barriers the Navy faces in implementing the remaining recommendations, and any additional initiatives that effort is pursuing.

SUICIDE PREVENTION

Question. The number of suicides in each of the Services continues to concern the Committee. Over the past several years, the Navy has struggled with suicides for sailors in a limited duty status, and sailors assigned to ships in long-term maintenance. If confirmed, what would you do to maintain a strong focus on preventing suicides in the active Navy and Marine Corps, the Navy and Marine Reserve, and in the families of your sailors and marines?

Answer. The loss of any sailor, marine, civilian, or family member to suicide is one too many, and we must remain committed to ensuring the health, safety and well-being of all members of our military community. If confirmed, I will prioritize suicide prevention strategies that are evidence-based, explore opportunities to address unit climate health, and ensure members and families have access to necessary resources and that commanders encourage their use. It is critical for sailors and marines to foster their mental, physical and spiritual well-being to continue their mission to protect our Nation and remain combat-ready, lethal fighters. If confirmed, I will continue to advance an approach that guards our greatest asset, our people, by ensuring that our sailors, marines, and civilians have the necessary support to meet the demands of the warfighter's mission.

SEXUAL HARASSMENT AND ASSAULT PREVENTION AND RESPONSE PROGRAMS

Question. Do you believe the policies, programs, resources, and training that DOD and the Military Services have put in place to prevent and respond to sexual assault, and to protect servicemembers who report sexual assault from retaliation, are working? If not, what else must be done?

Answer. There is no place for sexual assault in the Navy or Marine Corps. Offenders must be held appropriately accountable, and victims must be able to access the resources that they need. No one should fear retaliation for reporting this crime. I understand that both Services within the Department of the Navy are resolute in their efforts to reduce the prevalence of these behaviors and ensure comprehensive care to those who seek help. In partnership with Congress, the Department of Defense and the Department of the Navy have taken meaningful steps to reduce prevalence of sexual assault, as evidenced by the findings of the most recent annual report on sexual assault in the military. If confirmed, I will ensure these programs have the support and resources they need to succeed and continue making progress.

Question. If confirmed, what would you do to increase focus on the prevention of sexual assaults?

Answer. If confirmed, I will continue the emphasis on addressing problematic behaviors before they escalate and focus on evidenced-based prevention programs. I will review the Department of the Navy's current prevention strategies and prioritize data-driven initiatives that leverage behavioral science and lessons learned from both civilian and military sectors. I will encourage the implementation of tailored prevention strategies to reduce harmful behaviors by equipping leaders at all levels with the skills and resources necessary to quickly address emerging behaviors that are harmful and set conditions for healthy climates.

Question. What is your view of the necessity of affording a victim both restricted and unrestricted options to report sexual harassment?

Answer. Statistics seem to indicate that sexual harassment may be under-reported. I am committed, if confirmed, to look more closely at this issue. I believe the Department of the Navy should explore available avenues to eliminate barriers for sailors, marines and civilians to come forward and report sexual harassment. Ensuring sexual harassment victims have options for reporting fosters trust in the system and encourages survivors to come forward.

DOMESTIC VIOLENCE AND CHILD ABUSE IN NAVY AND MARINE CORPS FAMILIES

Question. What is your understanding of the extent of domestic violence and child abuse in the Navy and Marine Corps, and, if confirmed, what actions would you take to address these issues?

Answer. Domestic violence and child abuse have lasting consequences for military families, negatively impact the readiness and resilience of the total force and are unacceptable. My understanding is that data concerning these cases is reflective of national trends. Understanding the unique pressures of deployment, extended family separations, and warfighting is vital to addressing these issues. If confirmed, I will work with Navy and Marine Corps leadership to improve victim safety, ensure access to available resources and reporting options, and promote help-seeking behaviors of sailors, marines, civilian personnel, and their families.

Question. In your view, what more can the Navy and Marine Corps do to prevent child abuse and domestic and intimate partner violence?

Answer. If confirmed, I will focus on promoting the health, safety, and well-being of Navy and Marine Corps members and their families. I will ensure leaders prioritize efforts to strengthen the resiliency of our warfighters and emphasize the importance of seeking help and encourage early intervention.

WHISTLEBLOWER PROTECTION

Question. Section 1034 of title 10, U.S. Code, prohibits taking or threatening to take an unfavorable personnel action against a member of the armed forces in retaliation for making a protected communication. Section 2302 of title 5, U.S. Code, provides similar protections protected communication. Section 2302 of title 5, U.S. Code, provides similar protections protected communication. Section 2302 of title 5, U.S. Code, provides similar protections protected communication. Section 2302 of title 5, U.S. Code, provides similar protections

If confirmed, what actions would you take to ensure that sailors, marines, and civilian employees of the Department of the Navy who report fraud, waste, and abuse, or gross mismanagement to appropriate authorities within or outside the chain of command, are protected from reprisal and retaliation, including from the very highest levels of the executive branch?

Answer. I fully appreciate the important role that whistleblowers play in combating fraud, waste, abuse, and gross mismanagement. If confirmed, I will ensure that the Department of the Navy abides by the applicable laws, regulations, and rules regarding whistleblower disclosures and protections; reprisal allegations are properly investigated; and appropriate administrative or disciplinary actions are taken against personnel who engage in illegal reprisal or retaliation.

JOINT OFFICER MANAGEMENT

Question. What modifications, if any, would you recommend to Junior Qualified Officer (JQO) prerequisites necessary to ensure that military officers are able to attain both meaningful joint and Service-specific leadership experience, as well as adequate professional development?

Answer. From my experience in the private sector, leaders capable of thinking and working beyond siloed responsibilities can play an outsized role in advancing strategic objectives. If confirmed, I will consult with the Chief of Naval Operations and Commandant of the Marine Corps to assess the needs, benefits, and challenges

of joint qualification requirements. I understand Joint Professional Military Education opportunities are intended to ensure the Navy and Marine Corps provide competent, well-educated, and qualified officers capable of operating in the joint force and the Service echelon commands. If changes to joint qualification requirements are necessary, I will work with the Secretary of Defense to propose statutory and/or policy changes as appropriate.

Question. What are your ideas for improving the JQO system better to meet the needs of Reserve component officers?

Answer. The Navy and Marine Corps Reserves are critical components of the Total Force and are integrated into current Joint Training Requirements. We will continue to prioritize Joint integration and innovative solutions to ensure the Reserve Components continue to receive the training needed to operate in the Joint environment. I am not aware of any modifications that are needed at this time. However, should present circumstances change, I will review the new information available and solicit the advice and views of relevant individuals before making any decision that may come before me on this matter.

Question. In your view, should the requirement to be a JQO be eliminated as a consideration in selecting officers for promotion and assignment?

Answer. I believe the joint qualification requirement as a consideration in selecting officers for promotion and assignment has historically provided the Navy and Marine Corps with a highly qualified cadre of officers capable of working strategically with cross-Service partners. If confirmed, I will consult with the Services to assess the need for, as well as benefits and challenges of, joint qualification requirements for promotion and assignment. Should change be warranted, I will work with appropriate stakeholders to address that need.

OFFICER PROMOTION POLICIES AND PROCESSES

Question. In your judgment, how effective are the Navy and Marine Corps at identifying, promoting, and rewarding top performers?

Answer. I understand Navy and Marine Corps promotion selection board processes, informed by the performance evaluation system, are designed to select the very best of fully qualified officers for promotion. These processes should be fair, objective, and merit based. If confirmed, I will require regular review of these processes to ensure they are effective in building a capable, ready, and lethal force.

Question. Similarly, how effective are the Navy and Marine Corps at identifying and removing underperforming or counterproductive servicemembers?

Answer. It is my understanding that both Services have mechanisms in place to identify and, when necessary, remove underperforming and/or counterproductive members. Such individuals are identified by their reporting seniors in the annual performance evaluation process, resulting in direct inputs to the promotion selection board process. I am committed, if confirmed, to reviewing these policies and procedures to ensure they are aligned with the principles of retaining the best talent and restoring lethality and deterrence.

Question. In your view, what should be done to improve Navy and Marine Corps talent management, both in the Active and Reserve components?

Answer. If confirmed, I will look closely at this issue. I understand both the Navy and Marine Corps are currently modernizing their talent management systems. I will assess, in consultation with the Services, whether any additional authorities and flexibilities are needed to optimize the development, evaluation, assignment, selection, and promotion of high-performing, high-potential sailors and marines who can outthink and outfight any adversary.

Question. If confirmed, how would you ensure compliance with the requirements of law and regulation regarding the investigation and promotion board consideration of adverse and reportable information in the context of both general and flag officer and O-6 and below promotion selection processes?

Answer. It is my understanding the law and DON policy provide the parameters to ensure promotion boards properly consider adverse and reportable information in the selection process. If confirmed, I will ensure that the Department of the Navy continues to adhere to these directives. I also will consult with the Chief of Naval Operations and Commandant of the Marine Corps to review mechanisms for holding leaders accountable. Accountability is essential Marine Corps to review mechanisms for holding leaders accountable. Accountability is essential.

Question. Do you believe Navy and Marine Corps procedures and practices for reviewing the records of officers pending the President's nomination for promotion or assignment are sufficient to enable fully informed decisions by the Secretary of the Navy, the Chairman of the Joint Chiefs of Staff, the Secretary of Defense, and the President?

Answer. I understand the procedures and practices for reviewing the records of officers pending nomination for promotion are robust and include collaboration with appropriate investigatory agencies to identify any adverse or reportable information concerning selected officers. If confirmed, I will consider, in consultation with the Service Chiefs, whether any improvements are necessary to ensure promotion and assignment decisions are based on merit.

Question. In your view, are these procedures and practices fair to the individual military officers proceeding through the promotion or assignment process? Please explain your answer.

Answer. I understand promotion and assignment processes are designed to ensure the right personnel are placed in the right roles. If confirmed, I will review these processes to verify that they are fair and merit-based and will be vigilant in identifying opportunities for improvement.

PROFESSIONAL MILITARY EDUCATION (PME)

Question. What is your view of the Commandant of the Marine Corps' proposal to replace "non-observed academic fitness reports" with an evaluation that documents how well a Marine did at a professional school, assigns the marine a class rank, and differentiates high-performing marines from low performers?

Answer. If confirmed, I will seek a briefing on this practice. It is my understanding that the Marine Corps introduced observed academic fitness reports in 2020. I have not formed an opinion on this matter and will consult with the Commandant of the Marine Corps.

Question. What changes or reform would you recommend to the PME system to ensure that tomorrow's leaders have the intellectual acumen, military leadership proficiency, and emotional maturity necessary to ensure the Navy and Marine Corps meet the national defense objectives of the future?

Answer. I am committed to review this matter if confirmed. I believe that professional military education could be improved through use of cutting-edge technologies, expansion of joint-service training, and emphasis on critical thinking and strategic decisionmaking. These reforms will ensure our leaders are intellectually equipped and strategically proficient to meet current and future national defense objectives. I will consult with the Chief of Naval Operations and Commandant of Marine Corps to review, explore, and implement necessary changes and reforms.

DEPARTMENT OF THE NAVY CIVILIAN PERSONNEL WORKFORCE

Question. In your judgment, what is the biggest challenge facing the Navy and Marine Corps in effectively and efficiently managing their civilian workforce?

Answer. I believe the biggest challenge facing the Navy and Marine Corps in effectively and efficiently managing their civilian workforce is work underway right now to size this workforce appropriately to meet the Department of the Navy's most pressing missions. We cannot afford an oversized civilian workforce working on the wrong things. If confirmed, I am committed to working with leaders across the Department of Defense to build and sustain a lean and highly technical civilian workforce that contributes directly to readiness and lethality of our naval forces.

Question. In your view, do Navy supervisors have adequate authorities to address and remediate employee misconduct and poor duty performance, and ultimately to divest of a civilian employee who fails to meet requisite standards of conduct and performance?

Answer. It is my understanding there are adequate authorities to take various informal and formal corrective actions, such as suspensions and removals, but they appear to be overly burdensome and time-consuming. If confirmed, working with Congress and leaders across the Department of Defense, I would explore ways to streamline the disciplinary process.

Question. What recommendations do you have to improve DOD's management of its civilian workforce?

Answer. The Department of the Navy's highly technical civilian workforce plays a vital role in supporting warfighting readiness, contributing to Department of Defense mission capabilities and operational effectiveness. Our civilians are able partners with our warfighters, and essential to maintaining the strength of the all-volunteer force. As we right size and refocus the civilian workforce, we must likewise commit to a campaign to recruit America's best talent to public service.

Question. What do you see as the impact of the Navy civilian workforce on Navy and Department of Defense missions? Are there "health metrics" that the Navy is or could be using to help ensure that the civilian workforce is adequately sized for all of the tasks assigned to it?

Answer. The civilian workforce plays a critical role in mission readiness. Within the Department of the Navy, civilians provide continuity and expertise to our sailors and marines, and many of them are veterans themselves. It is my understanding that the Department conducts workforce analysis to determine civilian and military staffing requirements for peacetime and mobilization operations. I also understand that the Department has been advancing data-driven decisionmaking regarding workforce composition, readiness, and allocation. If confirmed, I will review existing metrics and drive improvements.

Question. In what ways does the Navy civilian workforce take on tasks that would otherwise have to be done by military personnel, and thus taking them away from their core warfighting functions?

[illegible]

CONGRESSIONAL OVERSIGHT

Question. In order to exercise legislative and oversight responsibilities, it is important that this committee, its subcommittees, and other appropriate committees of Congress receive timely testimony, briefings, reports, records—including documents and electronic communications, and other information from the executive branch.

Do you agree, without qualification, if confirmed, and on request, to appear and testify before this committee, its subcommittees, and other appropriate committees of Congress? Please answer with a simple yes or no.

Answer. Yes.

Question. Do you agree, without qualification, if confirmed, to provide this committee, its subcommittees, other appropriate committees of Congress, and their respective staffs such witnesses and briefers, briefings, reports, records—including documents and electronic communications, and other information, as may be requested of you, and to do so in a timely manner? Please answer with a simple yes or no.

Answer. Yes.

Question. Do you agree, without qualification, if confirmed, to consult with this committee, its subcommittees, other appropriate committees of Congress, and their respective staffs, regarding your basis for any delay or denial in providing testimony, briefings, reports, records—including documents and electronic communications, and other information requested of you? Please answer with a simple yes or no.

Answer. Yes.

Question. Do you agree, without qualification, if confirmed, to keep this committee, its subcommittees, other appropriate committees of Congress, and their respective staffs apprised of new information that materially impacts the accuracy of testimony, briefings, reports, records—including documents and electronic communications, and other information you or your organization previously provided? Please answer with a simple yes or no.

Answer. Yes.

Question. Do you agree, without qualification, if confirmed, and on request, to provide this committee and its subcommittees with records and other information within their oversight jurisdiction, even absent a formal Committee request? Please answer with a simple yes or no.

Answer. Yes.

Question. Do you agree, without qualification, if confirmed, to respond timely to letters to, and/or inquiries and other requests of you or your organization from individual Senators who are members of this committee? Please answer with a simple yes or no.

Answer. Yes.

Question. Do you agree, without qualification, if confirmed, to ensure that you and other members of your organization protect from retaliation any military member, Federal employee, or contractor employee who testifies before, or communicates with

this committee, its subcommittees, and any other appropriate committee of Congress? Please answer with a simple yes or no.

Answer. Yes.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR M. MICHAEL ROUNDS

DIAGNOSTIC TESTING TECHNOLOGY

1. Senator ROUNDS. Mr. Phelan, almost 3 years ago the Department of Defense estimated that the inability to detect and isolate electronic faults resulted in over 383,000 non-mission capable days each year and over \$5.5 billion in non-value-added sustainment costs. In response to this readiness and sustainment challenge, the Office of the Secretary of Defense (OSD) proposed funding for the purchase of a readily available, effective, and proven technology to address this issue. The Senate Armed Services Committee (SASC) fully supports this technology, and the fiscal year 2024 defense appropriation included \$35.2 million for it. My concern is that, under the previous administration, the Navy resisted its acquisition. If confirmed, would you commit to following up with me on this technology?

Mr. PHELAN. I recognize the importance of a loss of mission capable days and sustainment costs associated with the inability to detect and isolate electronic intermittent faults. If confirmed, you have my commitment to followup with you regarding employment of these technologies.

QUESTIONS SUBMITTED BY SENATOR DAN SULLIVAN

SHIPBUILDING AND MAINTENANCE

2. Senator SULLIVAN. Mr. Phelan, the Chinese Communist Party is on pace to surpass a 400-ship fleet this year, giving them an advantage of over 120 ships compared to us. While the “quality” of these ships could be debated, as the saying goes, “quantity has a quality all its own”. In 2023, China added 30 ships to its fleet, 15 of which were large surface combatants; we added 2. This is an existential threat to our national security and economic prosperity. Republican Presidents have a long and proud tradition of building great Navies: Teddy Roosevelt’s “Great White Fleet” and Ronald Reagan’s “600-ship navy” come to mind. If confirmed, how will you work with the Department of the Navy and industry to revive American shipbuilding?

Mr. PHELAN. Strengthening America’s maritime industrial base is an Administration priority and has my full attention. If confirmed, I will ensure that the Department of the Navy undertakes efforts to revitalize American shipbuilding through focused investments to build capacity, to scale and deploy modern manufacturing technologies, and to support the development of a new generation of skilled workforce. Additionally, I am committed to working with industry, as well as Federal, State, and local agencies to ensure the Nation’s maritime industrial base is capable of supporting the Navy and ensuring our national and economic security. This requires leveraging the full strength of American ingenuity, economy, and innovation, and requires integrating the public and private sectors to meet this Nation’s demand.

3. Senator SULLIVAN. Mr. Phelan, President Trump has expressed a vision where we work with our allies to make use of their existing shipbuilding capacity, leverage lessons learned from their shipyards, and encourage their investment in our own maritime industrial base. What is the role that you see our allies playing in expanding our navy shipbuilding infrastructure and growing the Navy?

Mr. PHELAN. As a maritime Nation, the United States must have a strong and resilient maritime industrial base capable of securing our national and economic security. Working with Allies to leverage their shipbuilding and ship repair capacity and expertise, while encouraging them to invest in the U.S. maritime industrial base, is a multifaceted approach that involves whole-of-government collaboration, shared knowledge, and strategic investments. If confirmed, I am committed to working within the Administration and with our Allies in executing President Trump’s vision.

4. Senator SULLIVAN. Mr. Phelan, what is your view on expanding the authorities for overseas preventive maintenance on U.S.-based ships?

Mr. PHELAN. I understand that the Navy appreciates the authority provided by 10 USC § 8680, which was recently expanded to allow preventative maintenance

not to exceed 21 days in duration or impact any homeport by more than 2 percent of its workload. If confirmed, I will continue to operate within the confines of statute to support the readiness of the Fleet.

5. Senator SULLIVAN. Mr. Phelan, last year, we introduced the Expanding Naval Shipbuilding and Growing the Navy (ENSIGN) Act to address the chronic issues plaguing our Naval Shipbuilding Enterprise. Provisions include:

- Reducing turnover and increasing the rank of the Commander, Naval Sea Systems Command (NAVSEA)
- Requiring independent cost estimates for our ships by NAVSEA
- Requiring the lead ship in class to have fully mature designs prior to the start of construction
- Incorporating shipbuilding best practices from industry leaders in Japan and South Korea
- Identifying locations for two new private shipyards west of the Panama Canal
- Require the Navy to assess the potential for collaboration with or investment by foreign-owned shipbuilding companies

Will you work with me to help shape this important legislation, pass these critical provisions into law, and rebuild our American Navy?

Mr. PHELAN. The Department of the Navy faces many challenges in shipbuilding, including high costs, labor shortages, and inconsistent demand. These challenges have resulted in backlogs, overruns, and a widening gap in shipbuilding capabilities between the United States and China. For this important problem solving, I further commit to working with Congress to build the most lethal naval force to ensure our freedom of maneuver and protect our national interests.

6. Senator SULLIVAN. Mr. Phelan, what, in your mind are the biggest barriers facing our Naval Shipbuilding Industry and how do you plan to approach them, if confirmed?

Mr. PHELAN. The Naval Shipbuilding Industry faces several significant barriers that are impacting performance and efficiency. Key challenges include workforce recruitment, training, and retention issues, choke points in the supply chain and growing material lead times, and slow integration and adoption of manufacturing technology. The Navy's Maritime Industrial Base program office is focused on removing these barriers through targeted initiatives and investments with the support of industry partners. If confirmed, I am committed to reviewing key elements of the Navy's program to identify whether any changes or additional investments are required to achieve the President's objective of strengthening America's maritime industrial base.

7. Senator SULLIVAN. Mr. Phelan, I am very concerned about both our ship and submarine readiness. I know the Navy has established an 80 percent surge readiness goal, but we are nowhere near there today. Chinese President Xi is deathly afraid of our submarines. What will you do to get subs in and out of maintenance on time and what will you do to simultaneously increase sub maintenance capacity?

Mr. PHELAN. Completing availabilities on time and with the required work completed, remains the top focus and challenge to the maintenance and acquisition communities. If confirmed, I will ensure continued focus to revitalize and modernize the Navy's public shipyards, to include the introduction of technology to make the shipyards more effective and efficient. Additionally, I will continue to support efforts to identify and resolve capacity constraints for submarine maintenance. If confirmed, I am committed to improving Navy warfighting readiness.

8. Senator SULLIVAN. Mr. Phelan, we need new icebreakers as soon as possible and dedicated engagement from Program Executive Offices (PEO) Ships on the Polar Security Cutter (PSC) project is essential to making that happen. Will you commit to helping accelerate the PSC acquisition and making future icebreakers a priority?

Mr. PHELAN. Yes, if confirmed, I am committed to working with the Coast Guard in accelerating PSC acquisition. While icebreaking is a Coast Guard mission, the Navy has equities in supporting the Coast Guard with developing and acquiring new icebreakers to supplement the current Coast Guard fleet. If confirmed, I will continue the Navy and Coast Guard collaboration to recapitalize the Nation's fleet of icebreakers by leveraging the Navy's shipbuilding and acquisitions expertise.

9. Senator SULLIVAN. Mr. Phelan, we spend millions of dollars each year to maintain and modernize the fleet, but unplanned maintenance and supply chain issues prevent ships from completing their maintenance availabilities on time. This means that our surface fleet is not ready when it needs to be, and I am particularly worried about Amphibious Warfare Ship readiness and their ability to meet the 3.0 Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) requirement. Despite having 31 ships on the books, we have ships that haven't deployed since 2013, and recent Amphibious Ready Groups have been delayed or unavailable. This affects deterrence and posturing for conflict or crisis. Do I have your commitment to work on improving surface ship maintenance so that we have ships available to support combatant commanders?

Mr. PHELAN. If confirmed, I commit to working to improve surface ship maintenance on-time delivery from maintenance availabilities.

10. Senator SULLIVAN. Mr. Phelan, the Government Accountability Office (GAO) released a study in December 2024 and another this January that highlighted the issues of Navy Surface Ships, specifically the Amphibious Warfare Fleet. The reports list many actions that would help address maintenance and readiness issues. Currently the Navy has not implemented all of the actions recommended by the report. If confirmed, will you commit to reviewing these prescribed actions and, if necessary, implementing them to improve the readiness of our Fleet?

Mr. PHELAN. If confirmed, you have my commitment to review all recommendations provided to the Navy by the GAO and to identify and implement corrective actions that will generate Fleet readiness.

11. Senator SULLIVAN. Mr. Phelan, will you commit to working with the Senate Armed Services Committee to review military specification requirements for naval vessels created and executed by Naval Sea Systems Command (NAVSEA) and to proactively recommend the removal of those deemed most burdensome?

Mr. PHELAN. If confirmed, I am committed to reviewing specifications and removing or revising them, as appropriate, based on such factors as their currency, necessity, and reasonableness.

12. Senator SULLIVAN. Mr. Phelan, will you commit to reviewing programs like Blue Forge and the recruitment plans of U.S. private and public shipyards to ensure they are aligned and that they are exploring recruitment pools in the interior of the country?

Mr. PHELAN. I understand the Navy, with a range of partners in State and local government, industry, academia, and training organizations have launched hundreds of initiatives to attract, recruit, train, and retain the vital maritime manufacturing workforce across the country. If confirmed, I will work to ensure that Navy investment to support maritime industrial base workforce development is aligned to the workforce requirements at U.S. private and public shipyards, as well as industry members throughout the supply chain and across the country.

13. Senator SULLIVAN. Mr. Phelan, last year, Military Sealift Command (MSC) and the Navy said it could sideline up to 17 support ships due to workforce issues and maintenance concerns. How do you plan to review the Navy's requirements for support ships, reinvigorate the MSC, and communicate to Congress the need for resourcing for these ships?

Mr. PHELAN. If confirmed, my review of Navy support ship requirements will be a central part of my overall assessment of the current State of the Navy. I will review logistics and support ship capabilities and capacity against current and future requirements to identify any potential gaps and necessary investments to close those gaps. My review will include any challenges faced by the Military Sealift Command and applicable initiatives to eliminate these challenges. I will not hesitate to engage with Congress and address the resourcing of Navy logistics and support ships, if confirmed.

14. Senator SULLIVAN. Mr. Phelan, over the last year we've seen a worrying trend of destruction of undersea cables in Europe and threats to cables in the Indo-Pacific. As security and repair of cables becomes more important, will you commit to review the need for cable layers in operation plans (OPLAN) for communications security and ensure that Congress is building enough of these ships?

Mr. PHELAN. If confirmed, I commit to review the need for Cable Laying/Repair Ships in operation plans for communications security and to identify requirements for these ships.

15. Senator SULLIVAN. Mr. Phelan, the delays identified by the previous Secretary of the Navy's 45-day shipbuilding review paint a damning picture whereby five major ship classes are delayed by 12–36 months. Do you believe the regular congressional authorization and appropriation cycle and DOD PPBE [Planning, Programming, Budgeting, and Execution] process can deliver ships on time and on budget?

Mr. PHELAN. The delays identified in the previous Secretary of the Navy's 45-day shipbuilding review are certainly concerning, and they highlight significant challenges within the shipbuilding process. There are many factors that I need to better understand to opine on this issue, however, if confirmed, you have my commitment to prioritizing efforts to address shipbuilding delays and identifying areas the PPBE process may be negatively affecting delivering ships on time and on budget.

16. Senator SULLIVAN. Mr. Phelan, what will be your personal involvement in DOD's efforts to address significant cost and massive time overruns in the Navy's major ship procurement programs?

Mr. PHELAN. Addressing the significant cost overruns and delays in the Navy's major ship procurement programs will require close collaboration with Navy leadership, industry partners, and other stakeholders. If confirmed, I am fully committed to being actively involved in this process, including identifying root causes, refining acquisition strategies, and improving coordination across the Department of Defense, the Navy, and the shipbuilding industry. Additionally, my focus will be on enhancing transparency, accountability, and flexibility in funding and program management to ensure more efficient, timely, and cost-effective shipbuilding while setting the stage for long-term improvements.

17. Senator SULLIVAN. Mr. Phelan, recognizing that attack submarines are one of our biggest advantages compared to the People's Republic of China (PRC) do you agree that our inability to produce at least two submarines per year (and deliver them on time) increases risk in the Indo-Pacific during this decade?

Mr. PHELAN. The production rate and timely delivery of attack submarines are critical factors in maintaining a competitive advantage in the Indo-Pacific region and remains a challenge in trying to keep apace of China's production rates. The inability to produce at least two submarines per year and deliver them on time increases risk in the region. Attack submarines play a vital role in providing undersea dominance, intelligence gathering, and deterrence capabilities. A consistent production rate is essential to ensure a robust and present submarine fleet to effectively respond to regional challenges and threats. Delays in production and delivery lead to gaps in operational capacity and capabilities, impacting readiness and strategic deterrence efforts in the Indo-Pacific region. If confirmed, I am committed to addressing these challenges for attack submarines as this will be essential to any efforts to maintain operational advantage and maintain a strong naval presence in the region.

AUSTRALIA, THE UNITED KINGDOM, AND THE UNITED STATES PARTNERSHIP

18. Senator SULLIVAN. Mr. Phelan, I have been a strong supporter of AUKUS [Australia, the United Kingdom, and the United States] since its launch, and believe it is a potential game changer for U.S. and allied posture in the Indo-Pacific as well as the weapons capabilities at allied disposal. The nominee for Secretary of State, Senator Marco Rubio, was enthusiastically supportive of AUKUS in his confirmation hearing and I agree with him that AUKUS is a "blueprint" for future consortium partnerships with allied nations facing global threats. Do you agree?

Mr. PHELAN. AUKUS is a powerful example of defense cooperation. The sale of United States Nuclear powered submarines to Australia will expand the respective submarine industrial bases, strengthen undersea capabilities, and increase the cumulative deterrence effect. By growing our defense industrial bases together and by removing barriers to technological cooperation, our countries become more capable and lethal. The "AUKUS blueprint" demonstrates how likeminded countries are able to work toward a common security goal through equitable burden sharing that will pay mutual dividends for all partners.

19. Senator SULLIVAN. Mr. Phelan, will you commit to working with the State Department to strengthen AUKUS and break down some of the bureaucratic challenges it has met with in our own Government?

Mr. PHELAN. If confirmed, I am committed to working closely with Secretary Hegseth to implement ways to streamline and eliminate bureaucratic processes between the Department of Defense, the Department of State, and the broader Interagency. These efforts will strengthen the AUKUS trilateral partnership in ways that

retain our strategic advantages over our regional adversaries and enhance our lethality in future combat.

20. Senator SULLIVAN. Mr. Phelan, our inability to produce at least two submarines per year obviously creates doubt in Australia that we can deliver 3–5 *Virginia*-class submarines as part of the optimal pathway for Pillar I. What will you tell your Australian counterparts to assure them of our commitment to increasing *Virginia* production and executing the optimal pathway?

Mr. PHELAN. The AUKUS alliance reflects the shared understanding that an interoperable and ready submarine force is essential to securing a free and open Indo-Pacific region. The addition of allied conventionally armed, nuclear-powered submarines serves as a powerful deterrent against any actors who threaten international law and norms in the region.

To strengthen this deterrent, Australia is investing \$2 billion USD in the United States Submarine Industrial Base this year and an additional \$1 billion over the next 10 years. This funding is designed to augment the United States' own investment of more than \$17 billion to increase production to 2.33 *Virginia*-class submarines per year by the early 2030's to offset the sale of submarines to Australia. This combined Australia and United States investment confirms the shared commitment of both governments to the success of the AUKUS Optimal Pathway.

8(A) CONTRACTING

21. Senator SULLIVAN. Mr. Phelan, in your hearing and in our meeting, you mentioned the need to thoroughly review our existing contracts and contract vehicles to ensure they are providing the best benefit to the taxpayer. The Small Business Act 8(a) program, created by Congress, provides a contract vehicle through which sole source and set aside contracts can be awarded to small businesses owned by Alaska Native corporations, Community Development Corporations, Indian tribes, and Native Hawaiian organizations. These corporations are tied to political relationships, not racial classifications. They also are some of our most efficient contractors, earning stellar Contractor Performance Assessment Reporting System (CPARS) marks. Last many of these small businesses employ veterans at rates far exceeding the national average, allowing our Nation's finest to continue to serve after they take off the uniform. Will you commit to me to work to preserve and strengthen 8(a) contracting for the Department of the Navy?

Mr. PHELAN. If confirmed, I am committed to leveraging the 8(a) program in alignment with mission requirements. The acquisition strategies prioritize the mission needs and when an 8(a) firm is the best suited provider, if confirmed, I will fully support and sustain those procurements. Additionally, I will encourage the workforce to conduct market research to identify and engage emerging 8(a) firms that can meet evolving Navy and Marine Corps requirements ensuring a mission focused approach while fostering partnerships that strengthen the Defense Industrial Base and support our sailors and marines.

ADAK AND ARCTIC POSTURING

22. Senator SULLIVAN. Mr. Phelan, the Chinese Communist Party (CCP) continues to disrupt regional dynamics and intimidate neighbors, many of which are American partners and allies. We also know that the CCP's strategic objectives extend beyond Taiwan and the South China Sea, ultimately aiming for global primacy at the expense of a free and open Indo-Pacific. Our ability to deter adversaries and respond decisively in crises and conflict underpin our commitments and serve as the bedrock of regional security. Our forces are positioned around the world, postured to defend American interests and our treaty obligations. Yet, in the Northern Pacific, we have retreated from bases we once held in the Aleutians. Our adversaries have taken note, and continue to probe the Exclusive Economic Zone and Air Defense Identification Zone at our Northern Border for weaknesses.

President Trump recently said:

"We will ensure Alaska gets even more defense investment as we fully rebuild our military, especially as Russia and China are making menacing moves in the Pacific."

Do you think the United States Navy should maintain a presence in the Aleutian Islands?

Mr. PHELAN. To defend American interests around the globe, the U.S. Navy must remain prepared to execute this timeless role, as directed by Congress and the President. The Navy has a unique role operating forward in support of national defense and global deterrence. U.S. naval forces are underway conducting operations globally, 24 / 7 / 365, under the responsibility and authority of the Secretary of De-

fense and his Combatant Commanders. Navy vessels and aircraft assigned to the Commander, U.S. Northern Command and Commander, U.S. Indo-Pacific Command, routinely operate without restriction in the vicinity of the Aleutians, and in the international waters and airspace of the Northern Pacific and Bering Sea bordering Russia, respectively. If confirmed, I pledge to work with you, the Secretary of Defense, and the Combatant Commanders to maintain this presence as we defend freedom, preserve economic prosperity, and keep the seas open and free.

23. Senator SULLIVAN. Mr. Phelan, do you think this need could be best met by rebuilding the Naval Air Station at Adak Island to give our surface and air forces needed reach into the Northern Pacific?

Mr. PHELAN. If confirmed, I am committed to reviewing the Navy's recent analysis of options to redevelop the airfield, port, and supporting infrastructure at Adak, Alaska, and I am committed to working with Secretary Hegseth, U.S. Northern Command and U.S. Indo-Pacific Command to ensure Navy is postured to defend the homeland and deter adversaries in the Northern Pacific.

24. Senator SULLIVAN. Mr. Phelan, in the Fiscal Year 2025 National Defense Authorization Act (NDAA) report, we directed a report on Arctic refueling capabilities in response to the 2024 joint Russian-Chinese incursion into our Exclusive Economic Zone (EEZ) in Alaska. Will you commit to releasing this report to the Committee?

Mr. PHELAN. If confirmed, I am committed to working with Congress regarding our Arctic refueling capabilities.

25. Senator SULLIVAN. Mr. Phelan, I've been informed that the Navy is looking for more pier space in Kodiak, Alaska and has contracted to remove derelict pilings in Women's Bay on Kodiak Island. In addition to restoring naval forces to Adak, can you commit to working with me to expand the Navy's presence on Kodiak?

Mr. PHELAN. I am currently unaware of pier space requirements in Alaskan ports; however, I am aware of the Naval Cold Weather Maritime Training Facility in Kodiak. If confirmed, I commit to reviewing the Naval footprint and infrastructure on Kodiak and ensuring appropriate resourcing.

FORCE DESIGN AND UNIT DEPLOYMENT PROGRAM

26. Senator SULLIVAN. Mr. Phelan, Marine Corps Force Design and its "divest to invest" initiatives are a bold idea to create an agile and lethal force that can maneuver effectively in a maritime environment. However, many Marine Corps advocates—myself included—are concerned that Force Design may be hollowing out certain critical combat capabilities that will detract from the Marine Corps' mission as the Nation's premiere "9-1-1" rapid response force. Militaries around the world have long understood "combined arms" to mean employing a combination of infantry, tanks, cannon artillery, engineers, and close support aircraft in a coordinated manner. Those same military today are endeavoring to add these systems to their inventories and we see their utility on battlefields in Ukraine. Yet, the Marine Corps has divested all the Marine Corps' tanks, two-thirds of its cannon artillery, nearly all its engineering equipment to breach enemy minefields and obstacles, all its engineering equipment that enables clearing and proofing of minefields, all its bridging, and nearly a third of its close support rotary and fixed wing aircraft. How is it possible for the Corps to have "the most proficient combined arms teams on the globe" without these needed weapons and items of equipment?

Mr. PHELAN. I understand that Force Design divestitures enabled investments in expeditionary Marine Air Ground Task Forces (MAGTFs)—such as the Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) and Marine Littoral Regiments (MLRs)—that enhance lethality, agility, and all-domain integration with the Navy and Joint Force. If confirmed, I am committed to leveraging lessons learned and refining these capabilities to ensure that the MAGTFs remain the most proficient combined arms teams by leveraging advanced technologies and joint kill webs, rather than relying solely on legacy systems. If confirmed, I will ensure the Marine Corps balances these innovations with its rapid-response mission, maintaining readiness to meet Combatant Commander needs across all domains.

27. Senator SULLIVAN. Mr. Phelan, part of Force Design rests on the assumption that the Marine Corps will be able to fill gaps in its combat power (i.e. borrowing tanks, bridging assets, etc.) from other services including the Navy and Army, if the need arises. While the services do train together, there are concerns that training for specialized equipment between the services as well as inventory constraints in a major conflict will hinder the Marine Corps' ability to operate effectively. Given

the assumptions of Force Design regarding equipment support, will you commit to reviewing integration between the Marine Corps and other services in support of OPLAN execution to include the readiness of outside branches?

Mr. PHELAN. I recognize the concerns regarding Force Design's assumptions about the Marine Corps leveraging equipment like tanks and bridging assets from other services, such as the Navy and Army, and the potential challenges posed by training disparities and inventory constraints in a major conflict. If confirmed, I will delve into the Marine Corps' ongoing Campaign of Learning to ensure active refinement of capabilities, such as rebalancing artillery, reorganizing amphibious assault battalions, and pursuing new expeditionary bridging and breaching assets, to ensure operational effectiveness while adapting to contingency plan demands. Additionally, if confirmed, I commit to reviewing the integration and readiness of the Marine Corps with other services to support OPLAN execution, ensuring that training, equipment availability, and inter-service coordination are robust enough to meet evolving threats.

28. Senator SULLIVAN. Mr. Phelan, the Marine Corps is making a lot of assumptions in my opinion about Navy and Army support for Force Design to be successful. If confirmed, how do you intend to work with General Eric Smith and Admiral James Kilby in order to ensure alignment across the Department?

Mr. PHELAN. To ensure alignment across the Department, I will work with the Commandant and the Chief of Naval Operations to ensure the readiness, training, equipment availability, and inter-service coordination between the Navy and Marine Corps are robust enough to support OPLAN execution to meet evolving threats.

29. Senator SULLIVAN. Mr. Phelan, will you commit to reviewing the need for a formal agreement or memorandum of understanding between the services for equipment sharing and training in support of Force Design's assumptions and OPLAN execution?

Mr. PHELAN. If confirmed, I am committed to reviewing this matter. Continuous improvement and leveraging lessons learned to assess and implement necessary changes informed by real-world conditions is important. I understand that Force Design is fundamentally about modernization to ensure that the Marine Corps remains agile and lethal in distributed maritime environments and future conflicts. As those warfighting concepts are evaluated and refined, if confirmed, I will continue working across the services to enhance interoperability in support of operational requirements. Additionally, I will remain committed to continuously refining the approach to ensure effective execution of operational plans, adapting to emerging challenges, and balancing modernization with operational readiness.

30. Senator SULLIVAN. Mr. Phelan, the Marine Corps' ability to conduct shore-to-shore operations in a contested maritime environment relies on its ability to field sufficient numbers of medium-sized ocean-going craft that can execute movement and landing operations at the operational and tactical level. The Landing Ship Medium (LSM) program is supposed to create a new ship that will achieve those operational requirements. The LSM program however has hit a major snag as the projected costs and time needed to construct these ships is much higher than anticipated requiring the Navy and Marine Corps to look for alternative solutions. These ships are vital to any contingency in the South China Sea or elsewhere. Will you commit to review the LSM program with the Secretary of the Navy, Chief of Naval Operations, and Commandant of the Marine Corps and place influence on the need for speed in this program both within the services and in your communications with Congress?

Mr. PHELAN. If confirmed, I am committed to working with the Chief of Naval Operations and the Commandant of the Marine Corps to review the LSM program. I understand the importance of this capability to the Marine Corps.

31. Senator SULLIVAN. Mr. Phelan, 6 years ago, the Marine Corps was poised to alter its Indo-Pacific force laydown to account for the inherent risk of access, basing, and overflight (ABO) denial and limited training opportunities on Marine Corps bases across the Indo-Pacific. The 37th Commandant of the Marine Corps, General Robert Neller, sent several teams to Alaska to assess infrastructure and training opportunities to support a Unit Deployment Program (UDP) to preposition assets the Marine Corps would need to surge forward in the event of conflict with the People's Liberation Army (PLA). Alaska's benefits were as obvious then as they are now: Alaska provides year-round training for the Marine Air-Ground Task Force (MAGTF) in nearly every clime and place found on the globe; Alaska's cold weather training opportunities are cheaper than other overseas options and permit signifi-

cantly larger forces to train simultaneously; perhaps most importantly, Alaska is in the U.S. Indo-Pacific Command (INDOPACOM) area of responsibility (AOR). Will you work with me to ensure we resource our Marine Corps appropriately so that we can support a UDP and take advantage of the unique opportunities afforded by the great State of Alaska?

Mr. PHELAN. If confirmed I will continue to work with you to ensure the Marine Corps is appropriately resourced and afforded training opportunities that support UDP matters. I recognize the importance of the vast and wide-ranging training opportunities that exist in Alaska as well as highlight its strategic importance to the Indo-Pacific. If confirmed, I will remain focused on the optimization of existing force laydowns and the allocation of resources that best support current operational requirements as outlined by the Secretary of Defense and the Chairman of the Joint Chiefs.

CAMP LEJEUNE JUSTICE ACT

32. Senator SULLIVAN. Mr. Phelan, as you may remember from our first meeting, the passage of the Camp Lejeune Justice Act is an important priority to me, as it should be to all Americans. While attorney fees were not included in the bill, The Attorney General under President Biden put these cases under the Federal Tort Claims Act. The Navy then accepted the Federal Tort Claims Act attorney fee caps for their expedited pathway. Despite multiple Navy staff telling me those fee are far too high, the Navy has not chosen to fight these caps. Do you think 20–25 percent attorney fee caps are appropriate?

Mr. PHELAN. I appreciate your concern regarding how excessive attorney's fees could negatively impact the Government's ability to fund restitution to those injured. My understanding is that the Camp Lejeune Justice Act (CLJA) does not include a specific cap for attorney's fees. In the absence of such a provision, the Government applied the attorney fee cap from the Federal Tort Claims Act, a statute which covers complex, personal injury litigation, to the CLJA settlements. I view this as a policy issue, and I will work with lawmakers to ensure appropriate allocation of resources to support our servicemembers.

33. Senator SULLIVAN. Mr. Phelan, will you commit to reviewing these fee caps and lowering them?

Mr. PHELAN. If confirmed, I commit to reviewing the attorney fee cap structure to ensure appropriate spending in keeping with the objectives of the CLJA.

34. Senator SULLIVAN. Mr. Phelan, the expedited pathway to settle Camp Lejeune cases allows individuals to get settlements with or without an attorney. While the Navy has instituted attorney fee caps, my understanding is that the Navy is not enforcing these fee caps. This has resulted in some attorneys still charging up to 60 percent contingency fees. Will you commit to enforcing attorney fee caps for our veterans and those exposed to contaminated water at Camp Lejeune?

Mr. PHELAN. If confirmed, I commit to fully supporting the DOJ in all enforcement actions they deem appropriate in connection with the Department of the Navy's adjudication of CLJA claims.

2025 GOVERNMENT ACCOUNTABILITY OFFICE REPORT

35. Senator SULLIVAN. Mr. Phelan, in a 2025 GAO report on ship building, one of the recommendations was for the Secretary of the Navy to develop performance metrics to assess the programmatic and aggregate effect of investment in the Navy's ship industrial base. This echoes a similar recommendation from a 2024 GAO report on Amphibious Ship readiness. Will you commit to me that you will work to develop necessary metrics to better track our shipbuilding and maintenance capability against?

Mr. PHELAN. If confirmed, I commit to addressing these recommendations from the GAO. It is vital that the Navy understands and assesses the return on investment that it makes across the ship industrial base.

QUESTIONS SUBMITTED BY SENATOR TED BUDD

NAVAL AVIATION

36. Senator BUDD. Mr. Phelan, if confirmed, what steps will you take to ensure that as the carrier fleet is upgraded, that those upgrades are able to integrate with naval aviation needs in the future?

Mr. PHELAN. I consider every carrier maintenance availability to be a modernization opportunity in order to realize the inherent flexibility of the Navy's large-deck, nuclear-powered aircraft carrier to evolve along with the needs of the Fleet and embark increasingly lethal platforms, weapons, and capabilities organic to the combined carrier and carrier air wing team.

37. Senator BUDD. Mr. Phelan, how do you plan to ensure naval aviation maintains a high level of readiness and operational availability, especially in the face of increasing operational tempo and aging equipment?

Mr. PHELAN. If confirmed, I will prioritize readiness and build upon aviation's process reforms since 2019, the year F/A-18s hit 80 percent mission capable rate. To sustain readiness and maintain high operational availability requires a balance between current readiness and future capability growth.

Investment in outfitting spares procurement, maintenance best practices, and aircraft flight hours supports maintaining readiness forward. I understand that fiscal year 2022 to fiscal year 2024 invested \$657 million to increase deployed spares range and depth for the air wing across seven CVNs.

The Naval Aviation Enterprise must continue to gain efficiencies through sustainment process reforms and internal cost savings which can be internally reinvested back to logistical improvements, engineering expertise, and organic repair.

MARINE CORPS AIR STATION CHERRY POINT MODERNIZATION PROJECTS

38. Senator BUDD. Mr. Phelan, last years' Marine Corps requested included significant investments in Cherry Point North Carolina for projects support for F-35 aircraft maintenance and operational readiness. However, last year the F-35 Flightline Utilities Modernization project was not integrated into the 2025 Department of the Navy budget. Taxpayers have heavily invested in facilities at Cherry Point, and the Navy should follow through on supporting the utilities to run them. If confirmed, do you commit to updating my office on plans for Marine Corps Air Station Cherry Point in North Carolina and the corresponding utilities modernization project?

Mr. PHELAN. If confirmed, I will work to understand the status of this effort, and I commit to ensuring that Congress is kept informed of all key updates and developments related to the F-35 Flightline Utilities Modernization Phase 2 improvements at MCAS Cherry Point.

DEPARTMENT AUDIT

39. Senator BUDD. Mr. Phelan, the Marine Corps passed its second straight audit this year, setting the standard for every military service. What steps will you take to replicate these successful audits for the Navy?

Mr. PHELAN. If confirmed, I intend to make achieving a clean audit a priority for all echelons of the Navy and I will hold individuals accountable. Commanders will update me on their audit plan, status, and metrics associated with achieving a clean audit by 2028 and I will evaluate options to accelerate. Additionally, I intend to hold senior leaders personally accountable for audit outcomes to ensure accountability starts at the top.

RECRUITING AND RETENTION

40. Senator BUDD. Mr. Phelan, if confirmed, what will you do to ensure we are able to meet our recruiting goals without lowering standards?

Mr. PHELAN. I believe that enormous value comes from serving in the world's greatest Navy, and that we can more effectively communicate the exciting opportunity of naval service to our Nation's best and brightest eligible recruits. If confirmed, I would consider all potential options to expand our reach across the country so that the Department of the Navy maximizes our ability to find high-quality young Americans interested and able to serve. I believe higher-quality recruits are more likely to succeed. If confirmed, I would work with the Chief of Naval Operations and the Commandant of the Marine Corps to better understand what is working in the Services' approach to recruiting, and what could be improved upon so we can make any necessary adjustments while ensuring that all accessions meet standards required of high-quality recruits.

QUESTIONS SUBMITTED BY SENATOR ERIC SCHMITT

CRITICAL MINERALS

41. Senator BUDD. Mr. Phelan, China has gained an outsized control of the mining and refinement of rare earth minerals that are crucial to almost all aspects of American manufacturing and defense technologies. What steps do you and the administration of President Donald Trump feel can and should be taken by the Defense Department, directly and through procurement, to better develop domestic sources of critical materials for national and economic security and reduce our dependency on foreign supplies?

Mr. PHELAN. Economic security is national security, and access to reliable supply chains for critical minerals are vital to military programs. Rare earth minerals are a point of emphasis in President Trump's America First Investment Policy. If confirmed, I will support interagency efforts to increase access to domestic and allied mineral capacity.

NAVAL AVIATION

42. Mr. Phelan, the Navy's subsurface and surface procurement budgets have increased by \$18 billion over the past decade. The Naval Aviation budget, however has not seen a similar increase. Given its critical role, how will you ensure Naval Aviation remains a budget priority and appropriately resourced?

Mr. PHELAN. If confirmed, I intend to lead a DON program in balance with strategic priorities and fiscal guidance. However, fiscal constraints and competing priorities have forced the Navy to make difficult choices in recent budget cycles.

With each decision, I will assess risk to the sailors and our mission as well as the industrial base. At times it is more feasible to accept risk in areas where reductions do not pose long-term implications to the industrial base.

With the President's Budget submission, and the associated Future Years Defense Program, I will support prioritizing Naval Aviation accounts based on strategic and fiscal guidance, program risk, and warfighting requirements to maintain a combat credible maritime force.

43. Mr. Phelan, how will you make sure our Super Hornets have spare parts and upgrades, and that we prioritize the sixth gen capabilities we need to win a fight in the Pacific?

Mr. PHELAN. Ensuring our Super Hornets have the spares and upgrades needed for combat readiness is a priority. To support sustained operations, particularly in contested logistics environments, the Navy has increased investments in spare and repair parts, and I understand that includes \$98 million in fiscal year 2024.

As to 6th Gen capabilities, I look forward to gaining insight into the capability of this program and ensuring that the carrier air wing remains lethal, flexible, and survivable.

SUBMARINE BATTERIES

44. Mr. Phelan, Congress is aware and applauds the Navy for awarding Blue Forge for phase I of submarine nickel zinc battery manufacturability, which includes buying equipment, facility expansion and obtaining necessary certifications. It is also Congress's understanding that there may be additional phases to this project. In order to meet the Navy's stated completion of nickel zinc battery manufacturability in fiscal year 2028 and reach full rate production to support future submarine procurements, please provide a status update with a plan, schedule, and funding amounts for executing any additional phases of nickel zinc submarine battery manufacturing capacity funding beyond funds awarded in September 2024. Congress would encourage the Navy to consider concurrent overlap of phase I any additional, planned phases of funding to help ensure the Navy will meet its stated, projected schedule for low-rate initial and full production.

Mr. PHELAN. Production of submarine batteries is critical to the Navy's ability to meet the required submarine production rate. I understand that this is a top priority for the Navy and that the Navy has made investments to accelerate capability and capacity of nickel zinc submarine batteries.

SHIPBUILDING INNOVATION

45. Mr. Phelan, President Trump has expressed great interest in leveraging our allies' shipbuilding capabilities, specifically South Korea, to assist with ship production in the near term. How would you pursue this capacity while also ensuring the integrity of U.S. shipbuilding?

Mr. PHELAN. As a maritime Nation, the United States must have a strong and resilient maritime industrial base capable of securing our national and economic security. Working with Allies to leverage their shipbuilding, and ship repair capacity and expertise, while encouraging them to invest in the U.S. maritime industrial base, is a multifaceted approach that involves whole of Government collaboration, shared knowledge, and strategic investments. If confirmed, I am committed to working within the Administration and with our Allies in executing President Trump's vision.

46. Mr. Phelan, expanding our shipbuilding capabilities to additional facilities could reduce the strain on existing shipyards and make us more resilient and reduce risk concentration to cyber or physical attacks. Can I have your word to examine possibilities of building large components in areas like Missouri and then sending them to existing yards for final construction via the Mississippi River?

Mr. PHELAN. I understand that the Navy and prime shipbuilders are actively pursuing opportunities for strategic outsourcing, shifting non-core workload from shipbuilder locations to industrial base suppliers across the country so the shipbuilders can focus on work that must be performed at the shipyards. Locations outside of final delivery yards should consider constructing a range of components to increase the supply chain, allowing final delivery yards to focus on critical production elements, and support a higher rate of assembly. This is a critical component of Navy and shipbuilder plans to grow capacity in the submarine industrial base to meet increased demand. The U.S. Navy's Maritime Industrial Base program is working with industry to develop additional outsourcing capacity to further reduce the strain on existing shipyards, improve resiliency, and leverage excess capacity across the maritime industrial base. If confirmed, you have my commitment to conduct a review of the Navy's outsourcing plans to include any assessments of untapped industrial base capacity in areas such as Missouri.

QUESTIONS SUBMITTED BY SENATOR RICHARD BLUMENTHAL

IMPORTANCE OF AUTONOMY INSIDE THE PEOPLE'S REPUBLIC OF CHINA'S FIRST ISLAND CHAIN

47. Mr. Phelan, the People's Republic of China's anti-access/area-denial (A2/AD) strategy is designed to overwhelm our command-and-control networks and degrade our ability to respond in real-time. If our unmanned systems require constant human intervention, they risk becoming liabilities rather than force multipliers. How critical is increased investment in advanced mission autonomy to ensure our autonomous platforms can make independent tactical decisions, operate effectively in communications-denied environments, and integrate seamlessly with manned assets?

Mr. PHELAN. Advanced mission collaborative autonomy is critical to countering the China's A2/AD strategy. Autonomous platforms equipped with advanced artificial intelligence must be able to make independent tactical decisions (exercised with appropriate levels of human judgment for lethal effects), ensuring they remain effective even in communications-denied environments. This capability reduces dependency on constant human intervention, transforming unmanned systems from potential liabilities into true force multipliers. Seamless integration with manned assets through enhanced autonomy ensures cohesive operations, maintaining our strategic advantage and operational effectiveness in contested domains.

PROCUREMENT OF THE SUBMARINE INDUSTRIAL BASE

48. Mr. Phelan, if confirmed, where would you advise Secretary Hegseth to direct additional resources to accelerate this capability?

Mr. PHELAN. Strengthening America's maritime industrial base, including the submarine industrial base, is an Administration priority and has my full attention. I understand that the Department of the Navy is undertaking efforts to revitalize American shipbuilding through focused investments in building capacity, to scale and deploy modern manufacturing technologies, and to support the development of a new generation of skilled workforce across submarine construction and repair capacity. If confirmed, you have my commitment to advise Secretary Hegseth on the adequacy of funding to execute President Trump's priority to strengthen America's maritime industrial base to meet the U.S. Navy's shipbuilding and ship repair needs.

49. Mr. Phelan, the submarine industrial base is a critical component of the United States' defense manufacturing sector, supporting the construction, maintenance, and modernization of the Navy's undersea fleet. Our Navy's submarine building efforts have persistently fallen behind schedule threatening our national security and strategic deterrence. To remedy the delays, major ship builders and their suppliers have hired thousands of employees to meet the demands of our submarine programs. It is estimated that they will need tens of thousands more over the coming decade to enable the "two and one" cadence of *Virginia*- and *Columbia*-class boats. If confirmed, do you believe it is possible to get the *Columbia* program back on track to deliver a vessel in fiscal year 2027?

Mr. PHELAN. A submarine-based strategic deterrence fleet is the most survivable leg of the Nuclear Triad. As such, the generational recapitalization of SSBNs is of the utmost importance. If confirmed, I commit to continue aggressively engaging with both Electric Boat and Newport News shipbuilders to proactively identify and implement opportunities to pull the schedule left and mitigate first-of-class program risks.

50. Mr. Phelan, will you commit to requesting two *Virginia*-class boats and one *Columbia*-class in each fiscal year that you're Secretary of the Navy?

Mr. PHELAN. Maintaining our submarine shipbuilding pace is vital to expand our asymmetric advantage in the undersea domain against our adversaries. If confirmed, I commit to submitting an annual shipbuilding plan to Congress which aligns with our Navy's priorities while also acknowledging the very real capacity limitations of the shipyards and fiscal constraints we face.

SUBMARINE FUNDING

51. Senator BUDD. Mr. Phelan, the Navy and its nuclear shipbuilders, General Dynamics/Electric Boat and Huntington Ingalls Industries/Newport News Shipbuilding, collaborated on a novel approach to address wage and infrastructure investments, known as the Shipyard Accountability and Workforce Support (SAWS) Initiative. SAWS features (1) financial management reform, to end a practice of billions in appropriated funds remaining unspent for years; (2) reset of the workforce, by applying \$10 billion in unspent funds to immediate and sustained wage increases and shipyard investments; and (3) prevent further cost growth on *Virginia*-class submarines now in construction. Implementing SAWS should be seen as quick win for the Administration by saving between \$17 to \$30 billion of taxpayer dollars, and holding the shipbuilders more accountable to meeting schedules and increasing efficiency. If confirmed, will you work with the shipbuilders to implement SAWS expeditiously so that the *Virginia*-class submarine schedule can start improving at its needed pace?

Mr. PHELAN. If confirmed, I am committed to maximize the effective use of our taxpayer dollars in support of our National Defense Strategy. If confirmed, I will direct my staff to work collaboratively across Government and industry stakeholders to highlight the sense of urgency and accelerate the implementation of options that will yield necessary improvements to support delivering submarines on-time and within fiscal controls. I will strongly consider any and all options could produce positive results to improving delivery schedules, including SAWS.

QUESTIONS SUBMITTED BY SENATOR MAZIE K. HIRONO

SPECIFICS ON QUALITY OF LIFE AND OPERATIONAL READINESS PLANS

52. Senator HIRONO. Mr. Phelan, in your opening statement, you reference multiple broadly themed priorities you plan to focus on if confirmed, including quality of life reforms and increasing operational readiness. Please name three specific initiatives or policies you plan to implement to improve the quality of life of our sailors and marines and increase the operational readiness of the Fleet.

Mr. PHELAN. Quality of life initiatives are integral to the success of our Navy and Marine Corps team. If confirmed, I will endeavor to implement policies that will focus on decreasing suicide rates and address the supply and quality of housing. On operational readiness, the overwhelming focus will be the on-time delivery of ships. Last, if confirmed, I will begin work to implement these initiatives which will shape morale and deliver operational results.

ALLIES AND PARTNERS

53. Senator HIRONO. Mr. Phelan, our strong network of allies and partners in the Indo-Pacific is one of our greatest advantages and a key part of our National De-

fense Strategy. Maintaining these relationships requires adequate budgeting for joint and multilateral exercises and training, which bolsters military readiness and deterrence. Given the constrained fiscal environment, how do you plan to prioritize Navy and Marine Corps campaign funding for multilateral exercises and training in the Indo-Pacific?

Mr. PHELAN. I recognize the importance of the Department of the Navy remaining committed to strengthening the network of Allies and partners, especially those that operate in the Indo-Pacific. In a fiscally constrained environment and if confirmed, I will work closely with Secretary Hegseth to ensure the Department of the Navy prioritizes the resources available to train, man, and equip sailors and marines that will provide the greatest operational advantage, increase lethality, enhance interoperability, and maintain deterrence. I will be diligent in ensuring the Navy and Marine Corps team focuses on high-end warfighting readiness and will work to leverage existing bilateral alliances, multilateral frameworks, and joint exercises to maximize impact while balancing resources effectively and growing our interoperability with our Allies and partners in the Indo-Pacific.

NAVY LEADERSHIP

54. Senator HIRONO. Mr. Phelan, you are stepping into this role at a time of immense instability. The Chief of Naval Operations was fired without cause, and Secretary Hegseth has asked for nominations for the Judge Advocate General. Essentially, you'll immediately be looking for a new Chief Operating Officer and General Counsel in a massive organization you believe your business background qualifies you to lead. Given your lack of military experience, what three specific, measurable actions will you take in your first 90 days to restore confidence, ensure operational continuity, and reassure sailors and marines that their leadership is intact and capable?

Mr. PHELAN. I recognize the importance of ensuring stability and maintaining morale. If confirmed, I plan to directly engage with sailors, marines, and civilians within the Department of the Navy. During these visits I will encourage team members to voice their concerns, share experiences, and provide feedback. I will reinforce the commitment of leadership to our servicemembers' well-being and professional development. I will build trust and transparency through open and honest communication, ensuring that personnel understand the strategic direction the Navy is taking and how it impacts their daily lives.

ENVIRONMENTAL RESPONSIBILITY

55. Senator HIRONO. Mr. Phelan, the environmental stewardship of the Navy is a critical issue, particularly in the wake of incidents like the Red Hill fuel spill. Ensuring proper remediation efforts, engaging with local communities, and implementing long-term strategies to prevent future disasters are essential responsibilities of the Secretary of the Navy. These questions seek to clarify how you will approach environmental restoration, transparency, and accountability in Navy operations. What specific actions will you take as Secretary of the Navy to guarantee that remediation efforts at Red Hill are fully funded, executed with urgency, and meet the highest environmental and public health standards?

Mr. PHELAN. Nothing is more important than the health, safety and well-being of sailors, marines, civilians, their families, and our local communities. Protecting the environment, the aquifer and public health will remain a priority for the Department of the Navy (DON) if I am confirmed. The DON has established the Navy Closure Task Force—Red Hill (NCTF-RH) for the sole mission of tank closure and remediation efforts. If confirmed, I intend to ensure that DON organizational leadership remains aligned to the task of expediently executing closure, investigation, and remediation activities under the regulatory oversight of the U.S. Environmental Protection Agency (EPA) and Hawaii Department of Health (DOH).

56. Senator HIRONO. Mr. Phelan, how will you work with local Hawaiian leaders, environmental experts, and affected families to ensure their voices are heard throughout this process?

Mr. PHELAN. Navy leadership is committed to rebuilding trust with the people and communities of Honolulu and across the State through public and private cooperation and partnership. The Navy Closure Task Force—Red Hill (NCTF-RH) conducts extensive community outreach related to tank closure, remediation, and safe drinking water, providing numerous opportunities to both share information and to listen to community inputs. If confirmed, I expect the Navy will continue these efforts.

57. Senator HIRONO. Mr. Phelan, beyond the tank-cleaning process, what specific benchmarks and milestones will the Navy establish to ensure full environmental restoration of the site and surrounding areas?

Mr. PHELAN. It is my understanding that the NCTF-RH has developed an Integrated Master Schedule (IMS) that details the closure and remediation process. I understand that the major milestones and corresponding benchmarks for achieving them under the IMS are subject to regulatory approval.

58. Senator HIRONO. Mr. Phelan, will you commit to allowing independent environmental agencies, scientists, and watchdog groups to review and validate the Navy's remediation efforts?

Mr. PHELAN. If confirmed, I will seek to work with Navy officials and other stakeholders to ensure the Navy's remediation efforts at Red Hill are appropriately reviewed.

59. Senator HIRONO. Mr. Phelan, how will their findings be incorporated into the cleanup process?

Mr. PHELAN. DON conducts the remediation process in accordance with applicable law, regulations, and promulgated testing procedures as overseen by the EPA and Hawaii DOH as the regulators. If confirmed, I look forward to working with the applicable authorities and experts to ensure an optimal cleanup process.

PEARL HARBOR NAVAL SHIPYARD AND BUDGET/READINESS

60. Senator HIRONO. Mr. Phelan, the Pearl Harbor Naval Shipyard (PHNS) plays a vital role in maintaining the readiness of our Pacific Fleet. The Vice Chief of Naval Operations and I had a very good discussion about his assessment and the performance of PHNS. I was pleased to hear that—by far—PHNS produces the best throughput at the greatest efficiency of the public shipyards. We need to build ships, but we also need to support and maintain them. That is why investments into our public shipyards are so important. We need to continue on the path of modernizing the Pearl Harbor Naval Shipyard and our other three public shipyards and investing in our shipyard workforce. How will you prioritize public shipyards and ensure proper investment in the facilities and the workforce?

Mr. PHELAN. If confirmed, I will commit to uphold the DON focus on strengthening maritime dominance by recapitalizing and optimizing our public shipyards, enhancing our warfighting capabilities, and readiness of the fleet, which includes sustained investment in key programs, to ensure long-term success and effectiveness.

61. Senator HIRONO. Mr. Phelan, besides completing the Pearly Harbor dry dock project, the Navy has also begun planning and design to co-locate a multi-billion-dollar waterfront production facility as part of Shipyard Infrastructure Optimization Program (SIOP), scheduled to begin construction in 2027 just as the dry dock project is being completed. Planning and design costs for this project have already begun ballooning and I have significant concerns about the project slipping to the right, even though it is a critical part of increasing submarine maintenance efficiency at PHNS—what steps are you planning to take to ensure the cost of this project remains on time and on budget?

Mr. PHELAN. I appreciate the importance of adhering to schedule and cost in a constrained fiscal environment. If confirmed, I look forward to reviewing the costs and schedule for all SIOP projects and will be transparent on the status of projects with the Congress.

62. Senator HIRONO. Mr. Phelan, SIOP projects were unfortunately not included in the Secretary of Defense (SECDEF) list of protected and prioritized programs following his directive to implement an 8 percent budget cut across the board at the Pentagon—what steps are you planning to take to prioritize the SIOP dry dock and waterfront production facility projects at PHNS to ensure these items are not among the list of items the Pentagon cuts to save money?

Mr. PHELAN. In alignment with the Secretary of Defense, I am fully committed to rebuilding the Navy and reestablishing deterrence by enhancing our warfighting capabilities and readiness, which includes sustained investment in key programs to ensure long-term success and effectiveness.

63. Senator HIRONO. Mr. Phelan, the Navy faces significant financial constraints while striving to maintain fleet readiness and modernization. With mandated budget cuts impacting all branches of the Department of Defense, ensuring that oper-

ational effectiveness remains uncompromised is a major challenge. Given the Defense Secretary's directive to implement an 8 percent budget cut across the Pentagon, totaling \$50 billion, how do you anticipate these reductions will impact the Navy's long-term readiness and shipbuilding efforts?

Mr. PHELAN. I support Secretary Hegseth's budget review for Fiscal Year 2026, and I understand the Navy team has been diligently working to provide valuable input to the Department. I anticipate the Navy's submission will focus on ensuring resourcing the fighting force needs and identifying options for curbing unnecessary spending. To mitigate the impact to current and future fleet, focusing on making the most efficient use of available resources and prioritizing those shipbuilding programs that are most essential to long-term readiness and national security are critical.

64. Senator HIRONO. Mr. Phelan, the SIOP is essential for modernizing our public shipyards. Are there concerns that budget cuts could lead to maintenance backlogs and reduced operational availability of critical assets like aircraft carriers and submarines?

Mr. PHELAN. If confirmed, I am committed to the modernization of our public shipyards to ensure the readiness of the Navy's nuclear submarines and aircraft carriers. I also support Secretary Hegseth's budget review for Fiscal Year 2026, where I anticipate focus on resourcing the fighting force we need and identifying options for curbing unnecessary spending. I will work to ensure that budget reductions minimize the impacts to the Navy's efforts to increase effectiveness, efficiency, and modernization of our nations' public shipyards and to reduce impacts to operational availability and maintenance throughput for critical assets like aircraft carriers and submarines.

65. Senator HIRONO. Mr. Phelan, will you commit to working with Congress to prioritize and protect funding for the Pearl Harbor Naval Shipyard and other public shipyards, given their strategic importance to national security?

Mr. PHELAN. If confirmed, I will commit to addressing public shipyards and any associated operational issues through prioritization and resourcing to support them and I will work diligently to ensure these concerns are appropriately considered.

66. Mr. Phelan, the ship repair piers at PHNS are in disrepair, with only 4 of the 13 berths available for use. How are you planning to address this shortfall, and will you commit to ensuring all of the projects necessary to repair these berths are included in the Future Years Defense Program (FYDP)?

Mr. PHELAN. If confirmed, I will identify a plan to ensure that PHNS can provide the berths necessary to support our current and future fleet needs. I am committed to prioritizing and resourcing efforts aligned with the priorities outlined by the Secretary of Defense, particularly in the critical work of rebuilding and reestablishing our deterrence capabilities.

67. Senator HIRONO. Mr. Phelan, there currently exists tension between the Office of the Chief of Naval Operations (OPNAV) and U.S. Pacific Fleet (PACFLT) on the need date for a floating dry dock at PHNS—PACFLT argues one is required by 2028, and OPNAV's view is that one is not required until 2034. Where do you stand on this issue?

Mr. PHELAN. Based on the current submarine maintenance plan, the Shipyard Infrastructure Optimization Program (SIOP) is tracking a mission need date of fiscal year 2034 for the FDD. U.S. Pacific Fleet's request for an FDD in fiscal year 2028 is to provide a surge capability. If confirmed, I will examine both views and make a determination as to whether FDD can be accelerated in accordance with current schedules and resourcing.

SEXUAL ASSAULT

68. Senator HIRONO. Mr. Phelan, in 2023, DOD combatted sexual assault by focusing on significant military justice reforms, including establishing independent Offices of Special Trial Counsel to prosecute sexual assault cases, improving victim support, implementing comprehensive prevention programs, and emphasizing a culture shift within the military to prioritize respect and dignity, aiming to restore trust among servicemembers by taking a more proactive approach to addressing sexual assault allegations. Throughout that year, the Department continued to support and execute the Secretary of Defense's initiatives to reduce sexual harassment and sexual assault across the Armed Forces. What would be the measures of progress

you would use in the Navy in eliminating or reducing the scourge of sexual assault, harassment, and retaliation?

Mr. PHELAN.

WORKFORCE AND RETENTION

69. Senator HIRONO. Mr. Phelan, the success of the Navy depends on a strong, well-trained, and motivated workforce. However, recruiting and retaining skilled personnel has become increasingly challenging. Many servicemembers and their families face inadequate or substandard housing. Can you name three specific initiatives you will implement within your first year to improve military housing conditions?

Mr. PHELAN. Sexual harassment and assault have no place within the military, and I will work on a comprehensive set of metrics to measure our actions as we work to eliminate this issue. Prevention is my number one priority.

70. Senator HIRONO. Mr. Phelan, what measurable benchmarks will you use to determine if these initiatives are successful?

Mr. PHELAN. Once briefed, I will develop a comprehensive set of metrics to measure the progress of our housing initiatives. I look forward to coming back to the committee with a measurable set of benchmarks to ensure the initiatives are being implemented successfully.

71. Senator HIRONO. Mr. Phelan, suicide rates among servicemembers remain a significant concern. Can you provide three specific actions the Navy will take under your leadership to expand mental health resources and support networks?

Mr. PHELAN. Long-term combat readiness depends on the well-being of sailors and marines. My understanding is that nationwide shortages of healthcare personnel and providers, especially in more remote locations, have created accessibility issues that hamper the ability of sailors and marines to access the right level of care at the right time. If confirmed, I will encourage the Department of the Navy to explore deliberate actions to address concerns regarding availability of, and access to, a range of programs and services to support the health, safety, and well-being of sailors and marines.

72. Senator HIRONO. Mr. Phelan, will you commit to setting concrete hiring goals for mental health professionals within the Navy and Marine Corps?

Mr. PHELAN. I believe it is critical for sailors and marines to cultivate their mental, physical, and spiritual well-being to continue their mission to protect our Nation and remain combat-ready, lethal fighters. If confirmed, I will support their efforts to ensure the staffing of mental health professionals remain a high priority.

73. Senator HIRONO. Mr. Phelan, the Navy struggles to fill key positions in cyber, nuclear engineering, and special warfare. What three specific incentives will you introduce to recruit and retain high-skilled personnel?

Mr. PHELAN. My understanding is that sailors in these three fields, as well as marines in the cyber and special warfare fields, are among the mostly highly compensated military members in the Department of the Navy. While I support continued use of monetary incentives where appropriate and where resources allow, recruitment and retention challenges demand renewed focus on quality-of-life issues. If confirmed, I will ask Navy and Marine Corps leadership to more thoroughly explore non-monetary incentives to recruit and retain highly skilled personnel in these key positions. Specifically, I will ask them to find ways to improve work experience and quality of life for these sailors and marines that can positively increase retention. I would be interested in understanding what sailors and marines think would actually make a difference. If confirmed, I will ask the Chief of Naval Personnel to engage our sailors and marines on what monetary and non-monetary incentives would compel higher retention behaviors, allowing the service to be more targeted, responsive, and efficient with its retention efforts. To the extent supporting positions in some of these fields are filled by civilian employees, I will employ recruitment, relocation, and retention incentives, and the student loan repayment program, which are already in place. If confirmed, I would explore alternative incentives to expand recruitment and retention in these critical specialties.

74. Senator HIRONO. Mr. Phelan, how will you adjust training pipelines or career progression to keep talented servicemembers in the force?

Mr. PHELAN. My understanding is that the Navy and Marine Corps are focused on retaining top quality sailors and marines, and that the Services appreciate the

officer career flexibilities authorities authorized by Congress. If confirmed, I will seek to understand what bottlenecks exist in current training pipelines or career progressions to ensure efficiency and maximum retention.

GEOPOLITICAL STRATEGY

75. Senator HIRONO. Mr. Phelan, maintaining maritime superiority and deterring adversaries requires strong alliances, strategic planning, and investment in emerging technologies. As geopolitical tensions rise, particularly in the Indo-Pacific, the Navy must ensure its forces are adequately prepared to counter threats from China, Russia, and other potential adversaries. How do you see the Navy's continued engagement with our allies in the Indo-Pacific Theater?

Mr. PHELAN. Mutually beneficial alliances remain critical to warfighting advantage. If confirmed, I will work to ensure that the Department of the Navy will continue to engage with partners to leverage their strengths and encourage burden sharing to re-establish deterrence, reinforce shared security, and grow prosperity in the Indo-Pacific. Engagements will seek to increase combined lethality of the maritime force to enable Combatant Commanders to create effects at the time and place of their choosing and within the guidance provided by the Secretary of Defense.

Engagements will also increase readiness by enabling access, basing, and overflight to ensure the U.S. Navy and U.S. Marine Corps have the reach required of them by the Joint Force. As Secretary of the Navy, these engagements will seek to ensure the Department of the Navy has the right capabilities and is ready alongside our Allies and partners in the Indo-Pacific to deter, disrupt, deny, or defeat adversarial forces or their proxies.

76. Senator HIRONO. Mr. Phelan, do you foresee any efforts that could be established, developed, and/or improved to enhance deterrence of potential Chinese aggression and counter China's military modernization efforts?

Mr. PHELAN. If confirmed, I expect to receive classified briefings on China's military modernization and the Department of the Navy's ongoing efforts to deter and counter China. The Department of the Navy has a strong history of fielding capabilities and adapting concepts of employment to counter the evolving threat. I am confident in the ingenuity of our sailors and marines, innovation of our Naval Warfare Centers, and partnerships with academic and industry leaders will lead to the development of multiple lines of effort to enhance deterrence and counter China's military modernization.

77. Senator HIRONO. Mr. Phelan, with respect to AUKUS, how can Congress and the Navy work together to identify issues related to equipment transfers and information-sharing to prevent further delays in AUKUS implementation?

Mr. PHELAN. The AUKUS alliance strengthens interoperability and shared capabilities with other partners. A prime example is the SSN-AUKUS, a groundbreaking project marking the first time in history that three nations have collaboratively designed a submarine. This future SSN, which will be built and operated by both Australia and the UK, will leverage the most advanced submarine technologies from all three AUKUS nations.

Crucially, the U.S. Congress supports the Excluded Technology List (ETL), which enables the sharing of specific, vital technologies while maintaining reasonable and appropriate control over the release of information related to the United States' most sensitive capabilities.

Additionally, fully funding the Maritime Industrial Base will help ensure the Navy is building submarines and surface ships at pace to maintain deterrence.

EQUITY AND INCLUSION

78. Senator HIRONO. Mr. Phelan, a diverse and inclusive military enhances operational effectiveness and ensures all personnel have equal opportunities for success. The Navy has taken steps to support initiatives aimed at recruiting and retaining women and underrepresented groups. Given the political climate, how do you intend to support programs like the Navy's Women's Initiatives Team (Navy-WIT), which are designed to enhance recruitment, retention, and readiness by addressing barriers for women in service?

Mr. PHELAN. Throughout my career in business, I have overseen and funded large, complex organizations, managed significant budgets, and driven operational efficiency in dynamic and challenging environments. If confirmed, I would consider all potential options to expand our reach across the country so that the Department of the Navy maximizes our ability to find high-quality young Americans interested and able to serve. I would also ensure the Navy is making informed investments

to focus on retaining top quality sailors and marines, both men and women, and that our policies remain fair, objective, and merit-based.

79. Senator HIRONO. Mr. Phelan, do you believe the presence of women in combat roles, including submarines and fighter squadrons, strengthens the force?

Mr. PHELAN. Yes. Women have served as combat pilots since the 1970's, on surface ships since the 1990's, and on submarines since 2010. I believe every sailor or marine who can meet objective uncompromising standards should have the opportunity to compete for jobs in any career field, including combat roles.

80. Senator HIRONO. Mr. Phelan, how will you ensure continued opportunities for women in these roles?

Mr. PHELAN. It is my understanding that the current policy permitting women to serve in all military occupations was based on the unanimous recommendation of the Joint Chiefs of Staff more than a decade ago. I believe every sailor or marine should be able to serve in all combat roles provided they can meet the high occupational standards of those critical jobs. I would defer to the Secretary of Defense on any future policy changes.

POLITICAL INTERFERENCE AND LEADERSHIP STABILITY

81. Senator HIRONO. Mr. Phelan, recent removals of senior Navy leaders have raised concerns about continuity, stability, and morale within the service. As Secretary of the Navy, it will be critical to maintain a steady hand during this transition period. With the removal of senior Navy leaders in recent weeks, how do you foresee this impacting the Navy's operational continuity?

Mr. PHELAN. As with any business or organization, managing change is crucial to success. The U.S. Navy and the U.S. Marine Corps possess extraordinary operational expertise and adaptability within their ranks, and if confirmed, I intend to lean on those experts to ensure no critical operational gaps occur.

82. Senator HIRONO. Mr. Phelan, considering these high-level dismissals, what steps will you be taking to ensure that the Navy maintains stability and morale during this period of leadership transition?

Mr. PHELAN. If confirmed, I will work shoulder-to-shoulder with the combatant commanders, the Acting Chief of Naval Operations, and the Commandant of the Marine Corps to ensure our servicemembers have the appropriate tools needed to defend our country, restore deterrence, and fight and win our Nation's wars.

83. Senator HIRONO. Mr. Phelan, I am concerned about the stability and continuity in military legal affairs. How will you ensure that the legal support structure within the Navy remains strong and independent, particularly in handling sensitive issues such as military justice and legal protections for sailors?

Mr. PHELAN. If confirmed, I will leverage the four independent pillars of the Navy's military justice system, which are critical to its strength.

DEFENSE POLICY REVIEW INITIATIVE

84. Senator HIRONO. Mr. Phelan, given China's ongoing actions in the straits of Taiwan, the South China Sea, and the larger Indo-Pacific region, what are your thoughts on the implementation of the Defense Policy Review Initiative (DPRI) which includes relocating combat-credible forces off Okinawa to areas outside the weapons engagement zone of China's military and away from the first island chain, which could leave our forces, as well as allies and partners, vulnerable in a future conflict?

Mr. PHELAN. I understand that the Department is reviewing all possible options on the force laydown of our units and rotations in the region. If confirmed, I will work with the Secretary of Defense to ensure we examine all force laydown to determine the optimal posture for our naval forces.

UNITED NATIONS CONVENTION ON THE LAW OF THE SEA AND MARITIME LAW

85. Senator HIRONO. Mr. Phelan, the United Nations Convention on the Law of the Sea (UNCLOS) provides a legal framework for maritime operations and territorial disputes. Many Navy leaders have advocated for U.S. ratification to strengthen global maritime law enforcement and support Freedom of Navigation Operations. Many of your predecessors and those in senior leadership positions in the Navy have advocated for ratifying the United Nations Convention on the Law of the Sea (UNCLOS). Do you support ratification as Secretary of the Navy?

Mr. PHELAN. The Convention codifies a global legal framework for freedoms of navigation and overflight that reflects customary international law. The U.S. Navy has long acted in a manner consistent with those provisions. If confirmed, I will work with my colleagues in the Administration, Department of Defense, and Department of State to determine the most beneficial way ahead for our maritime forces.

PERSONNEL AND READINESS

86. Senator HIRONO. Mr. Phelan, ensuring that the Navy maintains a robust and resilient workforce is a key challenge, particularly given recruitment and retention difficulties. You committed to addressing recruitment and retention challenges. Beyond marketing, what policy changes would you implement to improve retention rates for critical Navy roles?

Mr. PHELAN. While I support continued use of monetary incentives where appropriate and where resources allow, recruitment and retention challenges demand a renewed focus on quality-of-life issues, such as medical care and quality housing for our sailors and marines. If the Navy is to attract and retain the best talent, it needs to become a place where men and women see not just a job, but a future career.

87. Senator HIRONO. Mr. Phelan, given the current operational tempo, how will you ensure sailors and marines maintain a healthy work-life balance while meeting strategic demands?

Mr. PHELAN. I recognize that service in the Navy and Marine Corps comes with certain hardships. It is critical for sailors and marines to foster their mental, physical, and spiritual well-being to continue their mission to protect our Nation and remain combat-ready, lethal fighters. If confirmed, I will assess the programs and policies addressing stressors caused by high operational tempo, like quality of life, and geographic stability. My focus will be on balancing operational requirements and national security interests with the well-being, career development, and readiness of our servicemembers.

88. Senator HIRONO. Mr. Phelan, military recruitment has historically benefited from policies supporting immigrants and non-citizens serving in exchange for a pathway to citizenship. Do you support reinstating initiatives that allow legal immigrants to serve and gain citizenship, particularly given the recruitment shortfalls?

Mr. PHELAN. I understand the law currently allows a pathway to citizenship for those who have served honorably, and this opportunity has been used as a retention incentive. I would have to defer to the Secretary of Defense on any future policy changes.

RETENTION CHALLENGES AND QUALITY OF LIFE

89. Senator HIRONO. Mr. Phelan, providing quality-of-life support programs, including housing, healthcare, and family services, is essential for retaining skilled personnel. Will you commit to advocating for stronger family and quality-of-life support programs, including housing, healthcare, and family services, to enhance retention?

Mr. PHELAN. Quality of life programs are key elements for overall readiness and combat effectiveness. I understand the importance of these programs, including housing and healthcare, and how these benefits help us recruit and retain our personnel. If confirmed, I will commit to strengthening programs to take care of our sailors, marines, and their families.

90. Senator HIRONO. Mr. Phelan, how do you plan to balance operational tempo with the need to prevent burnout and attrition among servicemembers?

Mr. PHELAN. Efforts to balance operational requirements with the well-being of our servicemembers undoubtedly have a culminating point. Recruiting challenges in the Navy have left critical positions unfilled, and this has placed the burden on sailors to make up for shortfalls. If confirmed, I would consider all potential options to expand our outreach to maximize our ability to find high-quality young Americans interested and able to serve. I would also ensure the Department of the Navy is making informed and right-sized investments to recruit effectively in an evolving market for talent and effectively convey the value of military service.

MILITARY CULTURE AND POLITICAL INTERFERENCE

91. Senator HIRONO. Mr. Phelan, the perception of political interference in military affairs has raised concerns about the impact on recruitment, retention, and force cohesion. How will you ensure that recruitment and retention efforts are not

hindered by political purges or the perception that the Navy is being used as a political tool?

Mr. PHELAN. If confirmed, I commit to maintaining the military's long-standing tradition of being apolitical. The Department of the Navy's recruiting and retention efforts are improving, which I believe is due to a renewed focus on the warfighting ethos.

92. Senator HIRONO. Mr. Phelan, reports indicate that younger recruits, particularly Gen Z, are deterred from military service due to perceptions that it is becoming more politicized. What steps will you take to make the Navy a welcoming and professional environment for all Americans, regardless of political affiliation or background?

Mr. PHELAN. I commit to holding leaders at all levels appropriately accountable for fostering a climate that allows all sailors and marines to serve, advance, and be evaluated based on individual merit, fitness, capability, and performance.

QUESTIONS SUBMITTED BY SENATOR ELIZABETH WARREN

ETHICS

93. Senator WARREN. Mr. Phelan, please list all investments you own in companies that have a contract with any component of the Department of Defense (DOD).

Mr. PHELAN. Please refer to the Public Financial Disclosure Report (OGE Form 278e) dated January 21, 2025 that I filed in connection with my nomination as Secretary of the Navy.

94. Senator WARREN. Mr. Phelan, please specify which of these investments you plan to retain even if confirmed.

Mr. PHELAN. Please refer to my Public Financial Disclosure Report (OGE Form 278e) and my Ethics Agreement signed on February 14, 2025. If confirmed, consistent with my Ethics Agreement, I will divest my interests in certain entities as soon as practicable but not later than 90 days after my confirmation.

95. Senator WARREN. Mr. Phelan, do you currently own any investments in Palantir Technologies Inc.?

Mr. PHELAN. Please refer to the Public Financial Disclosure Report (OGE Form 278e) dated January 21, 2025 that I filed in connection with my nomination as Secretary of the Navy.

96. Senator WARREN. Mr. Phelan, please describe the nature of your relationship with Palantir Technologies.

Mr. PHELAN. Please refer to the Public Financial Disclosure Report (OGE Form 278e) dated January 21, 2025 that I filed in connection with my nomination as Secretary of the Navy.

97. Senator WARREN. Mr. Phelan, how much have you made from your Palantir investments since Palantir's founding?

Mr. PHELAN. I have submitted a public financial disclosure report (OGE Form 278e) dated January 21, 2025 that provides information on my reportable investments.

98. Senator WARREN. Mr. Phelan, will you commit to divesting all holdings in defense contractors?

Mr. PHELAN. I have worked with the Office of Government Ethics and the DOD Standards of Conduct Office to review my investments and, as noted in my Ethics Agreement signed on February 14, 2025, which sets for my divestiture requirements, if confirmed.

99. Senator WARREN. Mr. Phelan, will you commit to not repurchasing any such holdings after your service?

Mr. PHELAN. I have signed an ethics agreement related to this issue and I will comply with the agreement.

100. Senator WARREN. Mr. Phelan, will you commit, if confirmed, to recuse yourself from all particular matters involving your former clients and employers, for at least 4 years while serving as Navy Secretary?

Mr. PHELAN. I have signed an ethics agreement related to this issue and I will comply with the agreement.

101. Senator WARREN. Mr. Phelan, will you commit to not seek employment or board membership with, or another form of compensation from, a company that you regulate or otherwise interact with while in Government, for at least 4 years after leaving office?

Mr. PHELAN. If confirmed, I commit to following applicable laws and relevant guidance from DOD ethics officials with respect to post-government employment restrictions.

102. Senator WARREN. Mr. Phelan, will you commit to not lobby DOD—including work as an informal “shadow lobbyist”—for at least 4 years after leaving office?

Mr. PHELAN. If confirmed, I commit to following applicable laws and relevant guidance from DOD ethics officials with respect to post-government employment restrictions.

103. Senator WARREN. Mr. Phelan, during your nomination process, did anyone on the Trump campaign, transition team, or other closely related entity approach you about your loyalty to President Trump?

Mr. PHELAN. No.

104. Senator WARREN. Mr. Phelan, if you were approached about your loyalty to President Trump, did you sign a loyalty pledge or other similar oath? If so, please provide a copy of the text of that pledge or oath.

Mr. PHELAN. I was not approached.

105. Senator WARREN. Mr. Phelan, if you were approached about your loyalty to President Trump, did you make any verbal representations of loyalty? If so, please describe this representation.

Mr. PHELAN. I was not approached.

106. Senator WARREN. Mr. Phelan, did you ask to be considered for a position in President Trump’s administration in return for your donations to Trump’s campaign?

Mr. PHELAN. No.

107. Senator WARREN. Mr. Phelan, did you ever give payments to any person or entity in exchange for using their influence to promote your candidacy for a Presidential nomination from President Trump?

Mr. PHELAN. No.

108. Senator WARREN. Mr. Phelan, in November 2024, the New York Times and other news outlets reported that Boris Epshteyn, a top adviser to President-elect Trump, allegedly requested payment from prospective political appointees to promote their candidacies for top positions within the Administration. Did you discuss the possibility of joining the Administration with Mr. Epshteyn at any time?

Mr. PHELAN. No.

109. Senator WARREN. Mr. Phelan, if so, did Mr. Epshteyn seek payment from you for promoting your candidacy for a position within the administration?

Mr. PHELAN. No.

110. Senator WARREN. Mr. Phelan, at any time, did lawyers for President Trump or members of President Trump’s team approach you regarding Mr. Epshteyn and the allegations cited above? If so, please explain the information that they provided you, including copies of documents, what was discussed during any calls, and any other information pertaining to this interaction.

Mr. PHELAN. No.

111. Senator WARREN. Mr. Phelan, please provide a summary of any payments made by any presumptive or potential nominee for a Presidential appointment to you or your agents or associates, or any entity owned or controlled by Boris Epshteyn or his agents or associates.

Mr. PHELAN. I am not aware of any such payments.

FOREIGN INFLUENCE

112. Senator WARREN. Mr. Phelan, have you received any payment from a foreign government or entity controlled by a foreign government within the past 5 years?

Mr. PHELAN. I have provided relevant information in connection with my security clearance background check.

113. Senator WARREN. Mr. Phelan, if so, please provide details on the amount of this payment, what foreign government or entity paid you, and what the payment was for.

Mr. PHELAN. I have provided relevant information in connection with my security clearance background check.

114. Senator WARREN. Mr. Phelan, have you communicated with any foreign government or entity controlled by a foreign government within the past 5 years?

Mr. PHELAN. I have provided relevant information in connection with my security clearance background check.

115. Senator WARREN. Mr. Phelan, if so, please describe the nature of the communication, including the timing, foreign government or entity with which you communicated, and reason for the communication.

Mr. PHELAN. I have provided relevant information in connection with my security clearance background check.

SEXUAL ASSAULT AND HARASSMENT

116. Senator WARREN. Mr. Phelan, the most recent DOD statistics found that about 29,000 Active Duty troops—which accounts for 6.8 percent of female servicemembers and 1.3 percent of male servicemembers—experienced unwanted sexual contact in 2023. A Brown University study estimates that the actual rates are two to four times higher. How do you plan to address and reduce sexual assault and sexual harassment in the Navy?

Mr. PHELAN. I am dedicated to advancing sexual assault and sexual harassment prevention and response efforts that result in consequential and lasting change. I understand that both Services within the Department of the Navy have implemented prevention measures that have reduced rates of this unacceptable behavior. If confirmed, I will support efforts that have a positive impact on sailors and marines, foster healthy command climates, and provide for the capture of data to assess progress.

117. Senator WARREN. Mr. Phelan, how do you plan to support and protect Navy servicemembers, civilians, grantees, and contractors who come forward with reports of sexual assault and sexual harassment?

Mr. PHELAN. There is no place for sexual assault or sexual harassment in the Navy, the Marine Corps, or the total force. I am committed to offering high-quality response services to best support and protect victims of all forms of sexual violence, and to holding offenders appropriately accountable. If confirmed, I will support the Department of the Navy's (DON's) ongoing efforts to prevent and reduce sexual violence through a dedicated and full-time response workforce and will demand that DON leaders at all levels set the conditions for healthy command climates, including the robust reporting of these crimes and the prevention of retaliation.

AGREEMENTS

118. Senator WARREN. Mr. Phelan, have you, in any professional or personal capacity, signed or agreed to sign a non-disclosure agreement, confidentiality agreement, confidential disclosure agreement, proprietary information agreement, non-disparagement agreement, and/or secrecy agreement and for what reasons did you do so?

Mr. PHELAN. I have signed agreements that are typical for the business activities in which I have been engaged, such as in connection with potential investments.

119. Senator WARREN. Mr. Phelan, have you, in any professional or personal capacity, agreed to pay, paid, or receive payment or services in conjunction with any of the aforementioned instances?

Mr. PHELAN. I have signed agreements that are typical for the business activities in which I have been engaged. Some of these agreements have been related to payments and/or services.

120. Senator WARREN. Mr. Phelan, if you have in any professional or personal capacity, agreed to pay, paid, or receive payment or services in conjunction with any of the aforementioned instances, please provide a breakdown of the amount(s) agreed to pay, paid, or received and an explanation of services rendered and include a timeline of when any of these agreements, payments, or services rendered occurred.

Mr. PHELAN. I have signed agreements that are typical for the business activities in which I have been engaged. Some of these agreements have been related to payments and/or services.

WHISTLEBLOWERS

121. Senator WARREN. Mr. Phelan, do you believe that servicemembers, civilians, grantees, and contractors should be protected from any form of retaliation for coming forward about an illegal order, sexual assault or harassment, negligence, misconduct, or any other concern that they wish to raise?

Mr. PHELAN. Yes, I believe that all whistleblower laws should be followed, and that bona fide whistleblowers should be afforded the protections provided them by applicable statute.

122. Senator WARREN. Mr. Phelan, if you are confirmed as Secretary of the Navy, will you Senator WARREN. commit to protecting whistleblowers?

Mr. PHELAN. Yes, if confirmed, I will commit to protecting bona fide whistleblowers in accordance with applicable laws.

123. Senator WARREN. Mr. Phelan, how will you protect whistleblowers?

Mr. PHELAN. If confirmed, I will follow all laws related to whistleblowers and will ensure the protections required by law.

124. Senator WARREN. Mr. Phelan, what is your understanding of the purpose of Federal whistleblower protection laws?

Mr. PHELAN. Whistleblowers perform an important service when they report evidence of wrongdoing. Federal whistleblower protection laws exist to protect those individuals from retaliation for making a protected disclosure.

125. Senator WARREN. Mr. Phelan, have you ever retaliated against any individual for coming forward about an illegal order, sexual assault or harassment, negligence, misconduct, or any other concern that they wish to raise?

Mr. PHELAN. No.

126. Senator WARREN. Mr. Phelan, have you ever been accused of retaliating against a whistleblower?

Mr. PHELAN. Not to my knowledge.

127. Senator WARREN. Mr. Phelan, what is your understanding of the role of the Office of Special Counsel and civilian whistleblowers?

Mr. PHELAN. The Office of Special Counsel (OSC) operates as a secure channel for Federal employees to blow the whistle by disclosing wrongdoing. Federal law establishes a unique process for disclosures made to OSC, intended to protect the confidentiality of the whistleblower and ensure that the alleged wrongdoing is investigated and, where necessary, corrected.

128. Senator WARREN. Mr. Phelan, what role do you think whistleblowers should play in identifying wasteful spending?

Mr. PHELAN. I believe that bona fide whistleblowers play an important role in ensuring transparency and accountability within an organization.

OVERSIGHT AND TRANSPARENCY

129. Senator WARREN. Mr. Phelan, what is your understanding of the role of the DOD Inspector General and the Navy Inspector General?

Mr. PHELAN. I understand the DOD Inspector General's (DODIG) role to be the principal advisor to the Secretary of Defense on fraud, waste, and abuse, charged with auditing/inspecting, conducting criminal investigations, issuing subpoenas, and providing a semi-annual report to Congress. The Naval Inspector General's (NAVIG) role is to independently and objectively inspect, investigate, and inquire into matters of importance to the Department of the Navy, to include waste, fraud, and abuse. I understand that the NAVIG will report directly to me as the Secretary of the Navy if I am confirmed.

130. Senator WARREN. Mr. Phelan, will you ensure your staff complies with any Inspector General deadlines established for requested communications, providing witnesses, providing documents, and that those witnesses will be protected from reprisal for their testimony?

Mr. PHELAN. If confirmed, I will seek to ensure my staff complies with applicable legal requirements related to the DOD Inspector General and the Navy Inspector General.

131. Senator WARREN. Mr. Phelan, if you are not able to comply with any Inspector General requests and deadlines, will you notify the Republican and Democratic members of the committee regarding the basis for any good faith delay or denial?

Mr. PHELAN. If confirmed, I commit to providing any legally required notification to the Committee.

132. Senator WARREN. Mr. Phelan, if you are confirmed as Secretary of the Navy, will you commit to refusing to follow illegal orders from any individual, including the President?

Mr. PHELAN. If confirmed, I expect to receive only legal orders, which I commit to following.

133. Senator WARREN. Mr. Phelan, will you commit to testify before Congress if you are called upon by Congress to provide a deposition or if you are issued a subpoena?

Mr. PHELAN. If confirmed, I commit to complying with applicable legal requirements regarding testifying before Congress.

134. Senator WARREN. Mr. Phelan, will you commit to providing information or documents to Congress if you are requested to do so or issued a subpoena?

Mr. PHELAN. If confirmed, I commit to complying with applicable legal requirements regarding providing information or documents to Congress.

135. Senator WARREN. Mr. Phelan, will you commit to following current DOD precedent for responding to information requests, briefings, and other inquiries from Congress, including the Senate and House Armed Services Committees and their minority members?

Mr. PHELAN. If confirmed, I commit to complying with applicable legal requirements regarding responding to requests from Congress.

136. Senator WARREN. Mr. Phelan, if confirmed, will you commit to posting your official calendar monthly?

Mr. PHELAN. If confirmed, I am committed to meeting all legal disclosure requirements.

137. Senator WARREN. Mr. Phelan, do you think the Navy has an overclassification problem and if so, can you commit to providing this committee an estimate of the number or percentage of Navy documents that are overclassified?

Mr. PHELAN. The vast majority of Naval Intelligence documents derive their classification from the original data owners—agencies such as NSA, NGA, CIA, etc. I understand that the Navy does not have the independent ability to change the classification of that data, although it works very closely with those agencies to ensure the ability to responsibly use their data to the maximum extent possible.

For information for which the Navy is the Original Classification Authority, the respective classification security guides need to be analyzed to ensure they strike the proper balance between sharing information and protecting sources and methods.

138. Senator WARREN. Mr. Phelan, to the best of your knowledge, are Navy components identifying records for proactive posting in compliance with the Freedom of Information Act?

Mr. PHELAN. I have not received any briefing on the Department of the Navy's current Freedom of Information Act (FOIA) program. If confirmed, I will review that program to ensure it is aligned with law.

139. Senator WARREN. Mr. Phelan, if not, how would you ensure that they do so to comply with public records law?

Mr. PHELAN. I have not received any briefing on the Department of the Navy's current FOIA program. If confirmed, I will review the program.

140. Senator WARREN. Mr. Phelan, if confirmed, do you think the Navy should pursue strategic technology to support automated declassification?

Mr. PHELAN. Declassification of material at the appropriate time is an important task for transparency for the American people. However, this is not a task unique to the Navy, and having Navy independently develop an automated declassification system itself could be inefficient. Such a system would be best pursued at the DOD or even interagency level, with Navy as a partner.

141. Senator WARREN. Mr. Phelan, what is your understanding of the role of safety and accident board investigations?

Mr. PHELAN. Safety and Occupational Health is core to all Navy and Marine Corps operations and activities. Performing the Naval mission safely is a readiness enabler through the preservation of our personnel, materiel, and resources.

It is my understanding that the DON's safety investigations are conducted solely to protect military and civilian personnel from accidental death, injury, or occupational illness; to protect the public from risk of death, injury, illness, or property damage caused by DON activities, and to protect DON property from damage.

Accident Investigations are the legal investigations conducted outside of the safety process and review the facts and circumstances surrounding operational and training accidents. The DON is committed to ensuring the timeliness and completeness of legal Accident Investigations.

142. Senator WARREN. Mr. Phelan, will you share the findings of safety and accident board investigations with Congress to address programmatic failures to prevent accidents that will harm or kill sailors and marines?

Mr. PHELAN. If confirmed, I am committed to providing information in accordance with all legal disclosure requirements, and I will work with Congress to ensure the safety of our sailors and marines.

RULE OF LAW

143. Senator WARREN. Mr. Phelan, Secretary of Defense Peter Hegseth said he removed the Judge Advocate Generals for the Army, Navy, and Air Force so they would not "be roadblocks to anything that happens." What do you understand to be the role of Judge Advocate Generals for commanders and the military?

Mr. PHELAN. I understand the Judge Advocate General serves three primary roles under the direction of the Secretary of the Navy: 1) provides independent legal advice to the Secretary of the Navy and the Chief of Naval Operations; 2) ensures the execution, oversight, and management of the military justice system; and 3) oversees the Judge Advocate General's Corps of the Navy in the provision of independent legal advice to the Fleet.

144. Senator WARREN. Mr. Phelan, what will you do if you receive legal advice that an action you would like to take or are being asked to take is illegal?

Mr. PHELAN. If confirmed, I will uphold the Constitution and the laws of the United States. If I have questions about the lawfulness of an order, I will seek and carefully consider the legal opinions available to the Secretary of the Navy, which include those of the Office of the General Counsel, the Office of the Judge Advocate General, and other legal offices within the Government.

145. Senator WARREN. Mr. Phelan, if you refuse to take an action that you have been advised is illegal and learn that someone else in the Navy or DOD took action, will you inform the Committee?

Mr. PHELAN. If confirmed, I commit to complying with all laws and regulations that require the disclosure of certain information to this Committee.

DOMESTIC DEPLOYMENTS OF THE U.S. MILITARY

146. Senator WARREN. Mr. Phelan, in which circumstances do you believe that the Insurrection Act should be used?

Mr. PHELAN. Congress granted authority to the President of the United States in the Insurrection Act, and its lawful uses are detailed in Title 10 of the U.S. Code, §§331–335. Past Presidents have used the authority to suppress insurrections, rebellions, obstructions to justice, and other unlawful activities.

147. Senator WARREN. Mr. Phelan, do you believe that the Insurrection Act should be used only as a "last resort"?

Mr. PHELAN. Pursuant to 10 USC §§ 331–335, it is the President’s prerogative to invoke the Insurrection Act when appropriate. The Secretary of the Navy does not have this authority.

148. Senator WARREN. Mr. Phelan, do you believe that military forces should be deployed to respond to civil unrest only in situations where State and local authorities are overwhelmed?

Mr. PHELAN. Historically, military forces have responded to unrest in our country, at the President’s direction, when civil authorities were heavily taxed and disorder had become widespread.

149. Senator WARREN. Mr. Phelan, do you believe that the parties best positioned to determine whether State and local authorities are overwhelmed are those authorities? If not, why not?

Mr. PHELAN. Through the Insurrection Act, Congress provided the President the lawful authority to respond to insurrections, obstructions to justice, and domestic violence. The statute lays out conditions for use of that authority. State and local authorities may or may not be able to assess or convey they are overwhelmed depending on the totality of the circumstances.

150. Senator WARREN. Mr. Phelan, if confirmed, would you support using the military for immigration enforcement, including for mass deportations, despite the military’s lack of relevant training and the harm it would almost certainly do to military readiness?

Mr. PHELAN. If confirmed, I will support and execute all lawful direction and guidance from the President of the United States and the Secretary of Defense.

IMPOUNDMENT CONTROL ACT

151. Senator WARREN. Mr. Phelan, on January 27, 2025, President Trump’s Office of Management and Budget (OMB) issued a memo calling for all Federal financial assistance programs (excluding “assistance provided directly to individuals”) to be suspended. Do you agree with OMB’s decision to issue this memo?

Mr. PHELAN. If confirmed, I am committed to better understanding the impact of this memo on Department of the Navy functions.

152. Senator WARREN. Mr. Phelan, do you believe that the Secretary of Defense or the Secretary of the Navy has the legal authority to block the disbursement of funds appropriated by Congress?

Mr. PHELAN. My understanding of the Impoundment Control Act is that it provides the President the authority to propose budget authority rescissions. The Act also provides the President, the Secretary of Defense, and the Secretary of the Navy the authority to propose deferrals of budget authority to provide for contingencies, or to achieve savings made possible by changes in requirements or greater efficiency in operations, or as specifically provided by law.

153. Senator WARREN. Mr. Phelan, what is your understanding of the Impoundment Control Act?

Mr. PHELAN. Under the Impoundment Control Act of 1974, my understanding is that an impoundment is an action or inaction by an officer or employee of the United States that delays or precludes the obligation or expenditure of budget authority. The Act divides impoundment into two categories: rescissions or deferrals. Proposals for budget authority rescissions rest in the President, and deferrals of budget authority may be proposed by the President, Secretary of Defense, or the Secretary of the Navy.

154. Senator WARREN. Mr. Phelan, do you commit to following the Impoundment Control Act?

Mr. PHELAN. If confirmed, I commit to following the law.

155. Senator WARREN. Mr. Phelan, do you commit to notifying the Senate and House Armed Services Committees, including the majority and minority, if you are asked not to follow the Impoundment Control Act or not to expend the money that Congress appropriates or authorizes?

Mr. PHELAN. If confirmed, I commit to complying with applicable legal requirements regarding responding to requests from Congress.

156. Senator WARREN. Mr. Phelan, the Constitution's Spending Clause (Art. I, § 8, cl. 1) and Appropriations Clause (Art. I, § 9, cl. 7) give Congress, not the Executive, power of the purse. The Supreme Court has unanimously upheld this power. Do you believe that impoundments are constitutional?

Mr. PHELAN. In my previous experiences, I have not reviewed the constitutionality of impoundments.

157. Senator WARREN. Mr. Phelan, do you agree with the following statements? The funding levels in appropriations bills passed into law are not targets or ceilings; instead, they are amounts the executive branch must spend unless stated otherwise. Congress could—if it wanted the President to have discretion—write those amounts as ceilings.

Mr. PHELAN. I understand that both the Impoundment Control Act and the U.S. Government Accountability Office identify situations where not spending an entire appropriation complies with the Act.

158. Senator WARREN. Mr. Phelan, what is your understanding of the requirements for DOD to obligate funding that Congress authorizes and appropriates, in accordance with the time period that Congress deems it to do so?

Mr. PHELAN. My understanding is the balance of an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability or to complete contracts properly made within that period of availability and obligated consistent with the law. However, the appropriation or fund is not available for expenditure for a period beyond the period otherwise authorized by law.

159. Senator WARREN. Mr. Phelan, do you commit to expending the money that Congress appropriates and authorizes?

Mr. PHELAN. If confirmed, I commit to being a good steward of Department of the Navy appropriations and to comply with all applicable law regarding their obligation and expenditure.

160. Senator WARREN. Mr. Phelan, do you commit to following and implementing the annual National Defense Authorization Act passed into law?

Mr. PHELAN. If confirmed, I commit to complying with applicable legal requirements.

CIVILIAN HARM

161. Senator WARREN. Mr. Phelan, do you agree that one difference between the United States and its potential adversaries is the greater value that the U.S. Government puts on protecting human life and liberty at home and abroad?

Mr. PHELAN. Promoting the protection of human life is clearly something that sets the United States apart from our adversaries and makes an example for others to follow.

162. Senator WARREN. Mr. Phelan, what is your understanding of title 10 U.S.C. section 184, which established the Civilian Protection Center of Excellence?

Mr. PHELAN. I have not been briefed on the Civilian Protection Center of Excellence as the law establishes this operation under the Secretary of Defense.

163. Senator WARREN. Mr. Phelan, the U.S. military has spent many years working to improve its ability to prevent and mitigate civilian harm without sacrificing lethality—including through the development of DOD Instruction on Civilian Harm under the first Trump administration, which I commend. These efforts received bipartisan support from Congress and grew out of a recognition from the U.S. military itself that, after over 2 decades of U.S. wars, warfighters needed better tools and trustworthy systems to prevent civilian harm, uphold U.S. values, and prevent moral injury and psychological trauma that too often comes with deadly mistakes. The Civilian Protection Center of Excellence (CPCOE), which provides direct support to operational combatant commands on civilian harm issues, has been enshrined in U.S. law via the James M. Inhofe National Defense Authorization Act (NDAA) for Fiscal Year 2023. If confirmed as Secretary of the Navy, will you commit to advancing the Navy's civilian harm prevention efforts?

Mr. PHELAN. If confirmed, I will work with the Secretary of Defense to ensure our sailors and marines improve efforts that prevent and mitigate civilian harm without sacrificing lethality.

164. Senator WARREN. Mr. Phelan, what do you understand to be your roles and responsibilities regarding civilian harm mitigation and response?

Mr. PHELAN. I have not been briefed on the specific actions assigned to the Secretary of the Navy under the CHMR program. If confirmed, I will request a briefing to ensure that I understand the responsibilities assigned to the Department of the Navy.

165. Senator WARREN. Mr. Phelan, what do you understand to be the importance of mitigating civilian harm in military operations?

Mr. PHELAN. I understand it is incredibly important to mitigate civilian harm in any military operation, and that doing so aligns with the Department of the Navy's core values driving daily Navy and Marine Corps actions.

166. Senator WARREN. Mr. Phelan, will you commit to supporting and protecting the Civilian Protection Center of Excellence?

Mr. PHELAN. If confirmed, I commit to following all relevant laws and the direction of the Secretary of Defense, who is charged with such operations.

167. Senator WARREN. Mr. Phelan, how will you prevent and mitigate civilian harm?

Mr. PHELAN. Again, I have not been briefed on this program. If confirmed, I will request a briefing on the Department of the Navy's specific role in preventing and mitigating civilian harm and commit to following all relevant laws and Secretary of Defense direction regarding the same.

168. Senator WARREN. Mr. Phelan, will you commit to supporting and implementing the Civilian Harm Mitigation Response and Action Plan (CHMR-AP)?

Mr. PHELAN. If confirmed, I will request a briefing on the Department of the Navy's specific role in preventing and mitigating civilian harm as directed by the Secretary of Defense.

169. Senator WARREN. Mr. Phelan, do you believe that our troops are at higher risk for retribution as the number of civilian deaths from U.S. military operations or U.S.-led military operations increases?

Mr. PHELAN. I believe that our military personnel face significant risk in every operation and that they are well-trained for their mission.

BLAST OVERPRESSURE

170. Senator WARREN. Mr. Phelan, will you commit to protecting servicemembers from blast overpressure and increase their options for seeking care after being exposed?

Mr. PHELAN. Yes, I fully support the DON efforts to protect servicemembers from blast overpressure and the care they receive after being exposed. The Navy is an active participant in the Department of Defense's "Warfighter Brain Health Initiative," which is an effort that includes blast overpressure concerns and supports research, prevention, and response to brain injury.

171. Senator WARREN. Mr. Phelan, what steps will you take to protect servicemembers from blast overpressure and increase their options for seeking care after being exposed?

Mr. PHELAN. If confirmed, I am committed, in coordination with the Defense Safety Oversight Council, to continuing research on blast overpressure that will help inform treatment and continuing our relationship with the Defense Health Agency and TBI clinics around the globe to provide care, including for blast overpressure.

172. Senator WARREN. Mr. Phelan, how do you plan to work with the Department of Veterans Affairs to make sure that servicemembers, veterans, and their families are aware of the risks of blast overpressure and traumatic brain injury?

Mr. PHELAN. As we begin to understand more about the link between blast overpressure exposure and effects, we must share that information with the VA to form an information campaign to ensure servicemembers, veterans, and their families are well informed. One means by which the Navy and DOD achieves this is through including environmental exposure data into the individual Longitudinal Exposure Record so that the data is available to DOD and VA clinicians.

173. Senator WARREN. Mr. Phelan, do you support establishing logs for sailors on blast overpressure exposure and traumatic brain injury?

Mr. PHELAN. A better understanding of the link between blast overpressure exposure and effects must be researched so we know what elements are important to monitor and respond to over time. If confirmed, I look forward to learning more about this issue and how it can be enhanced.

174. Senator WARREN. Mr. Phelan, do you support requiring neurocognitive assessments of sailors annually, before they begin training to establish a baseline, and before they leave the military to determine when their change in cognitive health over time?

Mr. PHELAN. If confirmed, I will request a briefing on this important assessment for sailors and marines and take appropriate action on this important issue.

175. Senator WARREN. Mr. Phelan, how will you address the links between blast overpressure exposure and increased risks of suicide?

Mr. PHELAN. It is my understanding that this link is not yet well defined or understood. If confirmed, I will ensure that we will focus on better understanding this relationship through research and then create evidence-based policies to moderate the risk.

176. Senator WARREN. Mr. Phelan, do you support addressing the risks of blast overpressure to servicemembers through the swift implementation of sections 721 through section 725 of the Fiscal Year 2025 NDAA?

Mr. PHELAN. Yes, I support implementation of these sections. I am committed to working with our DOD partners in the Defense Health Agency and our sister services to ensure benefit to all servicemembers.

RIGHT-TO-REPAIR

177. Senator WARREN. Mr. Phelan, do you believe giving the Navy access to the technical data rights needed to repair its own equipment could advance the Navy's readiness?

Mr. PHELAN. Yes. It is my understanding that the DON is actively working with program managers to ensure the procurement and delivery of the technical data and data rights necessary to support efficient sustainment and optimized readiness of the fleet. Access to technical data enables organic repair capability or allows a vendor to perform the required efforts on behalf of the Navy.

178. Senator WARREN. Mr. Phelan, do you believe giving the Navy access to the technical data rights needed to repair its own equipment could help reduce the Navy's repair and sustainment costs?

Mr. PHELAN. Yes. Access to technical data is a key enabler in assuring the DON has the ability to procure the products and services needed to support the warfighters. Access to technical data enables organic repair capability or allows a vendor to perform the required efforts on behalf of the Navy.

179. Senator WARREN. Mr. Phelan, how will you ensure servicemembers who are stationed abroad can timely and cost-effectively repair equipment that is damaged, especially in a contested logistics environment?

Mr. PHELAN. It is my understanding the department recognizes contested logistics has emerged as a critical factor in shaping the success of the Naval forces and is committed to ensuring servicemembers are equipped with the appropriate tools required to conduct timely repairs. One of the areas in which the department is seeking to strengthen warfighter self-sufficiency is through progressing deployable Organization and Intermediate level advanced manufacturing capabilities. Advanced Manufacturing offers rapid response capability to sustain operations in austere environments. If confirmed, I am committed to advancing and continuing these efforts.

180. Senator WARREN. Mr. Phelan, if you are confirmed as Secretary of the Navy, will you commit to including right-to-repair/technical data rights clauses in acquisition contracts that the Navy enters into?

Mr. PHELAN. If confirmed, I will ensure the DON continues to implement current policies and practices regarding right-to-repair and technical data rights within acquisition contracts. Additionally, if confirmed, I will work with my counterparts in the Office of the Under Secretary for Acquisition and Sustainment to explore how to best leverage right-to-repair and technical data rights within acquisition contracts to enable organic repair capability.

181. Senator WARREN. Mr. Phelan, if you are confirmed as Secretary of the Navy, will you commit to ensuring contractors deliver technical data rights to the Navy when their contract requires or allows it?

Mr. PHELAN. If confirmed, I am committed to ensuring contractors deliver technical data required by contract. I will use all legal tools available to ensure that delivery.

182. Senator WARREN. Mr. Phelan, in your hearing you stated that the Navy's contracts "really need to be reviewed". In your review of the Navy's contracts, will you assess whether the Government has received the technical data rights from a defense contractor if the contract requires it?

Mr. PHELAN. Yes. If confirmed, I will ensure the DON will continue to evaluate and ensure that all requirements of contracts have been satisfied, and that the technical data delivered has the appropriate markings.

183. Senator WARREN. Mr. Phelan, in your hearing you stated that the right-to-repair effort for the military "is something that [you] intend to study and look at." If you are confirmed as Secretary of the Navy, will you commit to understanding the cost of not having the right-to-repair/technical data rights for the Navy's equipment through an assessment, the results of which you would make public for review by Congress and the Department of Government Efficiency?

Mr. PHELAN. If confirmed, I will continue the commitment to understanding the costs of not having technical data and/or appropriately marked technical data. Such information would improve the DON's ability to assess the value of technical data delivery requirements during contract formation. Additionally, if confirmed, I will provide results in accordance with all legal requirements.

184. Senator WARREN. Mr. Phelan, what is your understanding of the Navy's Taxpayer Advocacy Project?

Mr. PHELAN. As I understand it, the Taxpayer Advocacy Project was developed to help reduce sustainment and operating costs. If confirmed, I look forward to learning more about this program and hopefully enhancing it to provide a proper return on investment for the American taxpayer.

185. Senator WARREN. Mr. Phelan, do you support the Navy's Taxpayer Advocacy Project?

Mr. PHELAN. I support all efforts to ensure that the taxpayer receives what they paid for.

186. Senator WARREN. Mr. Phelan, what is your understanding of DOD's Intellectual Property Cadre?

Mr. PHELAN. My understanding is that the IP Cadre was created with the goal of establishing a group of personnel who are experts in intellectual property matters. If confirmed, I look forward to learning more about this capability and supporting the DON's participation to ensure we are implementing effective IP practices.

187. Senator WARREN. Mr. Phelan, do you think reducing the Navy's acquisition and sustainment costs is important?

Mr. PHELAN. I believe that finding ways to reduce the Navy's acquisition and sustainment costs is critical. First, the Navy owes it to the taxpayer to be good stewards of the resources they provide to us. Second, I believe such reductions will be a multiplying function for the Department of the Navy, allowing for savings to be reinvested, particularly in research and development but also in increased quantities, in order to regain our lead compared to peer competitors.

188. Senator WARREN. Mr. Phelan, what is your strategy to reduce the Navy's acquisition and sustainment costs?

Mr. PHELAN. If confirmed, I look forward to working with the acquisition community, requirements community, Defense Department, and Congress to determine the optimal budget for the Department of the Navy. I believe that it will be critical to that effort to ensure that our acquisition programs are designed with flexibility and sustainment in mind in order to plan for efficiency from day one. This is necessary to ensure that the programs we are acquiring today can be more easily and cost effectively modernized in the future.

MANAGING THE FEDERAL WORKFORCE

189. Senator WARREN. Mr. Phelan, the Trump administration has removed a number of probationary employees across the Federal Government. Many of these probationary employees were recently promoted or hired to fulfill urgently needed gaps in U.S. capabilities. Why should Congress provide the Navy expedited or additional hiring authorities if they will be disregarded without any public justification or consultation with Congress?

Mr. PHELAN. I support President Trump's goal to streamline the Federal workforce and Secretary Hegseth's focus on rebuilding the military by matching threats to capabilities. Therefore, if confirmed, I will support hiring and personnel actions that promote these visions by focusing on recruiting and retaining the best and brightest to positions key to supporting the warfighter and national security.

190. Senator WARREN. Mr. Phelan, press reports indicate DOD has paused four trainings, including harassment prevention and No Fear Act training. Do you support harassment prevention training?

Mr. PHELAN. If confirmed, I will support training that focuses on addressing problematic behaviors before they escalate, and training that sets the conditions for healthy behaviors. I will ensure these programs have the support and resources they need to succeed.

191. Senator WARREN. Mr. Phelan, the Office of Management and Budget (OMB) issued a memorandum called "Guidance on Agency RIF and Reorganization Plans Requested by Implementing The President's 'Department of Government Efficiency' Workforce Optimization Initiative" on February 26, 2025. The memo outlines phases for which agencies will submit agency reductions in force and reorganization plans. If confirmed, how will the Navy comply with this OMB memo?

Mr. PHELAN. I fully support the President's commitment to reform the Federal workforce, to promote lethality and readiness, increase productivity, and achieve efficiency and cost savings. If confirmed, I will partner with Department of Defense (DOD) leaders to develop reorganization plans and generate workforce reductions that further the President's priorities. I will base these efforts on a thorough and methodical review of the size and structure of the DON workforce, in light of mission priorities.

192. Senator WARREN. Mr. Phelan, how will the Navy ensure that any reductions in force preserve military preparedness and national security?

Mr. PHELAN. I believe the Department of the Navy's (DON's) efforts to reduce and reshape the civilian workforce will prioritize the DON's mission-critical requirements and identify reductions in functions with an attenuated relationship to lethality and readiness. The civilian workforce plays a critical role in the accomplishment of the DON's mission. Any reductions in the DON workforce should target the elimination of redundancies and unnecessary spending that could be reallocated to support the warfighter.

193. Senator WARREN. Mr. Phelan, will the Navy conduct a review of any reductions in force pursuant to title 10 USC section 129a?

Mr. PHELAN. While I am not intimately familiar with the requirements of the statute, if confirmed, I will work closely with the Secretary of Defense and other senior DOD leaders to ensure that reductions in the civilian workforce are carried out in accordance with all applicable laws, including, as appropriate, section 129a.

194. Senator WARREN. Mr. Phelan, how will the Navy ensure transparency and inform all members of the Senate Armed Services Committee about the findings of the review conducted pursuant to title 10 USC section 129a?

Mr. PHELAN. If confirmed, I am committed to building and sustaining a lean and highly capable civilian workforce, to holding the Department of the Navy (DON) accountable for compliance with applicable law, and for maintaining a forthright and transparent relationship with all members of the Senate Armed Services Committee. If confirmed, I will inform the members of the Committee of the substance of the DON's analysis under section 129a.

MILITARY HOUSING

195. Senator WARREN. Mr. Phelan, if you are confirmed as Secretary of the Navy, how will you address the affordability and supply issues within the military housing market?

Mr. PHELAN. Affordability and supply issues will remain a focus for the DON. If confirmed, I will continue the DON's formal Housing Market Requirement Analyses for all installations. In addition to monitoring occupancy in DON housing, this tool helps inform decisions for potential expansions to address housing deficits where required. Currently, the Navy is analyzing this important issue for Naval Station Everett, Naval Air Station Fallon, and Naval Air Weapons Station China Lake.

196. Senator WARREN. Mr. Phelan, if you are confirmed as Secretary of the Navy, how will you address the quality problems in the military housing inventory?

Mr. PHELAN. I am committed to thoroughly reviewing the DON's improvement plans and associated construction projects, with a focus on prioritizing the most severely degraded housing facilities. This will ensure that we address the most urgent needs while aligning with our broader goals for overall infrastructure enhancement and operational readiness. Additionally, if confirmed I will look at opportunities to enhance base housing and expand unaccompanied housing.

197. Senator WARREN. Mr. Phelan, if you are confirmed as Secretary of the Navy, how will the DOD strengthen its oversight of the private military housing market?

Mr. PHELAN. Our sailors and marines and their families deserve high quality housing. If confirmed, I will work with the Secretary of Defense and DOD to ensure oversight of the private military housing market is effective.

198. Senator WARREN. Mr. Phelan, if you are confirmed as Secretary of the Navy, how will the Navy strengthen its oversight of the Military Housing Privatization Initiative?

Mr. PHELAN. If confirmed, I will be committed to continuous improvement of the Department of the Navy's Military Housing Privatization Initiative (MHPI) program through maintaining resident trust, reinforcing DON oversight, and exercising active leadership. If confirmed, I will continue to use the tools developed to better analyze our processes, policies, and overall program to ensure higher levels of service and satisfaction for our sailors, marines, and their families.

199. Senator WARREN. Mr. Phelan, if you are confirmed as Secretary of the Navy, will you commit to implementing and enforcing the Military Housing Privatization Initiative Tenant Bill of Rights?

Mr. PHELAN. I have not received any briefings on this specific program. If confirmed, I will work through the Department of the Navy's oversight processes and with this committee to ensure our sailors and marines and their families' rights are properly represented.

CHILDCARE

200. Senator WARREN. Mr. Phelan, there are ongoing staffing shortages at Department daycares and months-long waiting periods for a child to get a spot at on-base facilities military families rely on. How do you plan to improve childcare access for military families?

Mr. PHELAN. I understand that access to childcare is a top concern for military families. Similar to the obstacles faced in the private sector, staffing shortages contribute most acutely to the ability to meet the demand for quality childcare. If confirmed, I will ensure the Department of the Navy focuses on recruiting and retaining staff members to strengthen the childcare workforce and improve access to childcare.

201. Senator WARREN. Mr. Phelan, a bipartisan and months-long study on military quality-of-life issues concluded that childcare staff are leaving because of low pay that was not competitive. Would you agree that increasing childcare workers' pay structure will help address the shortage of childcare for military families?

Mr. PHELAN. If confirmed, I am committed to finding innovative solutions to recruit, competitively pay, and retain childcare professionals to support our servicemembers' families. I will ensure the Navy and Marine Corps are using the authorities granted that allow increased wages, fee discounts to employees, and hiring and retention bonuses to improve military access to childcare.

PRICE GOUGING

202. Senator WARREN. Mr. Phelan, do you support efforts to make sure contracting officers have the cost and pricing data they need to negotiate fair deals for taxpayers?

Mr. PHELAN. If confirmed, I will encourage the maximum use of competitive procedures and purchase of commercial off the shelf solutions to foster a best value procurement. When commercial products or competitive procedures are not possible, I support contracting officers obtaining cost and pricing data which is critical in determining the fair and reasonable price of products and services.

203. Senator WARREN. Mr. Phelan, the Government Accountability Office's 2023 High-Risk Report identifies vulnerabilities in DOD's contracting processes, emphasizing systemic risks of fraud, waste, and abuse. Notably, it highlighted that sustained leadership commitment and robust internal controls are critical for addressing contractor misconduct and preventing overcharges in government contracts. What measures would you implement to ensure contractors do not engage in price gouging of our military and U.S. taxpayers?

Mr. PHELAN. I believe that in order to ensure fair and reasonable pricing is obtained for products and services, the DON must rely on competition and commercial procurement practices as appropriate. If neither competition nor commercial practices are available for the procurement in question, the DON, if I am confirmed, will ensure that it obtains the necessary cost and pricing data to support meaningful analysis and establish a fair and reasonable price.

204. Senator WARREN. Mr. Phelan, how would you enhance competition at DOD to prevent price gouging?

Mr. PHELAN. If confirmed, I will seek and promote competition throughout the course of the acquisition process, which leads to a best-value procurement. If confirmed, the Department of the Navy will continue to clearly communicate with the industrial base as to when opportunities are present and when possible, obtain sufficient data rights in products to allow for a long-term competitive environment.

205. Senator WARREN. Mr. Phelan, should DOD have more access to cost and pricing data for sole source contracts?

Mr. PHELAN. If confirmed, I will ensure the Department of the Navy will maximize use of competitive procedures to the maximum extent possible which should minimize our contracting officers' need for cost and pricing data. For sole-source military-unique requirements, cost and pricing data is critical in determining a fair and reasonable price.

QUESTIONS SUBMITTED BY SENATOR JACKY ROSEN

FALLON RANGE FLOODING

206. Senator ROSEN. Mr. Phelan, the Sheckler Reservoir outside of Fallon, Nevada, has experienced more frequent overflows in the past decade, causing flooding to Fallon's B-16 range, which renders it inoperable for ground combat training. While the Bureau of Reclamation owns the reservoir, its infrastructure and water flow impact Navy operations, all while the Navy is investing millions of dollars into range modernization. If confirmed, can you commit to working with the Bureau of Reclamation to route water around the B-16 range so that it no longer floods the range, halts training, and risks flooding to the city of Fallon?

Mr. PHELAN. I am committed to collaborating with the Bureau of Reclamation and relevant local agencies to proactively address any impacts resulting from or affecting any installation.

[The nomination reference of Mr. John C. Phelan follows:]

NOMINATION REFERENCE AND REPORT

PN12-36

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 20, 2025.

Ordered, That the following nomination be referred to the Committee on Armed Services:

John Phelan, of Florida, to be Secretary of the Navy, vice Carlos Del Toro, resigned.

_____, 2025.
(Date)

Reported by Mr. Wicker _____
(Signature)

with the recommendation that the nomination be confirmed.

**□ The nominee has agreed to respond to requests to appear and testify before any
duly constituted committee of the Senate.**

[The biographical sketch of Mr. John C. Phelan, which was transmitted to the Committee at the time the nomination was referred, follows:]

Bio
John C. Phelan

Education:

1988-1990	HARVARD GRADUATE SCHOOL OF BUSINESS ADMINISTRATION Awarded Master in Business Administration degree, June 1990. curriculum.	BOSTON, MA General management
1982-1986	SOUTHERN METHODIST UNIVERSITY Awarded Bachelor of Arts degree, <i>cum laude with distinction</i> , in Economics and Political Science.	DALLAS, TX
1984-1985	THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE LONDON, ENGLAND General Course degree with an emphasis in Economics and International Relations.	

Employment Record:

JUNE 2022-Present	Rugger Management LLC Chairman	PALM BEACH, FL
1998- JUNE 2022	MSD Capital, L.P. and MSD Partners, L.P. Chairman Emeritus, Co-Founder and Co-Managing Partner, Chief Investment Officer Co-founded MSD Capital, L.P. ("MSD"), which was founded in 1998 and is the private investment firm for Michael Dell, the founder and CEO of Dell Technologies. John was also the Co-founder of MSD Partners, L.P. ("MSD Partners"), a SEC-registered investment adviser that was formed to enable a select group of outside investors to invest in strategies that were initially developed by MSD. During his leadership at MSD the firm posted double digit net returns and over \$20 billion in profits.	NEW YORK, NY
1992-1997	E.S.L. PARTNERS Principal Responsible for ESL's Special Situation Investments and helped grow the firm from \$50 million to over \$2.0 billion in assets under management.	GREENWICH, CT
1990-1992	ZELL-MERRILL LYNCH REAL ESTATE OPPORTUNITY PARTNERS Vice President Western Region acquisitions.	NEW YORK, NY
Summer 1989	E.S.L. PARTNERS Assisted Richard Rainwater's two-person investment management group in analyzing potential investment opportunities in marketable securities. Evaluated leveraged buyouts, restructurings, divestitures, dutch auction tenders and various other principal transactions.	FORT WORTH, TX/ ASPEN, CO
1986-1988 1987-1988	GOLDMAN, SACHS & CO. Financial Analyst, Real Estate Investment Banking Services (REIBS). Selected to be first REIBS analyst as part of two-person client coverage team responsible for 250 clients in eleven states. • Established analyst position in REIBS Group.	CHICAGO, IL

- Developed and helped implement 1987-1988 Midwest Region Strategic Plan.
- Prepared and assisted in presentation of new business proposals.
- Identified potential real estate opportunities and developed real estate solicitation materials targeted at specific client groups.
- Contributed to the successful solicitation of over \$3.0 billion in transactions.

1985-1987

Financial Analyst, Real Estate Execution Group.**NEW YORK, NY**

Developed detailed valuation analyses and marketing materials for the sale and financing of investment grade properties.

- Transaction experience included \$8.0 billion sale of the Cadillac Fairview Corporation, sale of \$255 million hotel, and \$125 million financing of a regional shopping center.
- Marketed properties to diverse sources of capital, including developers, pension funds, syndicators, and international institutional investors.
- Initiated and coordinated analyst recruiting at S.M.U.

Capital Markets, Mergers & Acquisitions and Corporate Finance.

- Interacted with Sales and Trading professionals in structuring a bond offering to finance a

\$290 million office building. Performed real estate asset valuations for \$7.0 billion leveraged buyout of Southland Corporation and \$5.0 billion recapitalization of Santa Fe Southern Pacific Railroad Corporation.

Honors and Awards:

SMU DISTINGUISHED ALUMNI AWARD, 2022

AMERICAN IRELAND FUNDS, 2020 PHILANTHROPIC AWARD

GULLIVER PREPARATORY SCHOOL, DISTINGUISHED ALUMNI AWARD, 2017

INSTITUTIONAL INVESTOR'S OUTSTANDING ACHIEVEMENT AWARD, 2014

CARTER BURDEN BUSINESS LEADERSHIP AWARD, 2013

AAM MAJOR DONOR AWARD, 2008

PRIVATE ASSET MANAGEMENT, SINGLE FAMILY OFFICE OF THE YEAR AWARD, 2007

IRISH AMERICA ANNUAL WALL STREET TOP 50, 2003

SMU HONOR SOCIETIES: PHI BETA KAPPA, OMICRON DELTA EPSILON (ECONOMICS).

SMU: HONOR ROLL

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate to complete a form that details the biographical, financial, and other information of the nominee. The form executed by Mr. John C. Phelan in connection with his nomination follows:]

119th CONGRESS, 2025 -- 2026
UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES
ROOM SR-228
WASHINGTON, D.C. 20510-6050
(202) 224-3871

COMMITTEE ON ARMED SERVICES QUESTIONNAIRE
INFORMATION REQUESTED OF CIVILIAN NOMINEES

INSTRUCTIONS TO THE NOMINEE: Answer all questions and provide all requested information. If more space is needed, attach an additional sheet of paper to the Questionnaire and cite the part of the Questionnaire and the question number (e.g., A-9, B-4) to which the continuation of your answer applies. Unless otherwise required, an answer of "yes", "no", or "not applicable" is appropriate.

QUESTIONNAIRE, PART A

NOTE: Information furnished in this part of the Questionnaire will be made available in Committee offices for public inspection prior to the hearing, if any, and will be entered in the hearing record, also available to the public.

BIOGRAPHICAL INFORMATION TO BE MADE PUBLIC

1. Name (Include any former names you have used):
JOHN CARTWRIGHT PHELAN
2. Position to which nominated:
SECRETARY OF THE NAVY
3. Date of nomination:
January 20, 2025
4. Education (List names of secondary and higher education institution attended, type of school [vocational, technical, trade school, college, university, military college, correspondence, distance, extension, and on-line], dates attended, degree received, and date degree granted):

Education

- 1988-1990** **HARVARD GRADUATE SCHOOL OF BUSINESS ADMINISTRATION** **BOSTON, MA**
 Awarded Master in Business Administration degree, June 1990. General management curriculum. Elected Co-President Finance Club and member of Real Estate and Rugby Football Clubs.
- 1982-1986** **SOUTHERN METHODIST UNIVERSITY** **DALLAS, TX**
 Awarded Bachelor of Arts degree, *cum laude with distinction*, in Economics and Political Science.
- 1984-1985** **THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE**
LONDON, ENGLAND
 General Course degree with an emphasis in Economics and International Relations.
- 1978-1982** **GULLIVER PREPARATORY SCHOOL** **MIAMI, FL**
 Awarded High School Diploma.

- 5. Employment record (List all jobs held since college, or in the last 10 years, whichever is less, including the title or description of the job, name of employer, location of work, and dates of employment. If the employment activity was military duty, show each change of military duty station as a separate period of employment):**

- 2022-Present** **Rugger Management LLC** **PALM BEACH, FL**
 Chairman
- 1998-2022** **MSD Capital, L.P. and MSD Partners, L.P.** **NEW YORK, NY**
 Chairman Emeritus, Co-Founder and Co-Managing Partner, Chief Investment Officer

- 6. Have you ever received approval, pursuant to section 908 of title 37, United States Code, to accept civil employment (and compensation for that employment), payment for speeches, travel, meals, lodging, registration fees, or a non-cash award from a foreign government?**
NO
- 7. Government experience (List any advisory, consultative, honorary, and other part-time service or positions with Federal, State, or local governments, other than those listed in response to question 5, above):**
NO
- 8. Business relationships (List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, firm, partnership, or other business enterprise, and of any educational or other institution):**

1.	Harvard Business School	Member, Board of Dean's Advisors, Major Gift Chair for Class of 1990	2011	Present
2.	Rugger Management LLC	Managing Member	2022	Present
3.	Rugger Investments LLC	Managing Member	2022	Present
4.	Rugger Capital LLC	Managing Member	2022	Present
5.	Rugger Holdings LLC	Managing Member	2022	Present
6.	Rugger Credit LLC	Managing Member	2022	Present
7.	Rugger Special Opportunities LLC	Managing Member	2022	Present
8.	Rugger Real Estate LLC	Managing Member	2022	Present
9.	Rugger Art Investments LLC	Managing Member	2022	Present
10.	Rugger Venture Capital LLC	Managing Member	2022	Present
11.	Rugger La La Land Holdings LLC	Managing Member	2022	Present
12.	Blue Marlin Holdings LLC	Managing Member	2003	Present
13.	1902-1906 South Ocean Boulevard, LLC	Managing Member	2015	Present
14.	Fishing Maestro, LLC	Managing Member	2012	Present
15.	Hunting Maestro, LLC	Managing Member	2017	Present
16.	PFI Resources, LLC	Managing Member	2017	Present
17.	284 North Star LLC	Managing Member	2003	Present
18.	Cap 2012 Holdings LLC	Investment Manager	2013	Present
19.	26North Partners GP LLC	Member, Board Member	2023	Present
20.	AeCe ISA Ltd.	Member, Board Member	2023	Present
21.	AeBe ISA Ltd.	Member, Board Member	2023	Present

9. **Memberships (List all memberships and offices that you currently hold, as well as any memberships and offices you have previously held in professional, fraternal, scholarly, civic, business, charitable and other organizations):**

#	Organization Name	City/State	Organization Type	Position Held	From	To
1	John and Amy Phelan Family Foundation	Palm Beach, FL	Private Foundation	Chairman	2012	Present
2	Federal Enforcement Homeland Security Foundation	New York, NY	Non-Profit	Member, Board of Directors	2008	2024
3	Spirit of America	Arlington, VA	Non-Profit	Member, Board of Directors	2018	2024
4	Third Option Foundation	Reston, VA	Non-Profit	Member, Co-Founder, Chairman, Board of Directors	2016	2024
5	Harvard Business School	Cambridge, MA	University	Member, Board of Dean's Advisors, Major Gift Chair for Class of 1990	2011	Present
6	Southern Methodist University	Dallas, Texas	University	Member, Endowment Investment Committee, Dedman College Executive Board	2015	2024
7	London School of Economics	London, UK	University	Member, Phelan US Centre, pending Council of Governors, Governance Committee and Council Finance & Estates Committee, Visiting Professor in Practice	2007	2024
8	Aspen Art Museum	Aspen, CO	Non-Profit	Member, Chairman; Executive Committee, Finance Committee and Investment Committee; Foundation Board of Directors Committee, National Council	2006	2024
9	Whitney Museum of American Art	New York, NY	Non-Profit	Member, Former Executive Council Board of Trustees, Investment Committee, and Nominating Committee	2005	2024
10	Citi Private Bank	New York, NY	Financial Services Company	Member, North American Client Advisory Board	2018	2024
11	Fish & Wildlife Foundation of Florida	Tallahassee, FL	Non-Profit	Member, Board of Directors	2024	2024
12	Anderson Ranch	Aspen, CO	Non-Profit	Member, National Council	2007	2024
13	Aspen Santa Fe Ballet	Aspen, CO	Non-Profit	Member, National Council	2007	2024
14	American Opportunity Alliance (AOA)	Washington, DC	Non-Profit	Member	2023	2024
15	Business Executives for National Security	Washington, DC	Non-Profit	Member	2021	2024
16	Massachusetts General Hospital	Boston, MA	Hospital	Member, The 1811 Society	2019	2024
17	Palm Beach Police & Fire Foundation	Palm Beach, FL	Non-Profit	Chairman's Cabinet, Council of 100	2023	2024
18	The Society of the Four Arts	Palm Beach, FL	Non-Profit	Member, Chairman's Forum	2016	2024
19	Aspen Institute	Aspen, CO	Non-Profit	Society of Fellows	2015	2015
20	Child Mind Institute	New York, NY	Non-Profit	Board of Directors	2014	2019
21	Cold Spring Harbor Laboratories	Cold Spring, NY	Non-Profit	Board of Trustees, Chairman of the Investment Cmte	2007	2019
22	Friends of the Musee des Arts Decoratifs	New York, NY	Non-Profit	International Committee	2016	2017
23	Museum of Modern Art	New York, NY	Non-Profit	CAC, Chairmans Council	2007	2018
24	TATE North American Acquisitions Cmte	New York, NY	Non-Profit	Member	2013	2019
25	Wilson Center	Washington, DC	Non-Profit	Global Advisory Council	2018	2020
26	Aspen Valley Hospital	Aspen, CO		Summit Society	2015	2019

*NOTE THE LIST ABOVE DOES NOT INCLUDE MEMBERSHIP IN SOCIAL CLUBS

10. Political affiliations and activities:

- a. If you have ever been a candidate for, or have been elected or appointed to a political office, list the name of the office(s); whether you were a candidate/elected/appointed; the year(s) during which you were a candidate, or in which the election was held or the appointment was made; and the term of office (if applicable):

NO

- b. List all memberships and offices held in, and services rendered to, all political parties or election committees during the last 5 years:

NO SERVICES RENDERED TO ANY POLITICAL PARTIES OR ELECTION COMMITTEES.

- c. Itemize all individual political contributions of \$100 or more to any individual, campaign organization, political party, political action committee, or similar entity during the past 5 years. List each individual contribution (not the total amount contributed to the person or entity) over this period:

SEE BELOW

5 Year History		
6/29/2020	Portman for Senate (\$2800 returned week of 5/3/21)	\$5,600.00
9/16/2020	Lauren Boebert for Congress	\$2,800.00
9/22/2020	NRSC	\$35,500.00
10/2/2020	Friends of Ric Bradshaw (Joint donation)	\$10,000.00
10/7/2020	RGA	\$20,000.00
12/2/2020	Perdue for Senate	\$2,800.00
12/2/2020	Georgians for Kelly Loeffler	\$2,800.00
3/31/2021	Take Back the House 2022	\$50,000.00
3/31/2021	NRCC	\$36,500.00
7/16/2021	NRSC	\$36,500.00
3/31/2021	Tom Cotton	\$5,000.00
11/9/2023	Ric Bradshaw for Sheriff	\$2,000.00
12/15/2023	Dave McCormick	\$6,600.00
3/19/2024	Dan Crenshaw Victory Committee	\$3,300.00
3/19/2024	NRSC	\$41,300.00
4/4/2024	T47	\$834,600.00
4/9/2024	Team Rick Scott (Joint donation)	\$13,200.00
7/29/2024	Larry Hogan Host Cmte	\$6,600.00
8/14/2024	Eric Hovde JP)	\$6,600.00
8/21/2024	Ted Cruz Victory Fund	\$6,600.00
9/5/2024	Grow the Majority	\$50,000.00
9/24/2024	America Works First	\$100,000.00
9/30/2024	Samuel Stern for PBC DA (Joint donation)	\$50,000.00
9/30/2024	NRSC (Joint donation)	\$60,000.00
10/10/2024	T47 (JP - Trump Campaign \$93,300) \$8,340.00 was for over payment returned to JPM Joint 12/30/24	\$84,960.00
10/16/2024	Boston Policy Institute (Joint donation)	\$10,000.00

11. Honors and awards (List all scholarships, fellowships, honorary degrees,

honorary society memberships, and any other special recognition received for outstanding service or achievements):

SMU DISTINGUISHED ALUMNI AWARD, 2022
 AMERICAN IRELAND FUNDS, 2020 PHILANTHROPIC AWARD
 GULLIVER PREPARATORY SCHOOL, DISTINGUISHED ALUMNI AWARD, 2017
 INSTITUTIONAL INVESTOR'S OUTSTANDING ACHIEVEMENT AWARD, 2014
 CARTER BURDEN BUSINESS LEADERSHIP AWARD, 2013
 AAM MAJOR DONOR AWARD, 2008
 PRIVATE ASSET MANAGEMENT, SINGLE FAMILY OFFICE OF THE YEAR AWARD, 2007
 IRISH AMERICA ANNUAL WALL STREET TOP 50, 2003
 SMU HONOR SOCIETIES: PHI BETA KAPPA, OMICRON DELTA EPSILON (ECONOMICS).
 SMU: HONOR ROLL

12. Published writings (List the titles, publishers, and dates of books, articles, reports, or other published materials that you have written or for which you served as co-author or editor, including articles and blogs published on the internet):
 GOLDMAN SACHS RESEARCH REPORT, *REAL ESTATE ASSETS IN UNCONSOLIDATED SUBSIDIARIES*, Approximate date: 1987
13. Speeches (Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years—of which you have copies—in which you addressed matters relevant to the position to which you have been nominated).
 NONE APPLICABLE

COMMITMENTS IN FURTHERANCE OF CONGRESSIONAL OVERSIGHT

NOTE: In order to exercise their legislative and oversight responsibilities, it is important that this Committee, its subcommittees, and other appropriate committees of Congress timely receive testimony, briefings, reports, records—including documents and electronic communications, and other information from the executive branch. A simple “yes” or “no” response is appropriate.

14. Do you agree, if confirmed, and on request, to appear and testify before this Committee, its subcommittees, and other appropriate Committees of Congress?
 YES
15. Do you agree, if confirmed, to provide this Committee, its subcommittees,

other appropriate Committees of Congress, and their respective staffs such as witnesses and briefers, briefings, reports, records—including documents and electronic communications, and other information, as may be requested of you, and to do so timely?

YES

16. Do you agree, if confirmed, to consult with this Committee, its subcommittees, other appropriate Committees of Congress, and their respective staffs, regarding your basis for any delay or denial in providing testimony, briefings, reports, records—including documents and electronic communications, and other information requested of you?

YES

17. Do you agree, if confirmed, to keep this Committee, its subcommittees, other appropriate Committees of Congress, and their respective staffs apprised of new information that materially impacts the accuracy of testimony, briefings, reports, records—including documents and electronic communications, and other information you or your organization previously provided?

YES

18. Do you agree, if confirmed, and on request, to provide this Committee and its subcommittees with records and other information within their oversight jurisdiction, even absent a formal Committee request?

YES

19. Do you agree, if confirmed, to respond timely to letters to, and/or inquiries and other requests of you or your organization from individual Senators who are members of this Committee?

YES

20. Do you agree, if confirmed, to ensure that you and other members of your organization protect from retaliation any military member, federal employee, or contractor employee who testifies before, or communicates with this Committee, its subcommittees, and any other appropriate committee of Congress?

YES

FUTURE EMPLOYMENT RELATIONSHIPS

21. If you are confirmed by the Senate, will you sever all business connections with your present employers, business firms, business associations, and business organizations?

YES

22. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

NO

[The nominee responded to Parts B-F of the Committee questionnaire. The text of the questionnaire is set forth in the Appendix to this volume. The nominee's answers to Parts B-F are contained in the Committee's executive files.]

SIGNATURE AND DATE

I hereby state that I have read and signed Parts A and B of the foregoing Senate Armed Services Committee Questionnaire, and that the information provided therein and in any document appended thereto, is, to the best of my knowledge and belief, current, accurate, and complete.



□

This 27th day of January, 2025

[The nomination of Mr. John C. Phelan was reported to the Senate by Chairman Wicker on March 11, 2025, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on March 24, 2025.]

APPENDIX A



United States Government Accountability Office
Report to Congressional Committees

February 2025

SHIPBUILDING AND REPAIR

Navy Needs a
Strategic Approach for
Private Sector
Industrial Base
Investments

GAO-25-106286

GAO Highlights

Highlights of GAO-25-106286, a report to congressional committees

Why GAO Did This Study

The Navy plans for a larger, more capable fleet of ships to counter evolving threats. But the Navy has struggled to increase the size of the fleet for the past 2 decades. Its performance in shipbuilding and ship repair is critical to achieving the desired future fleet.

Senate Report 116-236 includes a provision for GAO to examine the ship industrial base. GAO's report examines the extent to which (1) the industrial base can support Navy shipbuilding and repair; (2) DOD supports the ship industrial base and assesses its support; and (3) the Navy has a strategic approach to the industrial base.

GAO analyzed DOD and Navy data and documentation; interviewed agency officials and all companies conducting complex repairs for surface ships and major shipbuilding; and conducted site visits.

What GAO Recommends

GAO is making six recommendations to DOD, including that it improves visibility across investments; and that the Navy establish metrics for its investments; assess its repair needs; and create a ship industrial base strategy. DOD did not provide formal comments on this report, but the Navy noted in draft comments that it generally concurred with the substance of the recommendations. The Navy stated that one of the six recommendations should include additional parties within the Navy. GAO agreed and adjusted the recommendation accordingly.

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February 2025

SHIPBUILDING AND REPAIR

Navy Needs a Strategic Approach for Private Sector Industrial Base Investments

What GAO Found

The private companies that the Navy contracts with to build vessels and repair surface ships are key components of the Navy's ship industrial base. These private companies augment the repair work conducted at the Navy's public shipyards.

Ship Industrial Base Struggles to Meet the Navy's Goals

- **Shipbuilding.** The shipbuilding industrial base has not met the Navy's goals in recent history. The Navy's shipbuilding plans have consistently reflected a larger increase in the fleet than the industrial base has achieved. Yet, the Navy continues to base its goals on an assumption that the industrial base will perform better on cost and schedule than it has historically. The shipbuilders have infrastructure and workforce challenges that have made the Navy's goals difficult to accomplish.
- **Ship repair.** The Navy has not historically met ship repair goals, but it has improved since 2019. The industrial base has grown since then, and representatives from some companies that GAO spoke with stated they often had more capacity than the Navy used. But companies may not be able to take on unplanned work due to infrastructure or workforce limitations. For example, a dry dock of the right size may not be empty when needed.

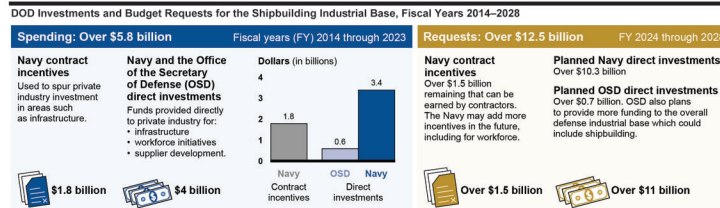
Key Infrastructure and Workforce Challenges Facing the Ship Industrial Base



Source: GAO analysis of Navy and private-sector company information (data); U.S. Navy photo/Ricky Thompson; U.S. Navy photo/Aya Stewart (photos left to right); and GAO (icons). | GAO-25-106286

DOD Invests Billions to Support the Shipbuilding Industrial Base

The Department of Defense (DOD)—specifically the Navy and Office of the Secretary of Defense (OSD)—spent billions to support the shipbuilding industrial base. This included funding for infrastructure and workforce improvements for shipbuilders and their suppliers. But it has yet to fully determine the effectiveness of that support (i.e., its return on investment), though it has taken steps to do so. More specifically, DOD spent over \$5.8 billion on the shipbuilding industrial base from fiscal years 2014 through 2023. It plans to spend an additional \$12.6 billion through fiscal year 2028. DOD spent this funding on contract incentives and direct investments.



Source: GAO analysis of Department of Defense (DOD) budget documents and interviews with DOD officials; GAO (icons). | GAO-25-106286

However, the Navy and OSD are not fully coordinating their shipbuilding investments to prevent duplication or overlap in spending. For example, the Navy and OSD do not coordinate across all investment efforts—such as between submarines and surface ships—though they both make related investments in workforce and infrastructure for these ship categories. Further, the Navy has yet to fully establish performance metrics, such as measurable targets that link to the agency's goals that would enable it to consistently evaluate the effectiveness of its investments in building a larger fleet or achieving other intended outcomes. Without better visibility across investments and established performance metrics, the Navy and OSD cannot ensure their investments in the shipbuilding industrial base are an effective use of federal funds to help build a larger fleet.

The Navy plans to make direct investments in the ship repair industrial base as it has for shipbuilding. However, the Navy has yet to fully assess how much infrastructure, such as dry docks, it needs to meet its ship repair goals when considering other than peacetime needs. Without understanding its needs, the Navy risks funding more infrastructure than necessary, which could interrupt the competitive environment.

The Navy Has Not Developed a Strategy for Managing the Ship Industrial Base

The lack of an overall strategy to guide management of the ship industrial base hinders Navy efforts to address several challenges, such as:

- **Changing plans for future work.** The Navy has struggled to provide industry with a stable workload projection. The Navy's plans for building and repairing ships vary from year to year, hindering efforts to encourage the industry to invest in needed infrastructure.
- **Competing priorities.** The Navy seeks to increase opportunities for competition in shipbuilding and repair, while simultaneously seeking to protect existing companies. These priorities can be at odds. A more competitive environment could help expand the industrial base, but some companies could struggle to remain viable if they do not win contracts.

Developing a ship industrial base strategy would help the Navy better address these challenges to improve the likelihood of achieving its shipbuilding and ship repair goals. GAO's prior work has shown that a consolidated and comprehensive strategy enables decision-makers to better guide program efforts and assess results. GAO also previously identified desirable characteristics that a national strategy should include. DOD issued its national industrial strategy in November 2023. However, Navy officials told GAO that it established a new program office in September 2024 that will be positioned to develop a strategy for the ship industrial base. Officials said they plan to have additional details available in early 2025. Until the Navy implements a ship industrial base strategy, it will not be able to effectively align or assess its actions to manage the industrial base for shipbuilding and repair.

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Abbreviations

ASN (RD&A)	Assistant Secretary of the Navy for Research, Development and Acquisition
AUKUS	Australia, United Kingdom, and United States Trilateral Security Partnership
DASN	Deputy Assistant Secretary of the Navy
DDG 51	<i>Arleigh Burke</i> class destroyers
DOD	Department of Defense
DPA	Defense Production Act
FY	Fiscal Year
IBAS	Industrial Base Analysis and Sustainment
NAVSEA	Naval Sea Systems Command
OSD	Office of the Secretary of Defense
OUSD(A&S)	Office of the Under Secretary of Defense for Acquisition and Sustainment
PEO	Program Executive Office
SUBMEPP	Submarine Maintenance Engineering, Planning and Procurement
SUPSHIP	Supervisor of Shipbuilding, Conversion, and Repair
SURFMEPP	Surface Maintenance Engineering Planning Program
VCS	<i>Virginia</i> class submarine

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U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Congressional Committees

February 27, 2025

The U.S. Navy is engaged in an era of strategic competition with near peer adversary nations that are rapidly modernizing and expanding the size of their naval forces, according to the Department of Defense (DOD). The Navy is concerned that these nations' maritime ambitions threaten its dominance at sea, and thereby U.S. national security interests. In the face of this threat, the *Chief of Naval Operations Navigation Plan for America's Warfighting Navy 2024* from September 2024 calls for action to develop a larger, more lethal, and ready fleet.¹ The Navy's performance in both shipbuilding and ship repair is critical to achieving the desired future fleet, but our recent work has shown that the Navy continues to fall short of its goals in these areas.²

By fiscal year 2026, the Navy expects to have no more ships than it did when it released its first 30-year shipbuilding plan in 2003 due to a combination of slower than expected new ship construction and the decommissioning of older ships. Since 2004, the Navy has nearly doubled its shipbuilding budget, after adjusting for inflation. At the same time, the Navy has accrued a backlog of surface ship maintenance—which reached \$2.3 billion in deferred work by August 2022—that influenced it to propose retiring some ships early.³ To achieve its goals for a larger future fleet, the Navy will need to reverse these trends and

¹U.S. Navy, Office of the Chief of Naval Operations, *Chief of Naval Operations Navigation Plan for America's Warfighting Navy 2024* (September 2024).

²For examples of our recent work in shipbuilding and ship repair, see GAO, *Columbia Class Submarine: Overcoming Persistent Challenges Requires Yet Undemonstrated Performance and Better-Informed Supplier Investments*, GAO-24-107732 (Washington, D.C.: Sept. 30, 2024); *Navy Frigate: Unstable Design Has Stalled Construction and Compromised Delivery Schedules*, GAO-24-106546 (Washington, D.C.: May 29, 2024); *Weapon System Sustainment: Navy Ship Usage Has Decreased as Challenges and Costs Have Increased*, GAO-23-106440 (Washington, D.C.: Jan. 31, 2023); and *Navy Ships: Applying Leading Practices and Transparent Reporting Could Help Reduce Risks Posed by Nearly \$1.8 Billion Maintenance Backlog*, GAO-22-105032 (Washington, D.C.: May 9, 2022). A list of our related products is provided at the end of this report for additional information on these topics.

³This amount is based on the most up to date data available from the Navy at the time of our review.

construct and deliver more capable ships on time while maintaining the readiness of a larger number of ships.

The Navy relies on private companies as a key element of the industrial base to build—and in many cases—repair its ships. However, the Navy has identified a “boom and bust” pattern of shipbuilding in recent history as responsible for diminished capacity in the shipbuilding industrial base. The Navy reported that 17 private shipyards that construct ships for the defense industry closed or left the defense industry over the last 50 years. In 2021, there remained roughly 25 shipyards in the United States constructing medium- to large-sized vessels. Seven of these shipyards construct Navy battle force ships.⁴

Further, with an aging fleet and significant operational requirements, a robust private sector ship repair industrial base capacity will be imperative. Private companies that use both Navy facilities and their own shipyards perform most ship repair periods, including maintenance on the Navy’s surface ships, such as cruisers, destroyers, and amphibious ships.⁵ Although the Navy spends billions annually to sustain its ships, our work has found persistent sustainment challenges across the surface fleet, including maintenance delays and degraded material condition.⁶

Senate Report 116-236 accompanying the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 includes a provision for us to examine the industrial base for Navy shipbuilding and ship repair.⁷ This report focuses on the capability and capacity that private industry provides to support Navy shipbuilding and repair efforts, which for the purposes of this report, we refer to as the ship industrial

⁴The remaining shipyards build other types of ships, such as ships for the U.S. Coast Guard and Military Sealift Command or commercial ships.

⁵The Navy’s fleet of nuclear aircraft carriers and submarines mostly undergoes repair periods at the Navy’s four public shipyards—located at Norfolk Naval Shipyard in Virginia, Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility in Hawaii, Portsmouth Naval Shipyard in Maine, and Puget Sound Naval Shipyard and Intermediate Maintenance Facility in Washington. Private industry also conducts a limited amount of this repair work.

⁶GAO-23-106440.

⁷S. Rep. No. 116-236, at 47; Pub. L. No. 116-283 (2021).

base.⁸ This report examines (1) the extent to which the industrial base can support the Navy's shipbuilding and repair goals; (2) the extent to which DOD is taking actions to support the ship industrial base and determining the effectiveness of those actions; and (3) the extent to which the Navy is taking a strategic approach to address the challenges it faces managing the ship industrial base to meet its long-term shipbuilding and repair goals.

To determine the extent to which the industrial base can support the Navy's shipbuilding and repair goals, we analyzed shipbuilding programs for the Navy's battle force; major repair periods for the Navy's nonnuclear surface fleet; our prior work; and DOD, Navy, and contractor documentation. We also analyzed the Navy's annual Long-Range Plan for the Construction of Naval Vessels for fiscal years 2015 through 2025 and the annual Long-Range Plan for Maintenance and Modernization of Naval Vessels for fiscal years 2023 through 2025 (the most recent years available).

To assess the extent to which DOD is taking actions to support the industrial base, we reviewed DOD and Navy budget and briefing documents. We compared DOD's efforts to assess the effectiveness of its investments and incentives to selected standards for internal control.⁹ Specifically, we examined DOD's efforts to track, assess, and ensure visibility among its ship industrial base investments against internal control principles. We focused on comparing these efforts against internal controls that emphasize management's responsibility to obtain relevant data in a timely manner for effective monitoring; design control activities to achieve objectives, such as activities to monitor performance measures and indicators; and to communicate quality information to help the entity achieve its objectives and address related risks. We focused on DOD

⁸While we focused this review on the private industry for surface ship repair, we have reported extensively on the Navy's ability to conduct repairs of aircraft carriers and submarines at its public shipyards. In our prior work, we reported on poor conditions at the public shipyards and the challenges the Navy faces in improving them; delays in repairs conducted by the Navy; and limitations to the Navy workforce that repairs submarines and aircraft carriers. See GAO, *Naval Shipyards: Ongoing Challenges Could Jeopardize Navy's Ability to Improve Shipyards*, GAO-22-105993 (Washington, D.C.: May 10, 2022) for an overview of this work. For our most recent reporting on the Navy's public shipyards, see GAO, *Navy Readiness: Actions Needed to Address Cost and Schedule Estimates for Shipyard Improvement*, GAO-23-106067 (Washington, D.C.: June 28, 2023).

⁹GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept 10, 2014).

efforts to provide financial support to the ship industrial base from fiscal years 2014 through 2023.¹⁰

To determine the extent to which the Navy is taking a strategic approach to addressing challenges with managing the industrial base, we interviewed Navy officials and reviewed the Navy's long-range planning documents for shipbuilding and repair. We also analyzed changes in all the Navy's long-range planning documents, such as the Navy's ship procurement plans, and forecasted repair workload for October 2019 to April 2024. We also reviewed contract file documents related to non-competitive contract awards and Navy documentation and interviews for information about how the Navy is managing the industrial base and managing its competing priorities. Further, we assessed DOD's National Defense Industrial Strategy for information related to the industrial base for shipbuilding and repair.¹¹ We also examined the Navy's organizational structure against the statutory authorities of Navy leadership for overseeing ship acquisition and sustainment, including repair, and the associated industrial base.¹²

In support of all our objectives, we also conducted over 50 interviews with government officials and private industry representatives. These interviews included DOD and Navy officials; all seven shipbuilders the Navy uses for its battle force ships; and 12 companies eligible to conduct complex repair work on the Navy's nonnuclear surface ships. Many of the companies conducting ship repair have facilities in multiple locations. We conducted site visits to meet with representatives from ship repair companies in Mayport, Florida; Norfolk, Virginia; San Diego, California; and Seattle/Everett, Washington; and interviewed representatives from some of these companies from more than one location to gain perspectives on region-specific topics. We also interviewed representatives from key supplier consortiums—which represent multiple suppliers that produce similar materials—to gain perspectives about challenges facing the supplier base. See appendix I for more information about our objectives, scope, and methodology.

¹⁰We selected a historical time frame of 10 years, from fiscal years 2014 to 2023, as the Office of the Secretary of Defense (OSD)'s Industrial Base Analysis and Sustainment (IBAS) office was established in fiscal year 2014.

¹¹Department of Defense. *National Defense Industrial Strategy* (Nov. 16, 2023).

¹²See, e.g., 10 U.S.C. § 8016 (Assistant Secretaries of the Navy).

We conducted this performance audit from October 2022 to February 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Some of the companies we interviewed to inform our analysis identified some of the information they provided to us as being business sensitive, which must be protected from public disclosure. Therefore, this report omits sensitive information on the companies' workforce, infrastructure, and subcontracts. One company, Bath Iron Works, did not respond to several requests to validate if information obtained from the company could be cleared for public release. We therefore omitted some information obtained from Bath Iron Works in this report.

Background

Navy Long-Range Planning for Shipbuilding and Ship Repair

30-Year Shipbuilding Plan

The Navy outlines its shipbuilding plans in an annual long-range shipbuilding plan, which is often referred to as the 30-Year Shipbuilding Plan (hereafter referred to as the shipbuilding plan). Statute requires the Navy to produce the shipbuilding plan, which should include details on the construction of Navy ships over the next 30 fiscal years and information about the force structure needed to align with the most recent national security or defense strategy.¹³

¹³Section 231 of title 10 of U.S. Code outlines the elements to be contained in the annual long-range shipbuilding plan. It also requires the Navy to include information about its plans to disposition ships—such as through decommissioning—over the next 5 years, among other things. Ships are placed “out-of-service” on their official date of decommissioning, and thereafter are not counted as part of the battle force inventory.

The Navy Shipbuilding Plan and the Australia, United Kingdom, and United States (AUKUS) Trilateral Security Partnership

The Navy's shipbuilding plan states that it has yet to fully reflect the AUKUS agreement, which was announced in September 2021 and updated in 2024, though this will be updated in future plans. According to the White House announcement, one effort under the September 2021 AUKUS partnership agreement was to provide Australia with a conventionally armed, nuclear powered submarine capability as soon as possible. According to the announcement, pending Congressional approval, the U.S. intends to sell Australia three *Virginia* class submarines in 2030, with the potential to sell two additional submarines if needed. The Navy's Fiscal Year 2025 Long-Range Shipbuilding Plan states that the Navy envisions selling in-service *Virginia* class submarines to Australia in fiscal years 2032 and 2035 and delivery of a new submarine in fiscal year 2038. Navy officials told us that they planned to build new submarines to replace those sold to Australia. However, the shipbuilding plan has yet to reflect the rates of production that would enable the submarines to be replaced.

Source: GAO analysis of Navy information. | GAO-25-106286

The Navy produced its first shipbuilding plan for fiscal year 2004 in response to the statutory requirement.¹⁴ Since that time, the Navy's plans have reflected a range of desired fleet sizes—all calling for a significant growth in fleet size—based on changes to its analysis of the force structure it needs. The Navy's most recent force structure analysis from June 2023, which serves as the basis for the fiscal year 2025 shipbuilding plan, called for a fleet of 381 battle force ships. According to the Navy, battle force ships are warships capable of contributing to combat operations or that contribute directly to Navy warfighting or support missions. This requires significant growth from the Navy's fleet of 296 ships as of September 2024.¹⁵ For additional information about the Navy's shipbuilding plan and force structure analysis since 2016, see appendix II.

Long-Range Maintenance Plan

Statute requires the Navy to produce an annual Long-Range Plan for Maintenance and Modernization of Naval Vessels (hereafter referred to as the maintenance plan). The Navy has done so in response to statute since 2023. According to the statute, the maintenance plan should provide forecasted repair and modernization requirements for the current fleet and future ships included in the shipbuilding plan, and a description

¹⁴Section 1022 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 created a requirement to submit a 30-year shipbuilding plan each year, in conjunction with each year's defense budget. See Pub. L. No. 107-314, § 1022 (2022) (codified at 10 U.S.C. § 231(a)).

¹⁵The Navy has not historically included autonomous marine systems in the plans for ship procurements. However, according to its most recent shipbuilding plan, the Navy will begin to include these systems once their capabilities are integrated into the battle force.

	of Navy initiatives intended to increase ship repair industrial base capacity. ¹⁶
Shipbuilding and Ship Repair Industrial Base	<p>The industrial base for Navy shipbuilding and ship repair is a subset of the defense industrial base. This industrial base is comprised of a combination of people, technology, institutions, and facilities used to design, develop, manufacture, and maintain the weapons needed to meet U.S. national security objectives.¹⁷ The private companies in the defense industrial base can be divided into tiers: top tiers that include prime contractors and major subcontractors, and lower tiers that include suppliers of parts and materials. The Navy also relies on organic industrial installations that are government owned and operated, which include four public shipyards that repair nuclear submarines and aircraft carriers.¹⁸ While we did not examine the public shipyards in this report, they are part of DOD's organic industrial base.¹⁹</p> <p>At the prime contractor level, the Navy primarily uses seven private shipyards for its shipbuilding programs. Of these companies, Electric Boat and Newport News Shipbuilding construct nuclear-powered ships and submarines. Figure 1 shows the locations of the major private shipyards that the Navy contracts with for shipbuilding.</p>

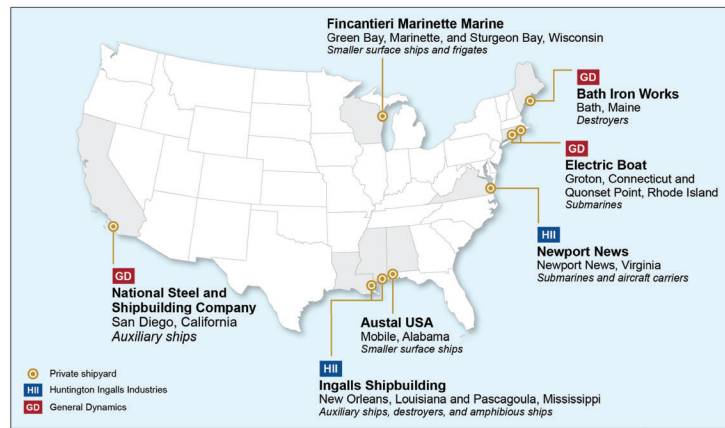
¹⁶The Navy's long-range maintenance plan is established in Section 231 of title 10, U.S. Code. The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 amended Section 352 to direct the Secretary of Defense to include a forecast of maintenance and modernization requirements for vessels in the inventory and those in the shipbuilding plan, among other things. Pub. L. No. 117-263, § 352 (2022).

¹⁷For examples of our prior work on the defense industrial base, see, GAO, *Defense Industrial Base: DOD Should Take Actions to Strengthen Its Risk Mitigation Approach*, GAO-22-104154 (Washington, D.C.: July 7, 2022); and *Defense Industrial Base: Integrating Existing Supplier Data and Addressing Workforce Challenges Could Improve Risk Analysis*, GAO-18-435 (Washington, D.C.: June 13, 2018).

¹⁸DOD is prohibited from spending more than 50 percent of its annual depot-level maintenance funds on contracting with non-federal entities in a given fiscal year (sometimes referred to as the 50-50 rule). See 10 U.S.C. § 2466(a).

¹⁹The organic industrial base includes a network of government-owned industrial facilities, known as depots, that employ over 80,000 civilians, and support readiness by maintaining and repairing critical weapon systems for use in training and operations.

Figure 1: Map of Major Shipbuilders for U.S. Navy Ships, as of September 2024



Source: GAO analysis of private shipbuilder information; Map Resources (map). | GAO-25-106286

These shipyards use a network of suppliers, known as the supplier base, to provide a range of items, from raw materials to manufactured items.

Private repair companies conduct maintenance for the nonnuclear surface fleet and comprise the industrial base for ship repair at the prime contractor level. These companies perform repair work in either government-owned or contractor-owned facilities. As of May 2024, there were 12 companies—including some that operate in multiple locations—that conduct major repair periods (also called Chief of Naval Operations availabilities) for the Navy's amphibious ships and surface combatants. Additional companies conduct repairs for the Littoral Combat Ship. Only companies with Master Ship Repair Agreements, which are used to validate a company's ability to conduct major repair periods, or that

demonstrate equivalent capabilities, can conduct this work.²⁰ These repair periods accomplish significant planned repair work, such as structural, mechanical, and electrical repairs. Repair periods may include modernization work to upgrade a ship's capabilities along with repair work, and they can last for over a year. During these repair periods, companies often take ships out of the water and put them into a dry dock to perform maintenance on below-water parts of the ship. Other types of repair periods are used to accomplish non-major repair work in shorter time periods—typically only weeks to a few months in duration.²¹

Domestic facilities where contractors repair naval surface ships are located in areas where ships are homeported, commonly referred to as fleet concentration areas. Five fleet concentration areas primarily conduct work for major repair: Mayport, Florida; Norfolk, Virginia; Pearl Harbor, Hawaii; San Diego, California; and Seattle/Everett, Washington. Figure 2 shows the companies that conduct these repairs and their locations.

²⁰The Navy will grant a Master Ship Repair Agreement after certifying a ship repair firm's capability and capacity to perform all aspects of shipboard work. See U.S. Navy, *Master Agreement for Repair and Alteration of Vessels: Master Ship Repair Agreement (MSRA) and Agreement for Boat Repair (ABR)*, Commander Navy Regional Maintenance Center Instruction 4280.1A, (Feb. 17, 2021). To obtain this level of certification—the highest the Navy grants for ship repair—the firm must meet certain standards, including having the management, organization, production, and facilities to perform a complex repair. Certified firms must also be capable of subcontracting for elements beyond their capability or capacity, while ensuring that they have adequate oversight of the subcontracted effort.

²¹Non-major repair periods include continuous maintenance periods and emergent maintenance periods. Continuous maintenance periods accomplish planned, non-major repair work. For example, continuous maintenance periods may involve repainting parts of a ship or repairing the nonskid surfaces on a flight deck.

Figure 2: Map of Private Ship Repair Companies Conducting Complex Navy Ship Repair Work by Fleet Concentration, Area as of May 2024



Source: GAO analysis of private ship repair company information; Map Resources (map). | GAO-25-106286

Note: The Navy uses a separate construct for ship repair for the Littoral Combat Ship and does not designate the work as "complex" and "non-complex". As a result, some companies that were excluded from this figure perform repair work for the Littoral Combat Ship. According to Navy documentation, the following additional companies in San Diego are eligible to perform major repair periods for the Littoral Combat Ship: Austal, Marine Group Boat Works, and Vigor. In Mayport, Navy documentation shows that the following additional companies can perform major repair periods for the Littoral Combat Ship: Austal, Epsilon, and Tecnico Corporation.

Some of the contractors for major repair periods have their own facilities—such as dry docks—while other companies rely on Navy-owned facilities to conduct repair work.

Key Navy and DOD Organizations with Responsibilities Related to Shipbuilding and Repair

Many organizations within the Navy and within DOD's Office of the Under Secretary of Defense for Acquisition and Sustainment have responsibilities related to the shipbuilding and ship repair industrial base.

- The **Assistant Secretary of the Navy for Research, Development and Acquisition (ASN (RD&A))** has overall authority, responsibility, and accountability for all acquisition and sustainment functions and programs, including surface ship repair and maintenance.

Within the ASN (RD&A), **Program Executive Offices (PEO)** manage all aspects of life-cycle management of their respective programs, including program initiation, ship design, construction, testing, delivery, fleet introduction, and maintenance activities. PEO Ships manages the design and construction of all Navy nonnuclear surface ships, including surface combatants, amphibious ships, and support vessels. It is also responsible for providing complete life-cycle support for these ships. Similarly, PEO Strategic Submarines, PEO Attack Submarines, and PEO Carriers manage the design, construction, and life-cycle support for nuclear-powered submarines and aircraft carriers.

- There are eight **Deputy Assistant Secretaries of the Navy (DASN)** that serve in coordinating roles and advise the ASN (RD&A) on subjects related to the office's responsibilities. The DASN for Ship Programs (DASN Ships) is the principal advisor and coordinator for the ASN (RD&A) on matters pertaining to aircraft carriers, other surface ships, and submarines. DASN Ships also monitors and advises on ship programs managed by PEO Ships, PEO Carriers, PEO Strategic Submarines, and PEO Attack Submarines. Further, it is the principal advisor to the ASN (RD&A) for the shipbuilding industrial base. DASN Sustainment is the principal advisor and coordinator for the ASN (RD&A) on matters pertaining to Navy system sustainment, including policy, infrastructure, and supply chain management.
- The **Chief of Naval Operations** is the senior military officer of the Department of the Navy and is responsible to the Secretary of the Navy for the command, utilization of resources, and operating efficiency of the operating forces and shore activities. The Chief of Naval Operations serves as the primary focal point for developing department-level policy for approval by ASN (RD&A) on all matters dealing with ship sustainment and life-cycle logistics. This includes ensuring resources for maintenance and supply support align with Navy objectives.
- **Naval Sea Systems Command (NAVSEA)** and its directorate organizations provide support to both the acquisition and sustainment communities. NAVSEA is comprised of experts across multiple disciplines responsible for ensuring ship repair meets fleet requirements within cost and schedule parameters, among other duties for combat systems design and operation. Two of these directorates have responsibilities for the industrial base through contracting and life-cycle management functions:

	<ul style="list-style-type: none"> • NAVSEA's Contracts Directorate awards contracts for new ship construction and ship repair through its shipbuilding and fleet support divisions, respectively. • NAVSEA's Directorate for Surface Ship Maintenance, Modernization and Sustainment provides life-cycle management of the Navy's in-service surface ships and manages critical modernization and maintenance programs. • Within the Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)), the Assistant Secretary of Defense for Industrial Base Policy manages investment programs for the defense industrial base. This office serves as DOD's principal advisor within OUSD(A&S) for issues and investment programs affecting the industrial base across the DOD enterprise.
Ship Industrial Base Struggles to Meet Navy's Goals for Shipbuilding and Ship Repair	<p>The Navy shipbuilding and ship repair industrial base struggles to meet the Navy's goals for on time completion of ship construction and ship repair periods. Further, the Navy continues to base its shipbuilding goals on assumptions about the industrial base's ability to achieve better performance than it has historically, but which it has yet to demonstrate. In part, our analysis found that shipbuilders have insufficient or aging infrastructure and struggle to hire and retain an appropriately trained workforce, which will make such improvements to performance difficult to accomplish. Similarly, the Navy has historically not met its ship repair schedule goals, though it has achieved some improvements since 2019. While companies that repair Navy ships have enough capacity for planned work, they are not always able to accommodate surges of unplanned work.</p>
Shipbuilding Industrial Base Has Not Historically Met the Navy's Goals	<p>The shipbuilding industrial base has not met Navy goals for ship production in recent history. Specifically, the Navy's recent shipbuilding plans have consistently reflected a larger increase in the fleet than what the industrial base has been able to achieve. For example, as shown in table 1, shipbuilders often did not meet the Navy's planned rate of ship</p>

deliveries for *Virginia* class submarines and *Arleigh Burke* class destroyers from 2019 to 2023.²²

Table 1: Number of Navy Planned Delivery of VCS and DDG 51 Compared with Actual Delivery Rates, Fiscal Years 2019-2023

Fiscal year	Navy planned quantity of VCS to be delivered	Number of delivered VCS	Navy planned quantity of DDG 51 to be delivered	Number of delivered DDG 51
2019 ^a	3	1	3	1
2020 ^b	3	1	4	1
2021	2	0	2	1
2022 ^c	2	2	3	1
2023 ^d	1	0	3	3
Total	11	4	15	7

VCS: *Virginia* class submarines

DDG 51: *Arleigh Burke* class destroyers

Source: GAO analysis of Navy documentation. | GAO-25-106286

^a2019 Navy planned numbers from the Navy Shipbuilding Plan fiscal year 2019.

^b2020 Navy planned numbers from the Navy Shipbuilding Plan fiscal year 2020. The 2021 Navy planned numbers also come from the Navy Shipbuilding Plan fiscal year 2020 because the Navy did not release future inventory goals in this year.

^c2022 Navy planned numbers come from the Navy Shipbuilding Plan submitted to Congress on December 9, 2020.

^d2023 Navy planned numbers from the Navy Shipbuilding Plan fiscal year 2023.

These types of delayed ship deliveries contribute to the fleet not growing at a rate commensurate with Navy plans. For example, in fiscal year 2020, the Navy planned to have a battle force of 313 ships by 2025. However, in its fiscal year 2025 shipbuilding plan, the Navy plans to have a fleet of 287 ships by 2025—26 fewer ships than previously planned.

The Navy's shipbuilding plans include goals that are based on assumptions about the industrial base's ability to achieve better performance than it has achieved in the past, and that has yet to be

²²Bath Iron Works and Ingalls Shipbuilding have constructed *Arleigh Burke* class destroyers since 1985 and 1987, respectively, with the most recent Flight III design of these ships in production since in 2017. As of April 2024, these shipbuilders have delivered 73 destroyers to the Navy since the start of the program. Electric Boat and Newport News Shipbuilding have been constructing *Virginia* class submarines since 1998 and 1999, respectively, with the most recent Block V design of this submarine under construction starting in 2019. As of April 2024, they have delivered 23 submarines of this class. While these ship classes have been under construction for decades and represent a high volume of Navy shipbuilding production per year, the shipbuilders for these classes are not meeting production goals.

demonstrated.²³ The Navy's fiscal year 2025 shipbuilding plan states that the Navy developed the plan based on the assumption that private industry will eliminate excess construction backlog and produce future ships on time and within budget—an assumption not grounded in historical trends. Navy officials with responsibility for the shipbuilding plan stated that they made this assumption because they expect their investments in the shipbuilding industrial base will enable improvements. However, our prior work has shown that Navy shipbuilding has regularly fallen short of schedule and cost goals, and current performance is consistent with these trends. As such, the Navy would need to deliver more ships at a quicker rate to meet its goals.²⁴

²³We previously reported on the Navy's shipbuilding performance. See GAO, *Navy Shipbuilding: Past Performance Provides Valuable Lessons for Future Investments*, GAO-18-238SP (Washington, D.C.: June 6, 2018); and *Navy Shipbuilding: Increased Use of Leading Design Practices Could Improve Timeliness of Deliveries*, GAO-24-105503 (Washington, D.C.: May 2, 2024).

²⁴We reported that from 2007 to 2018, cost growth in Navy shipbuilding exceeded Navy estimates by over \$11 billion and lead ship schedule delays ranged from 6 months (USS *Independence*, LCS 2) to 72 months (USS *Zumwalt*, DDG 1000). We also reported that the Navy experienced significant schedule delays with follow-on ships during this same period. See GAO-18-238SP.

Secretary of the Navy's 45-Day Shipbuilding Review

The Secretary of the Navy (pictured) directed the Navy in January 2024 to complete a 45-Day Shipbuilding Review to: (1) analyze the Navy's shipbuilding portfolio; (2) assess the national and local causes of shipbuilding challenges; and (3) provide recommended actions for achieving a healthier shipbuilding industrial base to support warfighters' needs on a timely schedule.



The Secretary of the Navy called for the study amid reported delays in the *Columbia* class submarine and the *Constellation* class frigate programs.

In early 2024, the Navy released results from its study, which included an assessment of nine shipbuilding programs, their risks, issues, and root causes. It found schedule delays ranging from 12 to 36 months for four programs and delays to contract delivery dates for four additional programs; the remaining program had yet to start construction.

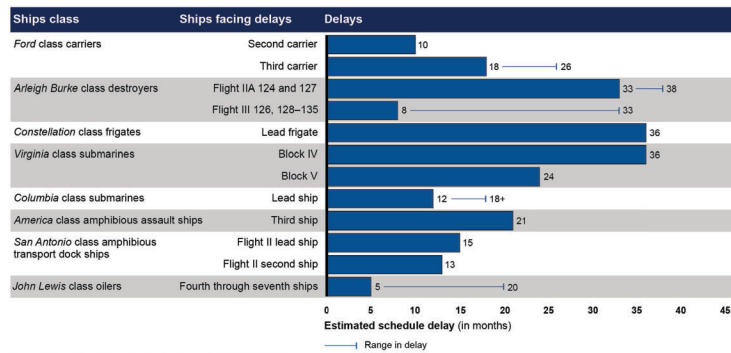
Contributing factors for program delays included: (1) issues with the lead ship, such as with design maturity problems in the *Constellation* class frigate, and (2) ship class issues that are not unique to the lead ship, such as difficulty in hiring a skilled workforce.

As a result of the review, the Navy is developing five initiatives for improvement in areas of workforce, acquisition and contract strategies, and investments.

Source: GAO analysis of Navy documents (text); U.S. Navy/Chief Petty Officer Shannon Renfro (photo). | GAO-25-106286

Schedule. The Navy's 45-day review of its shipbuilding programs, completed in early 2024, states that its major shipbuilding programs continue to struggle with schedule delays (see sidebar). Our analysis found that schedule delays continue for most ships currently under construction, in addition to the number of ship delays reported in the 45-day review (see fig. 3).

Figure 3: Navy Ship Schedule Delays in Months for Ships Under Construction, as of September 2024



Source: GAO analysis of Navy and contractor documents. | GAO-25-106286

Note: This analysis reflects 37 out of 45 battle force ships (85 percent) currently under construction, all of which are facing delays. GAO excluded the Littoral Combat Ship because the Navy is not planning to procure additional quantities of this class under its shipbuilding plan. GAO also excluded ships that recently started construction and for which there is not sufficient data to measure performance. We also excluded command and support ships.

Cost. Cost increases erode the Navy's buying power to execute its shipbuilding plan, particularly because the plan assumes that ships will be delivered in alignment with cost targets. Yet we found that many shipbuilding programs face cost overruns. For example:

- Our independent analysis on the cost of the lead ship of the *Columbia* class submarine reflects that the government could be responsible for hundreds of millions of dollars in additional construction costs.²⁵
- For the second *Ford* class carrier, *John F. Kennedy* (CVN 79), costs had increased by \$1.3 billion in August 2021, largely due to contract overruns. The program has also increased costs due to programmatic changes. For example, we reported in June of 2024 that the program's baseline construction costs increased an additional \$0.2

²⁵GAO-24-107732.

billion because the program delayed planned delivery for CVN 79, and some post-delivery costs will now be included under the construction baseline.²⁶

- On the lead ship of the *Constellation* class frigate and a block of six John Lewis class oilers, costs are estimated to have increased above the contracts' ceiling prices. Costs exceeding the ceiling are generally absorbed by the contractor.²⁷

These cost increases are consistent with our prior work, which found that from 2007 to 2018, cost growth in Navy shipbuilding exceeded Navy estimates by over \$11 billion.²⁸

Ship deliveries. Even if private industry begins delivering ships on time and within budget, the industrial base would need to deliver more ships and more quickly to meet the Navy's current shipbuilding goals. For example, in fiscal year 2023, private industry delivered seven new battle force ships, but private industry would need to deliver an average of roughly 13 ships per year for 30 years to meet the optimal fleet size goal under the current shipbuilding plan.

This increase would be needed because the Navy now targets a larger fleet size than it did in prior years and because it also plans to continue to decommission many ships during the same period. Specifically, the Navy plans to grow the size of the fleet by 91 ships over the next 30 years, yet it plans to decommission 292 ships during the same period.²⁹ As a result, the Navy will need to deliver a total of 383 ships in 30 years to reach its goal. However, the industrial base has yet to demonstrate an ability to

²⁶GAO, *Weapon Systems Annual Assessment: DOD Is Not Yet Well-Positioned to Field Systems with Speed*, [Reissued with revisions on July 18, 2024], GAO-24-106831 (Washington, D.C.: June 17, 2024).

²⁷Fixed-price incentive contracts generally include a profit adjustment formula referred to as a share line, as well as a target cost, target profit, and a price ceiling. Until the contract reaches the ceiling price, cost overruns would be shared between the Navy and shipbuilder as determined by the contract's share line. The price ceiling is generally the maximum the government will pay under the contract. The government may pay for adjustments under other contract clauses that are unrelated to the contract price ceiling. See Federal Acquisition Regulation § 16.403-1(a).

²⁸GAO-18-238SP.

²⁹The figures here reflect the optimum fleet size goal contained in the Navy's fiscal year 2025 shipbuilding plan, which reflects the Navy's most recent force structure analysis. The plan also includes an alternative under which the Navy would procure fewer ships, and which reflects less budget growth beyond the next 5 years. This alternative approach would procure fewer battle force ships than the Navy has assessed it needs.

	increase production in this manner. The Navy's fiscal year 2025 shipbuilding plan states that it would rely on planned, but not yet achieved, industrial capacity to do so.
Industrial Base Infrastructure and Workforce Limitations Make Shipbuilding Delays Difficult to Overcome	Our analysis of Navy and shipbuilder documentation—as well as discussions with the seven shipbuilders that construct the Navy's battle force ships—shows that none of the shipbuilders are currently positioned to meet the Navy's delivery goals. This is, in part, due to infrastructure and workforce limitations.
Shipbuilding Infrastructure Limitations	<p>The Navy's current shipbuilders are limited in their ability to produce ships on time and within budget in part because of their existing infrastructure, which includes the amount of physical space and aging facilities.</p> <p>Limited physical space. While representatives from three shipbuilders told us they have room to expand as needed, representatives from four of the shipbuilders stated they have constrained physical space. Specifically:</p> <ul style="list-style-type: none"> • Two of the shipbuilders we spoke with are already outsourcing work that would normally be done at their shipyards to their suppliers to overcome constrained physical space, with plans to expand the volume of material they are outsourcing. • One shipbuilder has plans to use outsourcing but has yet to decide what portions of the construction effort to offload to the supplier base. • One shipbuilder is considering outsourcing in the future if it is awarded a contract to construct a new class of Navy ships. <p>While outsourcing to suppliers can alleviate physical constraints at shipyards, many suppliers also have their own workforce and infrastructure problems that could result in challenges to their ability to produce quality materials on time. Additionally, as we previously reported, quality assurance oversight at supplier facilities is critical for avoiding further delays that could result from quality problems.³⁰</p>

³⁰GAO, *Navy Shipbuilding: Increasing Supervisors of Shipbuilding Responsibility Could Help Improve Program Outcomes*, GAO-22-104655 (Washington, DC: Apr. 12, 2022); and *Columbia Class Submarine: Delivery Hinges on Timely and Quality Materials from an Atrophied Supplier Base*, GAO-21-257 (Washington, D.C.: Jan. 14, 2021).

Shipbuilding Workforce
Limitations

Aging infrastructure. Some of the shipbuilders we spoke with also face challenges related to aging facilities and equipment that affect their ability to produce ships on schedule. Additionally, Navy officials stated that one shipbuilder experienced failures in its aging infrastructure that caused schedule delays and cost increases. Moreover, Navy documentation states that this shipbuilder has additional aged infrastructure that presents similar risk for schedule delays and cost increases.

Barriers to increasing capacity. Several of the seven shipbuilders the Navy currently relies on to build its battle force ships have specialized production capabilities that constrain the types of vessels they can build. This also presents a barrier to additional companies that may want to enter the market space in the future. This is, in part, because existing shipbuilders have optimized their facilities—by purchasing specialized tools and equipment—and developed specific processes to build specific ship types. Additionally, to start building Navy ships, new companies would also need expensive facilities and tooling that could present a barrier to market entry or result in duplicative costs to the government.

The Navy has some potential options for using additional U.S. shipbuilders to construct its battle force ships. For example, representatives from a shipbuilder we visited that generally constructs Coast Guard ships and conducts other commercial work told us that they would be interested in pursuing contracts for larger Navy ships. Other U.S. shipbuilders that construct ships for the U.S. Coast Guard, Military Sealift Command, and commercial buyers could also potentially pursue Navy work. However, the number of additional domestic shipbuilders is limited. Though the Navy's shipbuilding plans have reflected that the commercial shipbuilding industry could build some Navy ships, such as auxiliary and support ships, these plans also note that U.S. commercial shipbuilding has atrophied. Specifically, the fiscal year 2025 shipbuilding plan states that U.S. commercial shipbuilding has experienced a near-total collapse and calls for the long-term revitalization of the domestic shipbuilding industry to bolster Navy shipbuilding and enable better cost and schedule outcomes.³¹

The Navy's ability to reach shipbuilding goals is also limited by the size and composition of the shipbuilders' workforces. We found that all seven shipbuilders face workforce limitations—such as problems with recruitment, retention, or skill level—that affect their ability to meet the

³¹We have ongoing work examining U.S. commercial shipbuilding policies and practices.

Navy's new ship delivery goals.³² Further, when accounting for attrition, a DOD briefing from the 45-day shipbuilding review shows that over the next decade, the shipbuilding industrial base will require 174,000 new workers to keep pace with Navy shipbuilding goals. All seven of the shipbuilders we interviewed stated that they faced challenges with their skilled workforce. The following examples highlight key elements of the shipbuilders' workforce challenges that we identified through reviewing documentation and interviews:

Demographic shift. The skilled workforce in the U.S.—such as for welding and electrical work—is aging and retiring, and fewer new workers are learning these skills to replace retiring workers. This demographic shift makes positions for skilled work more difficult to fill. For example, representatives from a shipbuilder told us that a generational shift away from work in manufacturing affected their hiring. DOD's Office of Cost Assessment and Program Evaluation's review of the submarine industrial base for fiscal year 2023 states that a generational shift away from manufacturing careers has led to workforce shortages in key skilled labor positions.³³ Further, a 2021 DOD report on the defense industrial base workforce identified a national shortage in skilled labor that DOD must address to ensure enough workers for defense programs, such as in shipbuilding.

³²These challenges are not unique to shipbuilding. We previously found that DOD faces challenges with hiring and retaining organic industrial base workers with key skills to conduct depot repair periods including Navy submarine and aircraft carrier repairs. Additionally, we found that not having enough workers to perform planned work was a key cause of delays in submarine and aircraft carrier repairs. See: GAO, *DOD Depot Workforce: Services Need to Assess the Effectiveness of Their Initiative to Maintain Critical Skills* [Reissued with revisions on Dec. 26, 2018], [GAO-19-51](#) (Washington, D.C.: Dec. 14, 2018); and Navy Shipyards: *Actions Needed to Address the Main Factors Causing Maintenance Delays for Aircraft Carriers and Submarines*, [GAO-20-588](#) (Washington, D.C.: Aug. 20, 2020).

³³The Office of Cost Assessment and Program Evaluation is responsible for evaluating programs across DOD in terms of force structure, procurement, staffing, other supporting programs, and cost.

Limited Workforce and Infrastructure Capacity of the Submarine Shipbuilders

As we previously reported, demand for submarine production has exceeded infrastructure and workforce capacity of both Electric Boat and Newport News Shipbuilding, the only shipbuilders that produce nuclear powered submarines.

The Navy, however, has a goal of increasing the rate of production. It plans to begin serial production—to start producing one *Columbia* class submarine per year—in fiscal year 2026. At the same time, it plans to continue its goal of producing two *Virginia* class submarines per year (together, the rate of submarine production is commonly referred to as “1+2”).

Additionally, the size of submarines being produced has also increased. The *Columbia* class submarine is the largest submarine the U.S. has ever built. Further, Block V *Virginia* class submarines are larger than the earlier Block IV design due to additions, such as the Virginia Payload Module (a new section of the submarine that increases its capacity for cruise missiles).

The Department of Defense (DOD) estimates that, based on the size increase from both submarine classes and the volume of materials needed, the shipbuilders will need to begin producing the equivalent of five Block IV *Virginia* class submarines per year starting in fiscal year 2026.

According to a DOD assessment, the shipbuilders’ inability to keep up with planned submarine procurement rates undermines confidence in their ability to keep pace with a “1+2” rate of production.

Further, current strains on shipyard capacity do not include increased demand for *Virginia* class submarines that may result from the need to replace submarines that would be sold to Australia under the Australia, United Kingdom, and United States Trilateral Security Partnership (AUKUS).

Source: GAO analysis of Navy information. | GAO-25-106286

Recruitment and retention challenges. All seven of the shipbuilders we spoke with told us that competition with other industries for workers resulted in recruitment and retention challenges. Representatives from these companies provided examples of the services industry (such as fast-food companies and freelance work like Uber); technology companies; and the paper, oil and gas, and construction industries as being among their competitors. Five of the seven shipbuilders noted that a shrinking gap between wages for the services industry and manufacturing jobs, like shipbuilding, was a driver of this challenge. One shipbuilder explained that this is because people can make similar wages in the services industry and may perceive the work to be easier than working in a shipyard. Three shipbuilders told us that they recently raised wages to be more competitive for skilled workers.³⁴

Inexperienced staff. The majority of shipbuilders we spoke with need to hire thousands of skilled employees in the coming years, which will increase the number of inexperienced staff. For some of the shipbuilders, these hiring efforts, if successful, will result in an increase in the size of their skilled workforce by roughly 80 to 100 percent, but will result in a smaller proportion of experienced skilled employees. According to shipbuilder documentation, it takes between 3 and 5 years for an employee to gain proficiency in the skilled trades. A shipbuilder we spoke with noted that they already have a high percentage of trade workers with fewer than 5 years of experience—at 57 percent. We previously found that the majority of skilled workers at another shipbuilder were expected to have less than 5 years of experience.³⁵ We reported in 2024 that this shipbuilder continued to struggle with an inexperienced workforce.³⁶ This will likely result in reduced shipyard efficiency in the near term. New employees also require greater supervision to avoid quality problems with resulting effects on cost and schedule. This could help avoid, for example, the types of quality problems and late discovery of rework that have affected the schedule of the lead *Columbia* class submarine. Yet, many shipbuilders will be challenged to provide the supervision needed because of the increasing proportion of newer employees.

³⁴The Committee on Appropriations reported on the Senate’s bill for making appropriations for the DOD for fiscal year 2024, and included a provision for us to assess key factors affecting hiring and retention of the Navy shipbuilding trades workforce. S. Rep. No. 118-81, at 138.

³⁵GAO-21-257.

³⁶GAO-24-107732.

Further, infrastructure and workforce limitations have been particularly acute in submarine shipbuilding. As a result, submarine shipbuilders are behind schedule and currently do not have the capacity to produce a greater rate of submarines per year, despite the Navy's plans to do so in the future (see sidebar on previous page).

Appendix III provides examples of specific infrastructure challenges from shipbuilders we met with during our review and from our review of Navy documentation.

Ship Repair Industrial Base Has Not Met Schedule Goals Though It Has Seen Some Recent Improvements

The private ship repair industrial base has not met the Navy's schedule goals for completing repair periods, although there have been some recent improvements. According to the Navy's maintenance plan, in fiscal year 2022, repair companies completed only 36 percent of nonnuclear-powered surface ship repair periods on time. Further, in January 2024, we reported that private ship repair companies took nearly 10,000 days longer than planned to repair destroyers and more than 5,500 days longer than planned on cruisers between fiscal years 2015 and 2022.³⁷ Such maintenance delays reduce the number of ships available for training and operations. We also reported that the Navy has struggled to complete surface ship maintenance periods in full—meaning that the Navy did not complete all required maintenance scheduled or canceled the maintenance period entirely—resulting in a \$2.3 billion backlog of surface ship maintenance by August 2022.³⁸

Although the Navy still faces maintenance timeliness challenges, we found the average days of maintenance delay trended down from fiscal years 2019 through 2022.³⁹ Similarly, a 2023 Navy report stated that days of maintenance delay on complex repair periods had decreased by 43 percent since fiscal year 2019. The private sector industrial base for ship repair has also expanded in recent years, leading to more capacity for Navy repair work. For example, Austal invested in a dry dock for San Diego in 2021, representatives from Fincantieri told us in 2023 they

³⁷GAO, *Navy Readiness: U.S. Ability to Sustainably Produce Ready Naval Forces Lags Behind Strategic Competitor*, GAO-24-106363C (Washington, D.C.: Jan. 11, 2024).

³⁸GAO-24-106363C contains additional information about repair period delays. We also recently reported on the Navy's cruiser modernization efforts. We found that the five cruisers that reached their modernization periods have faced delays ranging from 3 to nearly 5 years. For additional information on cruiser modernizations, see: GAO, *Navy Ship Modernization: Poor Cruiser Outcomes Demonstrate Need for Better Planning and Quality Oversight in Future Efforts*, GAO-25-106749 (Washington, D.C.: December 17, 2024).

³⁹GAO-24-106363C.

invested in a dry dock for Mayport, and BAE Systems documentation shows that the company has invested in adding a docking system in the Mayport area that will operate similarly to a dry dock, with plans to be certified by April 2025.

The Navy attributes some of these improvements to a change it made to its contracting strategy in 2015, which it stated has increased competition in the ship repair industrial base.⁴⁰ Unlike in shipbuilding, in ship repair, there are often enough companies with capacity that there may be multiple companies able to compete for repair periods. According to Navy documentation, increased opportunities for competition since the Navy changed its contracting strategy has provided more opportunities for businesses to enter the Navy ship repair market and resulted in an expansion of the industrial base. For example, while under the prior contracting strategy there was only one company performing major Navy repairs in Mayport and one in Pearl Harbor, there are now five companies that can compete to be awarded orders to perform this work in Mayport and three in Pearl Harbor. However, when the Navy does not anticipate multiple companies will compete for a repair period within a fleet concentration area, it can also expand competition along the East or West Coast to consider additional companies.⁴¹

Ship Repair Industrial Base Has Capacity but Cannot Always Surge to Accomplish Unplanned Work

The ship repair private sector industrial base generally has enough capacity to support the Navy's planned surface ship repair work in the near term. However, this industrial base does not always have the capacity to support maintenance plan changes, such as growth work,

⁴⁰U.S. Navy, Naval Sea Systems Command, *Report to Congress on Effects of Multiple Award Contract-Multi Order Contracting* (Washington, D.C.: November 2023). Under the Navy's Multiple Award Contract, Multi Order contracting strategy, the Navy awarded multiple award indefinite delivery, indefinite quantity contracts. Under contracts like these, each awardee must be provided a fair opportunity to compete for orders, with certain exceptions. See Federal Acquisition Regulation 18.505(b)(1). The Navy now normally awards fixed-price orders for repairs; under the previous strategy, the Navy used cost reimbursement-type contracts.

⁴¹NAVSEA created distinct contract vehicles to complete Chief of Naval Operations availabilities, separated, in part, by whether the availabilities are "short-term" availabilities with production durations less than 10 months or "long-term" availabilities with production durations greater than 10 months. See 10 U.S.C. § 8669a ("short-term work" means work that will be for a period of 10 months or less). This allows for contractors outside the home port to compete for this work. The Navy then awards contracts for these coast-wide availabilities as stand-alone contracts to a single prime contractor, potentially at a port different from the home port of the ship.

Ship Repair Infrastructure
Capacity

emergency repairs, or wartime needs due to limited infrastructure and workforce capacity.

Our analyses found that the industrial base for ship repair has sufficient infrastructure capacity through at least fiscal year 2026 in each of the five fleet concentration areas—including private industry dry docks and dry docks at Navy facilities used by private industry for surface ship repairs—for the Navy's peacetime planned surface ship maintenance.⁴²

Representatives from companies in every fleet concentration area told us that they often had more infrastructure capacity than the Navy was using, except Pearl Harbor, where only Navy owned facilities are in use for ship repair.⁴³ For example,

- **Mayport, Florida.** One company we interviewed that conducts repair for the Mayport fleet concentration area has an ongoing acquisition to expand its docking capacity. Representatives from the company stated that the Navy could potentially use this additional capacity for surge capacity when needed if the Navy decided to pay for unused space. However, company representatives stated that they also have opportunities for commercial and Coast Guard repair work, so the facility could be otherwise filled with other work. We also spoke with a second company that is adding dry dock capacity in Mayport. Additionally, complex repairs are performed at Navy facilities in Mayport, which provide further infrastructure capacity for repairs.
- **Norfolk, Virginia.** We spoke with three companies that own dry docks in Norfolk, and representatives from all these companies told us there was unused dry dock capacity in the region. Representatives from one company told us that their dry docks were in use 53 percent of the time in 2022. Representatives from another company told us that their dry dock was in use roughly 85 percent of the time, but that this figure included their commercial repair work in addition to Navy work.
- **San Diego, California.** Representatives from one company with a dry dock in San Diego told us that their dry dock was in use roughly 70 percent of the time during the past 5 years. Representatives from

⁴²We were primarily focused on the capability and capacity that private industry provides to surface ship repair. However, Navy officials told us that piers and wharves at Navy facilities that are used by private industry for surface ship repair often have degraded infrastructure. They also stated that they often are not compliant with safety standards without mitigations.

⁴³In Pearl Harbor, Hawaii, ship repair companies only use facilities that are owned by the Navy—e.g., dry docks and piers—for major repair periods.

another company told us they have enough dry dock space to accommodate two Navy ships up to a certain size simultaneously. However, these representatives told us that they did not regularly have two ships docked in this space. Further, they stated that their dry dock was in use 75 percent of the time in 2022. We also spoke with a company that is in the process of adding dry dock capacity in San Diego. In addition to dry dock capacity provided by private industry, companies can perform complex repair work at Navy facilities in San Diego.

- **Seattle/Everett, Washington.** Representatives from one company that owns a dry dock in Seattle told us that they had more capacity to do Navy work. In addition to their dry dock and pier capacity in Seattle, these representatives also told us this company had dry dock capacity in Portland, Oregon where it could also conduct repair for the Navy.

While some repair companies told us they had additional capacity to provide to the Navy, the amount of usable private industry dry dock capacity available to the Navy is dependent on a variety of factors. For example:

- Companies may have repair work from other sources, such as the Coast Guard or commercial industry, that could occupy their dry docks;
- The Navy needs dry docks of specific sizes to accommodate different classes of ships, so the infrastructure available would need to match the Navy's needs to be usable;⁴⁴ and
- The amount of planned Navy repair work is variable, with some periods of time requiring more dry docks than others. As a result, there are times when none of the private industry dry docks the Navy relies on within a homeport are available.

Moreover, when the Navy needs private industry dry docks for unplanned work, it can disrupt the schedule for repair work the Navy had already planned.

We found, however, that there is not always sufficient infrastructure capacity available to manage unplanned repair work, such as growth

⁴⁴Navy officials told us that dry docks for nuclear-powered ships have particular requirements for size and other unique requirements, and that there are few private industry dry docks that meet these standards. While nuclear-powered ships most often undergo repairs at the Navy's public shipyards rather than at privately owned dry docks, officials stated that a lack of nuclear-certified dry docks presents a challenge for the Navy.

work or emergent repairs. Growth work refers to additional tasks identified during performance that is related to a work item already specified on the original contract, some of which may be identified after a repair period has begun. For example:

- Growth work.** Given the nature of ship repair, the Navy and ship repair companies will sometimes identify growth work during a maintenance period that was not originally planned. As an example, a Navy official stated that they cannot fully inspect ballast tanks and accurately write work specifications for their repair until the repair period has begun. In the Navy's November 2023 report on its repair contracting strategy, the Navy identified growth work as a significant driver of maintenance delays. Yet, this report states that the Navy cannot rely on companies to accomplish large amounts of unplanned work added to a contract.⁴⁵ In part, this is because large amounts of unplanned work require planning, negotiation, and execution of time-consuming contract changes. Growth work can also result in the use of infrastructure, like dry docks, for longer than planned, which can disrupt the ability to start new repair periods. We have reported that growth work has detracted from both cost and schedule performance, and according to Navy documentation, this trend continues.⁴⁶ The Navy's fiscal year 2025 maintenance plan states that the Navy has ongoing efforts to reduce growth work so that it can complete more repair periods on time.
- Emergent repairs.** This type of repair occurs during ship deployments when ships experience a malfunction or other issue

Recent Example of Emergent Repair

In June 2017, the USS *Fitzgerald* collided with a merchant vessel off the coast of Japan. Navy tugboats towed the ship to Fleet Activities Yokosuka, Japan, where it received temporary repairs. Later, the transport vessel Transshelf moved the ship to Ingalls Shipyard in Pascagoula, Mississippi, where it received the remainder of its repairs. Like battle damage repairs, these types of repairs have to be absorbed by the industrial base. In this way, emergent repairs such as those in response to the USS *Fitzgerald* collision in 2017 more closely mirror a battle damage repair process.

Source: GAO. | GAO-25-106286

⁴⁵U.S. Navy, Naval Sea Systems Command, *Report to Congress on Effects of Multiple Award Contract-Multi Order Contracting* (Washington, D.C.: Nov. 2023).

⁴⁶GAO, *Navy Ship Maintenance: Evaluating Pilot Program Outcomes Could Inform Decisions to Address Persistent Schedule Changes*, [GAO-20-370](#) (Washington, D.C.: May 11, 2020).

requiring immediate repairs (see sidebar).⁴⁷ The Commander of the Pacific Fleet issued a memorandum in August 2023 on the need for an additional dry dock in Pearl Harbor based in part on a need for these types of repairs. The memorandum states that there is no capacity for emergent repair work at this location for half of the time through at least 2028, which the Commander of the Pacific Fleet assessed as a high-risk circumstance. Our prior work has also shown that the Navy needs additional capacity for wartime repair, as the Navy has not had to conduct battle damage repair on multiple ships concurrently since World War II.⁴⁸

In some instances, the Navy can shift the timing or location of other repair work to areas with additional capacity to mitigate infrastructure capacity challenges resulting from unplanned work. The Navy also plans to increase dry dock capacity for emergent and potential wartime repairs by encouraging private industry to build additional infrastructure and by building infrastructure at Navy facilities used for surface ship repairs done by private industry (see table 2).

Table 2: Navy Projection for Adding Surface Ship Dry Dock Capacity by Fleet Concentration Area, as of 2024

Fleet concentration area	Navy plans for adding government and privately owned capacity	Navy rationale for seeking additional capacity
Mayport, Florida	None	Not applicable
Norfolk, Virginia	Navy officials told GAO that they are evaluating whether to seek investment by private industry in an additional dry dock, with a decision expected to occur later in the 2020s.	Not applicable
Pearl Harbor, Hawaii	The Navy plans to begin using a dry dock that is currently dedicated to surface ship repair for submarine repair. As a result, the Navy identified a need to purchase a floating dry dock for Pearl Harbor for surface ship repair, with a need for it to be operational no later than fiscal year 2035. It is currently in the planning stage for this acquisition.	Replace current dry dock capacity for planned ship repairs.

⁴⁷Emergent maintenance periods accomplish unplanned repair work of an urgent nature when the risk of prolonged disruption to a ship's operations makes higher payments for repair acceptable. These repair periods are only completed on an as-needed basis to keep a ship operating.

⁴⁸We recommended that the Navy designate an organization to lead and oversee the development of the Navy's battle damage repair capability. The Navy addressed our recommendation by designating NAVSEA as the organization to lead this effort. GAO, *Navy Ships: Timely Actions Needed to Improve Planning and Develop Capabilities for Battle Damage Repair*, GAO-21-246 (Washington, D.C.: June 2, 2021).

Fleet concentration area	Navy plans for adding government and privately owned capacity	Navy rationale for seeking additional capacity
San Diego, California	The Navy has an ongoing acquisition of a floating dry dock.	Provide surge capacity for planned and emergent maintenance.
Seattle/Everett, Washington	The Navy reported leasing a floating dry dock to a private ship repair company. This dock is currently located at the contractor's facility in Seattle. According to Navy officials, when the lease ends in fiscal year 2025, the Navy is planning to renew it for another 5 years. However, the Navy put out a request for information from private industry to explore additional options for use of the dry dock. The Navy is also evaluating a permanent move of this dock to Naval Station Everett when the renewed lease expires, now planned for fiscal year 2030, as an alternative solution.	Provide surge capacity for wartime and emergent maintenance; improve competition by providing a dry dock to companies to complete repair work.

Source: GAO analysis of Navy documentation. | GAO-25-106286

Ship Repair Workforce Capacity

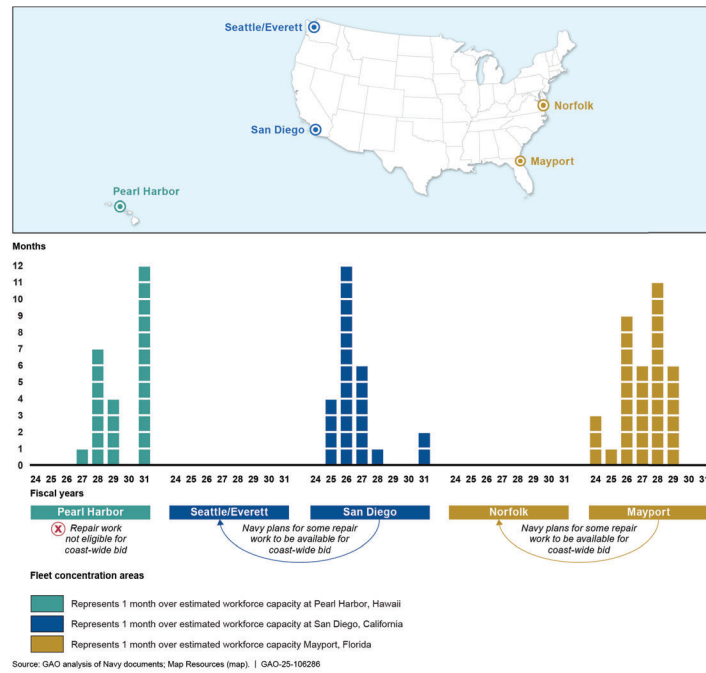
The Navy estimates that its planned repair workload could exceed ship repair companies' workforce capacity in three fleet concentration areas—San Diego, Mayport, and Pearl Harbor—at some times through fiscal year 2031 if workforce capacity does not change from current levels.⁴⁹ However, it often has some flexibility to shift the timing of work or location to areas with additional capacity.⁵⁰

In most instances when the Navy anticipates a volume of work that exceeds workforce capacity, it plans to expand the geographic range for competition for repair periods during this timeframe so that it can utilize repair workforce that is available elsewhere (see fig. 4).

⁴⁹The Navy estimates future workforce capacity using a calculation based on data from the last 3 years. Private industry provides the workforce for major surface ship repair, even when their work is performed at Navy facilities. We previously reported on Navy workforce challenges that resulted in delays to aircraft carrier and submarine maintenance at the public shipyards. These challenges included that the Navy did not have enough workforce available, and that it faced performance problems. In contrast, the workforce that conducts surface ship repairs is employed by private industry, rather than the Navy. See [GAO-20-586](#).

⁵⁰Under 10 U.S. Code Section 8669a, the Navy should consider the costs of moving the vessel and its crew outside of the homeport area when evaluating bids for a repair contract.

Figure 4: Navy Estimation of When Workload Could Exceed Capacity Based on Private Repair Companies' Workforce Levels, as of February 2024



Navy officials told us that they are concerned with repair projections that exceed current workforce capacity in San Diego because of instability in the projected repair workload. Navy officials told us they are less concerned about the projected workload in Mayport and Pearl Harbor because the surges in workload are projected to occur in later years, giving both the Navy and the industrial base more time to prepare. The Navy's plans for addressing periods when projected workload exceeds estimated capacity in San Diego, California; Mayport, Florida; and Pearl Harbor, Hawaii; are as follows:

San Diego, California. Navy documentation shows the workload in San Diego faces a dip in the second quarter of fiscal year 2025 that immediately precedes a spike. Navy officials stated that this instability could result in a reduction of the amount of available workforce as repair companies may reduce the size of their workforce when the workload is projected to dip. Navy officials told us that this issue would be a subject of discussion during future planning sessions to schedule repairs. To mitigate any workforce limitations in San Diego, the Navy is able to award repair work to ship repair companies in Seattle/Everett, Washington, as appropriate. Representatives from one of the repair companies we spoke with in Seattle told us that they did not have challenges with hiring enough workers when they have enough lead time.

Mayport, Florida. Representatives from one ship repair company told us that their ongoing effort to add infrastructure capacity to repair more ships will allow them to employ hundreds of additional full-time employees in the future. If they are successful in hiring as expected, it would help reduce any repair workforce shortages in the region. Additionally, the Navy is able to award work to ship repair companies in Norfolk, Virginia, as appropriate. Representatives from five of the six ship repair companies in Norfolk that we spoke to told us that they had either conducted layoffs or were concerned about having to reduce the size of their workforce because of a downturn in Navy repair work. However, the Navy projects that Norfolk will have either excess workforce capacity or the ability to provide surge capacity through overtime through at least fiscal year 2031.

<p>Examples of Regional Challenges for Navy Ship Repair in Pearl Harbor, Hawaii</p> <p>Navy officials told GAO that Pearl Harbor, Hawaii faces some unique challenges in ship repair due to its location, such as:</p> <p>Frequency of emergent repair demands. Navy officials told GAO that because of its strategic location, Pearl Harbor conducts a high number of emergent repair periods. For example, ships deploying from San Diego, California and Seattle/Everett, Washington or returning from Japan may need to stop at Pearl Harbor for emergent repairs. Officials stated that if ships with operational commitments come with high priority repair needs, they may delay planned maintenance to address the needs of these ships.</p> <p>Availability of local workforce. Navy officials from the regional maintenance center told GAO that ship repair workforce recruitment is generally limited to people who already live on the island. They stated that people who come to Pearl Harbor to conduct Navy repairs are generally only willing to stay about 5 years.</p> <p>Suppliers and technical support for repairs. Navy officials told GAO that supplies and technical support for repairs take longer to get to Pearl Harbor because of transit time. For example, when technical support for ship repair is needed from original equipment manufacturers, it can be difficult to obtain quickly because representatives need to fly into Hawaii from the contiguous United States.</p> <p><small>Source: GAO analysis of Navy information. GAO-25-106286</small></p>	<p>Pearl Harbor, Hawaii. Representatives from one of the repair companies we spoke with in Pearl Harbor also stated that they can take on additional work if the Navy provides them with enough lead time for them to prepare. Similarly, Navy officials from the regional maintenance center in Hawaii told us that private industry could gradually increase the number of workers available if it has stable work. However, based on the Navy's projected volume of work for fiscal year 2031, private industry would need to be prepared for roughly double the amount of work that it can presently accomplish. Increasing the workforce in Hawaii could be particularly challenging (see sidebar). According to a Navy report on ship maintenance gaps and requirements from November 2021, Navy personnel may be used to conduct repairs that exceed private industry's workforce capacity.</p> <p>During some periods, the Navy projects that the amount of work in every fleet concentration area will go up above normal workforce labor hours but remain below estimated port capacity. Many ship repair companies told us that they use subcontracted labor to bolster their workforces and can create capacity as needed. Yet, Navy documentation states that managing sustained surges in this way for prolonged periods can affect the cost, schedule, and quality of maintenance periods. Unplanned work—like emergent repair needs—could result in prolonged periods in which a surge in workforce is needed. This is because, as emergent repairs are conducted with little or no notice to restore mission-essential capabilities to ships, they may occur at times that overlap with surges of planned work.</p>
<p>DOD Has Yet to Fully Determine Effectiveness of or Ensure Visibility into Billions Spent on the Ship Industrial Base</p>	<p>DOD has spent over \$5.8 billion since fiscal year 2014 on support for the shipbuilding industrial base and plans to spend \$12.6 billion more through at least fiscal year 2028. However, it has yet to fully determine the effectiveness of these funds or ensure visibility into how they are spent. The Navy has historically provided most of the funding intended to bolster the shipbuilding industrial base, but OSD also makes investments. The Navy does not consistently track its investments, and neither the Navy nor OSD has fully assessed the effectiveness of their support. Additionally, DOD has not ensured visibility into these funds because the Navy and OSD do not coordinate spending across all of their investment efforts to prevent duplication and overlap of spending. For ship repair, the Navy plans to award grants to the private ship repair industrial base for</p>

infrastructure investments, but has yet to determine the full amount of additional infrastructure it needs to meet repair goals.

DOD Has Spent Billions to Bolster the Shipbuilding Industrial Base Over the Last Decade and Plans to Spend Billions More Through 2028

DOD spent over \$5.8 billion from fiscal year 2014 to fiscal year 2023 to support the shipbuilding industrial base, with plans to spend an additional \$12.6 billion through fiscal year 2028.⁵¹ This support includes:

- Navy contract incentives for private investment, which are typically used to encourage the shipbuilders to make corporate investments in infrastructure and facilities; and
- Navy and OSD direct investments, in which the government pays outright for the partial or whole cost of an investment, such as for infrastructure, workforce initiatives, and supplier development.

Figure 5 shows past and planned contract investment incentives and direct investments from the Navy and OSD for the shipbuilding industrial base.

⁵¹These values are not adjusted for inflation, so we are not making a direct comparison between past and future spending.

Figure 5: Contract Incentives for Private Investment and Direct Investments for the Shipbuilding Industrial Base, Fiscal Years (FY) 2014-2028

Funding source	FY2014–2023 ^a (millions of dollars)	FY2024–2028
Navy contract incentives for private investment		
	Incentive fees earned	Remaining incentive fees under contract
Investment incentives	1,831	1,505 ^b
Navy direct investment		
	Funding received	Budget requests
Submarine industrial base	1,911	9,946 ^c
Surface combatant industrial base	725	60
Frigate	50	–
Manufacturing technology	575	322
National shipbuilding research program	124	–
Navy direct investment total	3,385	10,328
Office of the Secretary of Defense (OSD) direct investment		
	Funding received	Budget requests
Industrial Base Analysis and Sustainment (IBAS)	306	740
Defense Production Act (DPA) Title III	301	–
Defense manufacturing community support program	21	–
OSD Total	628	740
Total	5,844	12,573

— No funding specific to the Navy ship industrial base in budget requests

Source: GAO analysis of Department of Defense (DOD) budget documents and interviews with DOD officials. | GAO-25-106286

Note: The dollar values in this figure do not account for inflation.

^aGAO reviewed investments from fiscal years 2014 to 2023 and did not include fiscal year 2024 as it was still ongoing during the time of its review. The data are current as of the end of fiscal year 2023.

^bThe fiscal year 2024 to 2028 includes \$1,505 million in Navy investment incentives, which may be subject to change as shipbuilders may not earn all available incentives. The Navy may also add additional investment incentives for shipbuilders to earn on future contracts.

^cThe fiscal year 2024 to 2028 \$9,946 million funding request for the submarine industrial base includes \$2,456 million of supplemental funding that Congress provided in April 2024. Pub. L. No. 118-50 (2024).

Appendix IV provides more information on the legal authorities associated with these investments.

Purpose of Navy Contract Incentives for Private Investment

The Navy provides investment incentives to motivate contractor performance in areas deemed important to a shipbuilding program's success. For shipyard investment incentives, the Navy primarily uses Special Capital Expenditures and Construction Readiness Incentives. As GAO previously reported, funds under these incentives are available to the shipbuilder only if it agrees to make a Navy-approved shipyard investment. Navy officials told us that they also consider the shipbuilder's level of independent investment in its own facilities prior to making an incentive award.

GAO previously reported that Navy officials cited a lack of competition and instability in Navy shipbuilding work as major reasons for why investments need to be incentivized. As such, investment incentives serve as a way for the Navy to help ensure shipbuilders make necessary facility and capital investments.

Source: GAO-10-686 and GAO analysis of Navy documentation. | GAO-25-106286

Navy contract incentives for private investment. Private shipyards earned \$1.83 billion in contract incentives between fiscal years 2014 and 2023. Most of this amount was shipyard investment incentives, which support capital and facility investments.⁵² However, the amount also includes other contract incentive types, such as for shipbuilders to make shipyard investments to help them meet construction schedules.⁵³ More specifically, Navy documentation shows that:

- Electric Boat and Newport News Shipbuilding earned about \$1.15 billion in incentives under submarine construction contracts.
- Newport News Shipbuilding earned an additional \$115 million under aircraft carrier contracts.⁵⁴
- Bath Iron Works and Ingalls collectively earned \$391 million under destroyer construction contracts.
- Ingalls earned an additional \$67 million under amphibious ship construction contracts.
- General Dynamics National Steel and Shipbuilding Company earned about \$105 million under contracts for constructing combat logistics force and command and support ships.

Navy direct investment. The Navy made direct investments of \$3.39 billion between fiscal years 2014 and 2023 through various mechanisms

⁵²For shipyard investment incentives, the Navy primarily uses special contract incentive fees, such as Capital Expenditures and Construction Readiness Incentives. Capital Expenditures set aside a portion of the shipbuilding program's appropriated funding to support facility investments. According to the Navy, Construction Readiness Incentives are intended to help contractors focus on achieving shipbuilding construction schedules and ship deliveries through capital improvements. As we previously reported, on a contract that includes such a special incentive fee, a shipyard may earn a fee for making a Navy-approved investment. The special fee may pay for all or part of the investment, and in some cases, bridge the difference between the shipyard's desired rate of return and projected return on investment. One Capital Expenditure project is Newport News Shipbuilding's procurement of a Segment Assembly Machine, which is a complex manufacturing system that can assemble, fit, position, and weld the hull work portion of the bow or stern on the *Virginia* class submarine. This fixture is intended to reduce cost and schedule for submarine construction.

⁵³Navy officials stated that some shipbuilding contracts combine investment incentives with other incentive values when documenting them.

⁵⁴These contracts include construction contracts and the execution of refueling complex overhaul work, which aircraft carriers undergo during the midpoint of their lifespan to upgrade equipment, infrastructure, and electronic systems.

including supplier development funding, industrial base support for the Navy's frigate program, and research and development (see table 3).

Table 3: Descriptions of Navy Direct Investment Categories for the Shipbuilding Industrial Base

Navy direct investment category	Description
Submarine Industrial Base	The Navy uses supplier development funding for the submarine industrial base—a subset of overall Submarine Industrial Base funding—to reduce risk from existing sources and establish new sources of supply for submarine programs. The Navy and submarine shipbuilders also use it to purchase materials to help coordinate the demand signal for shipbuilding such as through multi-program material procurement, which buys materials for both programs— <i>Virginia</i> class and <i>Columbia</i> class—in one order. ^a
Surface Combatant Industrial Base	For the surface combatant industrial base, shipbuilders use supplier development funding to increase supplier capacity, add additional sources of supply, provide workforce development, and stabilize suppliers. The Navy also uses surface combatant industrial base funding for shipyard infrastructure and advance procurement of program materials to support the supplier base.
Frigate	The frigate shipbuilder uses frigate funding for workforce development initiatives, shipyard infrastructure, and supplier projects.
Manufacturing Technology	Manufacturing Technology provides manufacturing technologies, like artificial intelligence, to naval suppliers and focuses on affordability improvements for shipbuilding programs.
National Shipbuilding Research Program	The National Shipbuilding Research Program works to reduce costs and accelerate delivery schedules through improved shipbuilding methods, like 3D printing of metal parts. It is an industry-led effort that works with the Navy to contribute funds to projects as part of its commitment.

Source: GAO interviews with shipbuilders and analysis of Department of Defense information. | GAO-25-106286

^aThe Navy uses supplier development funding to coordinate the demand signal for suppliers and mitigate long-lead times for materials through multi-program material procurement, production backup units, and continuous production of shipyard-manufactured items. These program-level funding mechanisms accelerate planned program funding rather than provide additional funding. Production backup units are long-lead time materials procured early and kept in reserve to ensure their availability, and continuous production seeks to avoid challenges caused by suppliers by gaps in demand and secure potential cost savings.

OSD direct investment. OSD invested \$628 million between fiscal years 2014 and 2023 in the shipbuilding industrial base. It made these investments primarily through the Industrial Base Analysis and Sustainment (IBAS) program and Defense Production Act (DPA) Title III funding, and provided a smaller amount of funding via the Defense Manufacturing Community Support Program (see table 4).

Table 4: Descriptions of Office of the Secretary of Defense (OSD) Direct Investment Categories for the Shipbuilding Industrial Base

OSD direct investment category	Description
Industrial Base Analysis and Sustainment (IBAS)	IBAS seeks to maintain or improve the health of essential parts of the defense industry by addressing critical capability needs, such as by supporting technical education for skills needed in the industrial base.
Defense Production Act (DPA) Title III	DPA Title III focuses on projects that establish, expand, maintain, or restore domestic production capacity for critical components and technologies, such as by supporting an infrastructure project to add steel shipbuilding capacity to a shipyard.
Defense Manufacturing Community Support Program	The Defense Manufacturing Community Support Program supports long-term community investments that seek to strengthen the defense industrial ecosystem, including the submarine and shipbuilding workforce.

Source: Department of Defense Information. | GAO-25-106286

Fiscal Year 2024 National Security Supplemental Funding for the Submarine Industrial Base

Congress provided \$2.456 billion in supplemental funding in fiscal year 2024 for the private submarine industrial base. Around \$2.449 billion is to support the private submarine industrial base and \$7 million is for Navy research, development, test, and evaluation.

As part of industrial base supplemental funding Congress provided an additional \$558 million for the Navy's four public shipyards that repair submarines and \$282 million for military construction. Department of Defense officials told GAO that the supplemental funding accelerates its planned funding requests by a year, so the funding for fiscal years 2025 to 2029 shifted up to fiscal years 2024 to 2028. The officials said they will need to identify a new funding amount for fiscal year 2029. See Pub. L. No. 118-50 (2024).

Source: GAO interviews with Department of Defense and analysis of budget documentation. | GAO-25-106286

In addition to the IBAS and DPA Title III investments for the shipbuilding industrial base, over \$4.3 billion of IBAS and DPA Title III funding went to other investments in the defense industrial base, some of which indirectly benefited the shipbuilding industrial base. For example, OSD spent \$38.6 million on IBAS workforce programs it categorizes as having an indirect benefit on the shipbuilding industrial base. Project MFG is an example of an IBAS workforce program with an indirect benefit, as it holds competitions for the trades nationally and internationally to promote manufacturing skills across industries.

Future planned spending. DOD plans to increase investments in the shipbuilding industrial base by an additional \$12.57 billion over the next 5 years. It has requested funding in the President's Budget for fiscal year 2025 for the submarine industrial base, surface combatant industrial base, Manufacturing Technology, and IBAS.⁵⁵ Private shipyards also have remaining investment incentives to earn on existing contracts, and the Navy can include additional incentives on future shipbuilding contracts. For example, based on recent legislation, certain future

⁵⁵In addition to these requests, OSD also requested funding for DPA Title III in the President's Budget for fiscal year 2025. The DPA Title III funding request was for the broader defense industrial base and not specifically for the Navy's ship industrial base. Similarly, OSD requested additional IBAS funds for the broader defense industrial base. During these next 5 years, OSD plans to invest a total of nearly \$7 billion into the defense industrial base through these two programs. Further, to support AUKUS, the President may accept contributions of money from the Government of Australia for use by DOD in support of non-nuclear-related aspects of submarine security activities. Pub. L. No. 118-31, § 1353 (2023).

shipbuilding contracts should generally include incentives for private shipyards to implement workforce development projects.⁵⁶

DOD Has Yet to Fully Assess the Effectiveness of Support for the Shipbuilding Industrial Base

DOD is not consistently tracking, monitoring, or fully assessing the effectiveness of the contract investment incentives and direct investment it provides to support shipbuilders and suppliers. While both the Navy and OSD take steps to assess the effectiveness of some of their funding efforts, the Navy does not track all its investments and both the Navy and OSD have yet to fully measure return on investment.⁵⁷ Further, both the Navy and OSD do not have visibility across their shipbuilding investments to help ensure against potential duplication and overlap. For example, as shown in figure 6, the Navy is not consistently

- updating the information collected on its contract investment incentives;
- conducting assessments of the effectiveness of its investment incentives; or
- fully coordinating across direct investments for areas of potential duplication or overlap.

⁵⁶The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 requires the Navy to include a special incentive for workforce development in certain solicitations for shipbuilding contracts made on or after June 1, 2023, unless waived. Pub. L. No. 117-263, § 122 (2022) (adding Section 8696 to Title 10, U.S. Code).

⁵⁷When we refer to "return on investment," we are generally referring to it as a term for performance or outcome metrics, such as efficiencies gained, or cost savings achieved. Our use of the term generally refers to metrics beyond whether funding was implemented in a timely manner.

Figure 6: Extent to Which the Navy and OSD Have Performed Selected Oversight Functions to Determine Effectiveness of Shipbuilding Industrial Base Funding

	Tracking Organizations should obtain data from reliable internal and external sources in a timely manner based on identified information requirements so that they can be used for effective monitoring.	Return on investment Organizations should design appropriate types of control activities for the entity's internal control system to achieve objectives, such as activities to monitor performance measures and indicators.	Visibility across investments Organizations should communicate quality information about funding and performance metrics externally and internally through reporting lines so that other parties can help the entity achieve its objectives and address related risks, such as duplication and overlap.
Navy Contract Incentives	✗	✗	✗
Contract Investment Incentives	✗	✗	✗
Navy Direct Investment	✓	⌚	⌚
Submarine Industrial Base Supplier Development Funding	✓	⌚	⌚
Surface Combatant Industrial Base Supplier Development Funding	✓	⌚	⌚
OSD Direct Investment	✓	⌚	⌚
Industrial Base Analysis and Sustainment	✓	⌚	⌚
Defense Production Act Title III	✓	✓	⌚

✓ The Navy or the Office of the Secretary of Defense performs the function for this investment category: tracking funding, measuring return on investment, or establishing visibility across investments.

✗ The Navy or the Office of the Secretary of Defense does not perform the function for this investment category, nor does it have documented plans to do so.

⌚ The Navy or the Office of the Secretary of Defense is taking initial steps to perform the function. These efforts are in early stages of implementation, and we are continuing to monitor progress in these areas. For example, submarine industrial base supplier development funding follows a new operating procedure to track returns on investment, though suppliers have yet to demonstrate these metrics.

OSD Office of the Secretary of Defense

Source: GAO analysis of Department of Defense (DOD), Navy, and contractor documentation and interviews; and Summary of Standards for Internal Controls and GAO's Fragmentation, Overlap and Duplication Guide; GAO (icons). | GAO-25-106286

Tracking. The Navy and OSD track funding for supplier development funding, IBAS, and DPA Title III funding. For example, for submarine supplier development funding, the Navy maintains data on funding amounts, their purposes, and other information. However, the Navy has not consistently updated and tracked contract investment incentives. The Navy created a central repository to track shipbuilding contract investment incentives in 2020 in response to our prior recommendation, but we found it has not updated data in this repository since then.⁵⁸ Instead, data about these incentives are dispersed between NAVSEA's

⁵⁸GAO, *Navy Shipbuilding: Need to Document Rationale for the Use of Fixed-Price Incentive Contracts and Study Effectiveness of Added Incentives*, GAO-17-211 (Washington, D.C.: Mar. 1, 2017).

Contracts Directorate and the Supervisors of Shipbuilding, Conversion, and Repair (SUPSHIP). The Navy does not have regular coordination or data collection mechanisms, which precluded NAVSEA's Contracts Directorate from providing an accounting of investment incentives without making separate data requests to contracting officers, contracting officers' representatives, and the SUPSHIPS.⁵⁹ In the absence of a centralized data location that the Navy updates regularly, NAVSEA's Contracts Directorate cannot conduct overarching analysis on the investment incentives without undergoing time consuming efforts to collect this information. Under OSD, the Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)) manages the IBAS and DPA Title III programs.

Previous Navy and Office of the Secretary of Defense (OSD) Efforts for Tracking Contract Investment Incentives

- April 2018: OSD developed a template for the military departments to collect and analyze outcomes of incentive contracts.
- December 2020: The Navy created a repository for tracking shipbuilding contract special incentives.
- August 2022: OSD developed an updated template for the military services about major Department of Defense systems, which includes information on incentive contracts and contract outcomes.

Source: GAO and Department of Defense documentation. | GAO-25-106286

Standards for Internal Control in the Federal Government states that an organization should obtain data from reliable internal and external sources on a timely basis for effective monitoring, and these data should be processed into quality information that is current, complete, and accurate.⁶⁰ These standards also state that the organization should process relevant data into quality information within the entity's information system, which includes the data and technology that management uses to obtain and communicate information. The Navy established a policy on investment incentives for highly capitalized programs in 2012, which provides guidance for the Navy in developing effective shipyard investment incentives. The policy outlines that the contracting officer should obtain cost savings and efficiency metrics when practicable and validate anticipated savings after a shipbuilder completes the investment.⁶¹ However, this investment incentives policy does not require any office in the Navy to centrally collect information about shipyard investment incentives from contracting officers and the SUPSHIPS so that the Navy can regularly track and monitor the

⁵⁹As the Navy's representatives at the shipyards during construction, the SUPSHIPS are responsible for financial administration for shipbuilding contracts. NAVSEA's Contracts Directorate awards contracts for new ship construction, delegates contract administration responsibilities to the SUPSHIPS, and shares oversight of SUPSHIP contracting staff and other officials supporting the administration of ship building contracts. For more information, see GAO-22-104655.

⁶⁰GAO-14-704G.

⁶¹U.S. Navy, Assistant Secretary of the Navy for Research, Development and Acquisition, *Department of the Navy Policy on Investment Incentives for Highly Capitalized Programs* Memorandum (Washington, D.C.: Aug. 16, 2012). The Navy developed this policy to support shipbuilding investments and contracting methods for providing incentives for capital expenditure.

effectiveness of various incentive efforts in achieving desired program outcomes. Without updating and implementing its incentive policy to require that this information be centrally collected, tracked, and monitored on a regular basis, the Navy is not positioned to monitor the effectiveness of shipyard investment incentive funding.

Return on investment. The Navy has yet to evaluate a return on investment for its contract investment incentives or fully do so for direct investments for suppliers in the submarine and surface combatant industrial bases, though it is starting efforts to do so for its direct investments. On the other hand, in the shipbuilding-related agreements that we reviewed, OSD required recipients of DPA Title III funding to report on outcome metrics and has taken initial steps to track IBAS outcome metrics.

- **Navy contract incentives for private investment.** A senior official from NAVSEA's Contracts Directorate stated that the Navy generally does not validate a return on investment for contract investment incentives because it is difficult to determine cost and efficiency gains directly tied to the investment. The official explained that the Navy generally evaluates success based on whether the contractor decided to complete the investment targeted by the incentive. This is because the underlying goal of investment incentives is to motivate contractors to invest their own money. According to the official, it is difficult to connect incentives to specific outcomes on shipbuilding programs because many other factors in addition to investments could influence cost or schedule changes.⁶² For example, Navy documentation states that the incentives on the *Virginia* class program cannot be directly connected to outcomes due to the number of factors that could affect outcomes.

However, we found there are ways in which the Navy can measure outcomes for contract investment incentives. For example, contract documentation for two construction shipyards states that to receive investment incentives, the contractors must submit a business case

⁶²We previously reported on the Navy not evaluating the effectiveness of shipbuilding contract incentives. We recommended that the Secretary of the Navy conduct a portfolio-wide assessment of the Navy's use of additional incentives on fixed-price incentive contracts across its shipbuilding programs. This assessment should include a mechanism to share proven incentive strategies for achieving intended cost, schedule, and quality outcomes among contracting and program office officials. We closed this recommendation in 2020 when the Navy created a repository for tracking shipbuilding contract special incentives; however, as described earlier in the report, the Navy did not maintain this effort. See [GAO-17-211](#).

analysis that includes return on investment calculations. The Navy could use these calculations as a starting point to validate that the return on investment has been achieved. Further, OSD funds similar infrastructure investments through DPA Title III, and the shipbuilding-related agreements we reviewed require recipients to report on outcome metrics in categories such as manufacturing and product performance.⁶³

- **Navy direct investment.** The Navy has yet to establish performance metrics to evaluate the programmatic and aggregate outcomes of submarine supplier development funding or require submarine shipbuilders to do so as part of their responsibilities for managing these direct investments. A Navy official stated the Navy's primary contractual requirement for submarine shipbuilders receiving these funds is to prioritize work for the nuclear submarines with the equipment purchased from the funding.⁶⁴ For example, the Navy provides supplier development money on the *Columbia* class submarine contract and directs Electric Boat, which uses Newport News Shipbuilding as its primary subcontractor, to use the development funds to make direct investments in its suppliers.

Electric Boat and Newport News Shipbuilding have begun initial efforts to evaluate a return on investment for submarine industrial base funding. For example, in March 2023, Newport News Shipbuilding issued a new internal supplier development funding procedure that includes requirements for documenting cost savings and other returns on investment. Additionally, since 2023, BlueForge Alliance, a nonprofit integrator, has supported the use of submarine supplier development funding for the shipbuilders. As we reported in September 2024, for recent awards, BlueForge Alliance officials stated that they work with the suppliers and shipbuilders to define one or two types of specific metrics for each project, such as for capacity,

⁶³For example, Austal received a DPA Title III investment in 2020 to build a new steel panel line. The final reporting included product performance metrics related to steel output capacity and steel rework percentage for the panel line.

⁶⁴The Defense Production Act of 1950 authorized the president to require preferential treatment of national defense programs. Programs can be approved for one of two types of priority: programs with the highest national priority, like *Columbia* class, may be approved to use a DX rating, while a DO rating may be used by programs of a second-tier priority, like the *Virginia* class. Contractors must give DX-rated orders priority over DO-rated orders in instances when a production or delivery schedule conflict arises. For additional information, see: GAO, *Columbia Class Submarine: Program Lacks Essential Schedule Insight Amid Continuing Construction Challenges*, GAO-23-106292 (Washington, D.C.: Jan. 24, 2023).

quality, and capability.⁶⁵ However, as we reported September 2024, the metrics being put in place by the shipbuilders vary and are not specifically tied to the Navy's program goals. We reported that program officials stated that they are still in the process of identifying what metrics to use to measure return on investment specific to the program's goals.⁶⁶

The Navy also provided supplier development funds to Bath Iron Works and Ingalls, which build surface combatants, to make direct investments in their suppliers. Navy officials told us that while there was no contractual requirement for the shipbuilders to evaluate a return on investment for these direct investments in suppliers, suppliers' proposals contain information about projected benefits from the investments. They also stated that the Navy and shipbuilders periodically engaged with suppliers to confirm progress as they execute projects. Further, Navy officials told us that they began collecting additional data to assess this funding during the course of our review.

- **OSD direct investment.** For the agreements we reviewed, OSD requires recipients of DPA Title III investments to report on outcome metrics, such as metrics for manufacturing and product performance. While OSD officials stated that OSD has not evaluated a return on investment for its IBAS workforce programs, OSD is in the process of fully implementing its 2023 National Defense Industrial Strategy that includes broad outcome metrics for the defense industrial base.

Standards for Internal Control in the Federal Government states that management should design appropriate types of control activities for the entity's internal control system, such as establishment and review of performance measures and indicators.⁶⁷ We found the Navy does not have performance metrics that would show the programmatic and aggregate effect of its efforts—such as specific goals for capacity

⁶⁵GAO-24-107732.

⁶⁶See GAO-24-107732. Additionally, the Navy primarily provides supplier development funding to Electric Boat and Newport News Shipbuilding under the *Columbia* class program contract, though the *Virginia* class program also realizes benefits from this funding due to a shared supplier base.

⁶⁷GAO-14-704G.

improvements in supplier base and assessments on whether the supplier base is meeting those goals.⁶⁸

While DOD had released an interim implementation report for its 2023 industrial base strategy at the time of our review, it had yet to finalize its plans and refine outcome metrics.⁶⁹ The report's outcome metrics, such as building a resilient supply chain, are not specific to the ship industrial base or the Navy's purposes. As such, DOD's industrial base strategy does not provide information that could guide the Navy's approach to measuring the outcomes of its ship industrial base investments. Further, Navy officials stated they will develop performance metrics moving forward but told us in September 2024 that they were not able to provide details about their plans to do so. Without performance metrics it can use at the programmatic and aggregate level, the Navy cannot ensure that the many billions of dollars it is planning to invest in the shipbuilding industrial base are achieving program goals and are an effective use of federal funds.

Visibility across investments. The Navy and OSD have mechanisms in place to coordinate on industrial base investments for nuclear submarines. For example, the Navy and OSD have collaborated on their investments in the submarine workforce since fiscal year 2023. However, the Navy and OSD do not have visibility across all the investments they make in the shipbuilding industrial base though some companies receive funding from multiple sources. Under OSD, OUSD(A&S) manages IBAS and DPA Title III programs. However, the Navy does not have full internal visibility across Navy investments or maintain shared visibility with OUSD(A&S) across all investment categories.

- **Internal Navy visibility on investments.** We found that some suppliers received funding from more than one shipbuilding program, but the Navy does not have visibility between programs for these investments. Moreover, the shipbuilders responsible for distributing

⁶⁸We previously identified key attributes of successful program measures, such as having a measurable target and linkage to an agency's goals, which help organizations track the progress they are making and assess whether performance is meeting expectations. See GAO, *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, GAO-03-143 (Washington, D.C.: Nov. 22, 2002).

⁶⁹DOD provided illustrative outcomes or outputs to measure progress against its four long-term priorities: Resilient Supply Chains, Workforce Readiness, Flexible Acquisition, and Economic Deterrence. In its subsequent efforts, DOD is planning to develop more specific performance measures for these categories.

the funding told us they did not coordinate with the other programs.⁷⁰ One senior Navy official stated that Navy funds for the shipbuilding industrial base—for submarines, surface combatants, and frigates—have traditionally operated in a siloed manner. Officials with responsibility for the submarine industrial base told us that they only collaborate with Navy surface ship programs over investments when the programs used the same parts made to the same specifications, and that this was rare. This collaboration would not include instances where the programs used the same types of supply—like forged materials—but did not have the same specifications. As a result, more than one program could provide investments to one supplier for similar materials but remain unaware of funding overlap if the materials are made to different specifications.

After our discussions with the Navy on its visibility into its investments across its programs, the Navy released a memorandum in June 2024 to address challenges with Navy investments identified in its 45-day shipbuilding review. The Navy's memorandum directed the establishment of a Maritime Industrial Base Program Office that will manage funding for the submarine and surface combatant industrial base efforts. The memo stated that Navy will keep existing funding efforts in place through fiscal year 2026, and that integration efforts for submarine and surface combatant funding will be proposed as part of the fiscal year 2027 budget process. The Maritime Industrial Base Program Office began operating in September 2024. In January 2025, Navy officials told us that they have already begun efforts to develop the first integrated approach for submarine and surface ship industrial base for fiscal year 2027. If implemented effectively, this integration would help ensure the Navy has the visibility to identify and prevent potential risks, such as unnecessary duplication and overlap.⁷¹

- **Navy and OUSD(A&S) shared visibility for investments.** The Navy and OUSD(A&S) do not have full shared visibility into how the various sources of ship industrial base funding are distributed, in particular for

⁷⁰We did not perform a comprehensive review of suppliers that received investments from more than one source, but we identified cases of potential overlap in our work using only a minimal review. For example, we identified that at least two companies received supplier development funding from both the submarine and surface combatant industrial base direct investment categories.

⁷¹We will continue to monitor the Navy's efforts in this area through a provision for us to assess the submarine industrial base's investment strategy and associated funding to achieve the submarine construction rate called for in the Navy's 30-year shipbuilding plan. S. Rep. No. 118-204, at 133.

surface ships. Navy officials told us that the Navy and OUSD(A&S) have inconsistent visibility across the funding, and that it depends on the specific type of funding. We found several examples of companies that received funding from two or more sources of DPA Title III, IBAS, and Navy supplier development funding.⁷² Navy officials told us that receiving funding from multiple sources does not necessarily indicate that there is duplicative or overlapping funding. However, without visibility into the funding provided from various sources, the Navy is not able to ensure that it can avoid duplicative or overlapping funding. OUSD(A&S) officials told us that while they had visibility into the Navy's industrial base investments for submarines, they did not have similar visibility into investments for surface ships, like the frigate or surface combatants. OUSD(A&S) officials told us that BlueForge Alliance, a third-party contractor, is expected to help coordinate efforts for the submarine industrial base with OUSD(A&S)'s IBAS program. However, this effort is not expected to include other funding sources, such as for the frigate, surface combatant industrial base, or DPA Title III.

Standards for Internal Control in the Federal Government states that management should communicate quality information externally and internally through reporting lines so that other parties can help the entity achieve its objectives and address related risks, such as duplication and overlap.⁷³ However, OUSD(A&S) officials stated they historically do not coordinate with the Navy on industrial base support. They explained that this was because OUSD(A&S) received IBAS funding to conduct work specifically associated with the submarine industrial base but did not receive funding to work with other elements of the shipbuilding industrial base. However, some of OUSD(A&S)'s investments, such as IBAS workforce projects, affect the shipbuilding industrial base broadly. Without regular coordination of expenditures across programs that support industrial capabilities, the Navy and OUSD(A&S) risk duplicating or overlapping efforts to bolster the

⁷²For example, we identified two companies that received both Navy and OUSD(A&S) investments. Specifically, one shipbuilding company received DPA Title III and IBAS workforce funding from OSD as well as Navy investments from the submarine industrial base. Another supplier also received DPA Title III funding and Navy surface combatant industrial base investments. Navy officials told us that these investments were not duplicative. However, the overlap in recipients of funding from more than one category underscores the risk of duplicative investments in the absence of visibility across funding categories.

⁷³GAO-14-704G.

private sector industrial base and are not able to evaluate the aggregate effect of their efforts.

Navy Plans to Provide Funding for Private Ship Repair Infrastructure Improvements Without Determining Needed Capacity

Navy officials with responsibility for ship repair told us that they plan to begin providing grant funding for private ship repair industrial base infrastructure improvements but have yet to determine the full amount of additional infrastructure the Navy needs for its surface ship repair.⁷⁴ The Navy's dry dock strategy states that the Navy seeks to promote growth in the private sector industrial base, and that investing is one mechanism it would use to influence such growth.⁷⁵ The Navy received authority in the National Defense Authorization Act for Fiscal Year 2024 to award grants to the ship repair industrial base for infrastructure—such as piers and dry docks—and maritime training programs.⁷⁶ The Navy plans to request funding associated with this effort, according to Navy officials.

⁷⁴The Navy has invested in the public shipyards through the Shipbuilding Infrastructure Optimization Plan since 2018 to improve repair infrastructure. See [GAO-23-106067](#). However, it has yet to make investments in private industry repair yards.

⁷⁵U.S. Navy, Naval Sea Systems Command SEA21, *Report to Congress Navy Dry Dock Strategy for Surface Ship Maintenance & Repair*, (Washington, D.C.: May 2022).

⁷⁶The National Defense Authorization Act for Fiscal Year 2024 states that a grant provided for ship repair may not be used to construct buildings or other physical facilities, except for piers, dry docks, and structures in support of piers and dry docks, or to acquire land. Pub. L. No. 118-31, § 1017 (2023)(adding Section 2219(a)(3) to Title 10, U.S. Code).

Investments in the Private Ship Industrial Base from Sources Outside of the Navy

While private ship repair companies have yet to receive direct investments from the Navy, some private ship repair companies receive funding from state and local governments, in addition to grants from the Maritime Administration. For example, the Virginia Commonwealth Development Opportunity Fund provided over \$3 million in grants to two private ship repair companies and one shipbuilding company in Virginia.

The Department of Transportation's Maritime Administration awards grants annually under the Small Shipyard Grant program. According to officials, the Maritime Administration receives around \$20 million annually for the grant program, though they stated the amount in fiscal year 2024 was \$8.75 million. Officials also stated that the companies usually request grant money for infrastructure projects, though some also apply for workforce training grants. In addition to the Small Shipyard Grant, the Maritime Administration also distributed over \$3.3 million in fiscal year 2022 to a Navy shipbuilding company through the Marine Highway Program Grant.

Source: State government and Department of Transportation information. | GAO-25-106286

The statute states that awarded grants must improve the abilities of Navy ship repair or the ship repair workforce.⁷⁷ Navy officials said that the planned grant program for ship repair would follow a process like the Maritime Administration's Small Shipyard Grants, which officials from the Maritime Administration told us had distributed \$302 million across 351 grants to small shipyards over 15 years, as of 2023. The officials noted that this program supports a wide range of small companies, both inside and outside the Navy's ship industrial base. We found that this program provided over \$23.6 million in grants to the Navy's shipbuilding and ship repair industrial base from fiscal years 2016 to 2023 (see sidebar). Navy officials added that, like the Maritime Administration's program, private companies would propose project ideas under the Navy's planned grant program.⁷⁸

However, while the Navy generally seeks to expand private dry dock capacity for emergent repair needs and to provide surge capacity for non-peacetime scenarios as previously discussed, it has yet to determine the capacity it needs. For example, the Navy has yet to estimate how much infrastructure it would need to address growth work, emergent repairs, and non-peacetime needs. Navy officials told us that the Navy has yet to decide if it should seek ship repair infrastructure sized to meet needs in a peacetime or a non-peacetime environment. Further, officials also stated that the Navy has yet to define a requirement for the exact number of extra docks needed for surge capacity, and they are not aware of any analysis work in the Navy to determine such needs.

Standards for Internal Control in the Federal Government state that management should use quality information to make informed decisions and evaluate the entity's performance in achieving key objectives and addressing risks.⁷⁹ Without identifying the required infrastructure capacity needed for surface ship repair, the Navy does not have the information it would need to make informed decisions about where it should provide

⁷⁷Pub. L. No. 118-31, § 1017 (2023) (adding Section 2219(a)(3) to Title 10, U.S. Code).

⁷⁸The Maritime Administration's Small Shipyard Grant Program solicits and reviews project proposals from shipyards. Shipyards submit applications with basic descriptors of their business and project proposal. The application should include a quantitative analysis on how the project will foster efficiency for infrastructure and productivity for workforce; a timeline for the project; other federal funds the project will use; and other considerations. The Maritime Administration will then review applications and award grants based on merit criteria concerning project benefits and other selection considerations, such as safety and the environment.

⁷⁹GAO-14-704G.

grant funding and in what amount. Should the Navy provide grants to the ship repair industrial base without basing its decisions on quality information about its needs, it risks contributing excess capacity to the repair market and interrupting the competitive environment. For example, if the Navy added excess dry dock capacity to a region, it could result in companies with empty dry docks that may struggle to recoup their business costs and remain viable competitors.

Navy's Approach to Industrial Base Management Is Not Guided by a Long-Term Strategy or Coordinated Leadership

The Navy's current approach for managing the ship industrial base has been largely ineffective at encouraging private industry to invest independently. Further, the Navy does not have an industrial base strategy and has not had coordinated leadership to guide future efforts in this area. The Navy has sought to spur the industrial base to invest in infrastructure and workforce through its efforts to communicate stable demand. However, the Navy's reported methods for doing so—long-range planning and the use of contracting strategies intended to provide stability—have not resulted in sufficient industry investments to date to meet the Navy's capacity needs.⁸⁰ Further, the Navy faces many competing priorities in managing the industrial base in shipbuilding and ship repair, and overlap between companies in these markets complicates Navy decision-making. While a ship industrial base strategy and a cohesive leadership structure for the ship industrial base could position the Navy to effectively address these challenges in the future, the Navy has yet to develop such a strategy and has only recently begun the process of establishing coordinated leadership to guide its efforts.

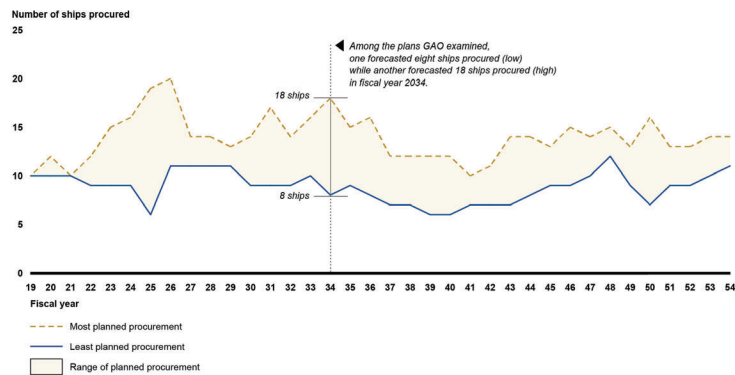
Navy's Plans and Strategies to Provide Stable Projection of Workload Are Ineffective at Encouraging Industry Investment

The Navy has sought to motivate industry investment through long-range planning and use of contracting strategies intended in part to provide stability and which can signal demand, but neither approach has proven effective at achieving the Navy's goal to date. The Navy's long-range plans for shipbuilding and repair state that a stable workload is key to encouraging private companies to invest in areas that would benefit the Navy in the long term, such as workforce or infrastructure. However, we found that (1) the Navy does not convey a stable demand signal with its plans and workload projections, and (2) even when the Navy has sought to convey stable demand—such as with the use of contracting strategies

⁸⁰Statutes provide special acquisition authorities that enable the purchase of multiple ships in bulk to achieve cost savings. We refer to these special acquisition authorities as "multi-ship acquisition authorities." These authorities include multiyear procurement authorities pursuant to 10 U.S.C. § 3501, as well as other provisions. Section 3501 authority, for example, may be used if such a contract will result in significant savings in anticipated costs or necessary defense industrial base stability not otherwise achievable through annual contracts.

Shipbuilding Plans and Repair Projections Routinely Change	<p>like multi-ship acquisition authorities—it has not spurred the industrial base to make independent investments in line with the Navy's goals.</p> <p>The Navy aims to communicate future demand for shipbuilding and ship repair by releasing long-range shipbuilding plans, as well as shorter-term projections of repair work. However, the Navy has routinely made significant revisions to these plans and projections. As a result, the Navy does not provide the industrial base with a stable demand signal on which to base investment decisions through these mechanisms.</p> <p>Shipbuilding Plans</p> <p>According to the Navy's most recent shipbuilding plan, it uses stable demand as an approach to promote private industry investment in shipbuilding infrastructure and workforce to create a healthy shipbuilding industrial base. However, our analysis of the Navy's shipbuilding plans for fiscal years 2019 through 2025 found that the Navy made significant changes to these plans from year to year, resulting in an unreliable signal of shipbuilding demand. For example, the Navy planned in its fiscal year 2019 plan to procure 11 ships in fiscal year 2025. Under its fiscal year 2025 plan, however, the Navy reduced its procurement plans for fiscal year 2025 to six ships—about half of its earlier estimate. Figure 7 shows the greatest and least number of ships the Navy has planned to procure for each fiscal year in recent shipbuilding plans.</p>
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Figure 7: Greatest and Least Number of Ships Planned for Procurement in Navy Annual Shipbuilding Plans, Fiscal Years 2019-2025



Source: GAO analysis of Navy shipbuilding plans. | GAO-25-106286

Note: Shipbuilding plans contain projections of future ship procurements, and as such not every plan includes projections for fiscal years 2019 through 2024. Additionally, since each shipbuilding plan projects the next 30 years, years 2049 through 2054 only reflect projections from more recent shipbuilding plans. The Navy did not release a shipbuilding plan for fiscal year 2021 and the Navy's fiscal year 2022 shipbuilding plan did not include 30-year procurement projections. The fiscal years 2023 through 2025 plans included multiple variations of potential future procurement, with each variation differing in the number of ships the Navy would buy.

Additionally, the Navy included options for the number of ships it would procure annually in its shipbuilding plans in fiscal years 2023, 2024, and 2025. For example, under its fiscal year 2024 plan, the Navy proposed three options, under which it could procure between eight and 13 ships in fiscal year 2034. The options included in the Navy's shipbuilding plans further reduce the stability of demand the Navy signals to private industry.

Ship Repair Projections

The Navy's maintenance plan states that demonstrating steady demand for ship repair, such as through projections of ship repair work, is the most consequential action the Navy can take to improve repair

outcomes—such as reducing maintenance delays. This is because the Navy expects stable demand to enable private companies to invest in infrastructure, such as dry docks and workforce. Navy officials told us that bi-monthly workload projections were the primary method of communicating upcoming demand for ship repair to the private sector.⁸¹

However, our analysis of these projections—which provide ship repair companies with an estimated workload for the current and next 3 fiscal years—shows that (1) the amount of work the Navy projected for private repair companies fluctuated significantly, and (2) the Navy consistently reduced the expected volume of workload over time.⁸² For example:

- In fiscal years 2022, 2023, and 2024, the Navy’s annual projections for the number of labor days of repair work for the private sector fluctuated by nearly 2 million labor days—based on bi-monthly projections the Navy published during a 4-year period.⁸³
- The Navy’s projections for future work that ship repair companies can expect have declined over time. As of April 2024, the Navy projects roughly a third less repair work in fiscal year 2027 than it had for fiscal year 2021.⁸⁴ Navy officials told us that most of this decline is attributable to ship decommissioning. See figure 8.

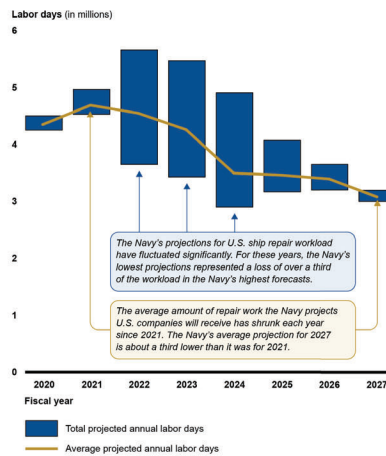
⁸¹As we previously reported, the Navy’s current contracting strategy allows for bundling multiple repair periods together under a single contract. The Navy intends this approach to increase contractors’ visibility into and confidence regarding future ship repair workloads. See [GAO-20-370](#). However, a senior official from NAVSEA’s contracts division told us that use of bundling has not been frequent. Officials from NAVSEA’s Directorate for Surface Ship Maintenance, Modernization and Sustainment told us that in some instances bundling repair periods increases the complexity of the Navy’s planning efforts.

⁸²The Navy’s workload projections include upcoming depot maintenance periods across each of the Navy’s five domestic fleet concentration areas and generally include projections for the current fiscal year as well as the next 3 fiscal years.

⁸³A labor day is the amount of work expected to be completed by a single full-time equivalent employee during a normal work day.

⁸⁴Navy officials told us that this decline in workload is partly attributable to an improvement in their process for projecting surface ship repair work, which they implemented in February 2022. They stated that 8.8 percent of the decline in projected workload we identified is attributable to this process change. We conducted our analysis without accounting for this process change because we focused on the demand signal to the industrial base, and therefore based our calculations only on publicly available projections.

Figure 8: Change in Fiscal Years 2020-2024 Navy Projections for Domestic Ship Repair Workload,



Navy officials told us that many factors can influence the demand for ship repair, such as where ships are in their life cycle, ship count, and operational requirements. For example, the officials explained that when ships enter service at similar times they will also likely enter repair periods at similar times. They noted that this can drive cyclical demand for repair.

Contracting Strategies Navy Intended to Provide Stability Did Not Spur Investments as Expected

In addition to long-range plans, the Navy has also used contracting strategies intended to convey demand, such as by using multi-ship acquisition authorities that enable DOD to purchase multiple ships to achieve cost savings or, in some cases, target industrial base stability. Contracts awarded using multi-ship authorities may be valued at hundreds of millions of dollars to billions of dollars and signal the potential for years of stable work. However, we found that even with this demand

signal, shipbuilders and ship repair companies have been reluctant to invest in their capability and capacity without additional Navy funding, such as investment incentives.⁸⁵

Shipbuilding Contracts

The Navy's 2024 shipbuilding plan notes that shipbuilders need work under contract to invest in the facilities, capital equipment, workforce, and processes to deliver affordable ships at the planned rate.⁸⁶ Representatives from five of the seven major Navy shipbuilders we spoke to noted that work under contract or a backlog of work was a useful indicator of future demand. However, certain improvements, such as major infrastructure projects, often take years to plan and complete. If contractors wait to invest in improvements until work is under contract, they may not have sufficient time to improve infrastructure or hire more workers as needed to meet the Navy's goals.

A senior official from NAVSEA's contracts division told us that they have not identified a method other than providing investment incentives due to the low number of shipbuilders available to do work. Even when using multi-ship contracting authorities or when there is a backlog of work under contract, we identified instances when shipbuilders were reluctant to make investments in infrastructure and workforce independent of contributions from the Navy. For example,

- The Navy's 45-day shipbuilding review concluded that industry has been slow to respond, and in many cases, reticent to invest, to correct known gaps such as in infrastructure and workforce.
- We found that two nuclear submarine shipbuilders did not make sufficient facilities investments to avoid schedule delays despite having a backlog of work. Officials from one of the shipbuilders told us they had reduced sustainment and maintenance spending on their facilities because they had limited capital to invest. The representatives explained that they had instead been using a large fraction of their capital to increase the size of the shipyard for Navy shipbuilding efforts. A May 2022 report by the Office of Cost

⁸⁵When using Multiyear Procurement Authority at 10 U.S.C. § 3501, in the event funds are not made available in succeeding years for the continuation of the contract, the contract must be canceled or terminated. See also Federal Acquisition Regulation 17.105-1(d).

⁸⁶U.S. Navy, Office of the Chief of Naval Operations, *Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2025* (Washington, D.C.: March 2024).

Assessment and Program Evaluation on the submarine industrial base found that the two nuclear shipbuilders' parent corporations place a priority on retaining a backlog of work to ensure a steady flow of work for the near future.⁸⁷ However, the report noted that, despite having an extensive backlog of work, the nuclear shipbuilders have made infrastructure investments that are "just in time" and "just enough," rather than being sized to recover from construction problems that regularly cause delays. This approach, the report concluded, has left the shipbuilders unable to recover from delays that arise from routine construction challenges, such as equipment maintenance or material delivery issues.

A senior official from NAVSEA's contracts division told us that the limited competition in the shipbuilding market does not foster an environment that encourages companies to invest without incentives.⁸⁸ As a result, the Navy has difficulty compelling the industrial base to make the investments that would enable it to produce ships in alignment with the Navy's shipbuilding plans in advance of contract awards and without incentives.

Ship Repair Contracting Strategies

Like shipbuilders, ship repair companies have demonstrated reluctance to make infrastructure investments in the past based on a demand signal from the Navy's contracting strategies.⁸⁹ For example, from 2004 to 2015, the Navy used a contracting strategy called Multi-Ship, Multi-Option. According to a November 2023 report on this repair contracting strategy, contracts were awarded for multiple availabilities for ship repair for an entire ship class or group of ship classes within their home port. The report also stated that Multi-Ship, Multi-Option contracts were awarded with options for up to 5 years based on notional work packages for each

⁸⁷Department of Defense, Office of Cost Assessment and Program Evaluation, *Submarine Industrial Base (SIB) Study Supporting Fiscal Year 2023 Program Review* (May 2022).

⁸⁸As noted above, on contracts that include a special incentive fee, a shipyard may earn a fee for making a Navy-approved investment. The special fee may pay for all or part of the investment, and in some cases, bridge the difference between the shipyard's desired rate of return and projected return on investment. Such incentives could include, for example, funding intended to encourage the contractors to invest in improving facilities or hiring additional workforce included in contracts. See, e.g., 10 U.S.C. § 8696 (Navy shipbuilding workforce development special incentive).

⁸⁹We previously reported that multiple contractor representatives stated they have always worked within an environment of peaks and valleys of workload regardless of the Navy's contracting strategy. [GAO-20-370](#).

ship.⁹⁰ Further, it also stated that the Navy had undertaken this approach, in part, to provide these companies the stability needed to make investments in their facilities and workforce. Representatives from some of the ship repair companies we spoke to told us that their workload was more stable under the Multi-Ship, Multi-Option contracting approach.⁹¹ The Navy's report found, however, that repair companies did not increase their capital investments in facilities even with 5 years of forecasted stability, and may have instead reduced their capital investment. While the Navy no longer uses this approach, its history with ship repair contracting strategies demonstrated that, even though representatives from some ship repair companies stated that their work was more stable under the Multi-Ship, Multi-Option strategy, ship repair companies did not increase capital investments.

Representatives from ship repair companies told us that under the Navy's current contracting approach, they do not have a high level of confidence or visibility into future repair work. Further, they stated that this uncertainty has affected their planning for hiring and facilities investments.⁹² However, as noted above, since the Navy has adopted its current repair contracting approach, some ship repair companies have

⁹⁰U.S. Navy, Naval Sea Systems Command, *Report to Congress on Effects of Multiple Award Contract-Multi Order -Contracting* (Washington, D.C.: November 2023). The Navy, under the Multi-Ship, Multi-Option approach, used cost reimbursement and single award indefinite delivery, indefinite quantity contracts. Cost-reimbursement contracts require the government to reimburse the contractor for its allowable incurred costs, regardless of whether the contractor completed the work. See Federal Acquisition Regulation 16.301-1. Indefinite delivery, indefinite quantity contracts allow the government to order a stated minimum quantity of supplies or services, and the government may place orders to meet its needs during the ordering period. Federal Acquisition Regulation 16.504

⁹¹The Navy's November 2023 report on its contracting strategy noted that this strategy contained more of an appearance of a guaranteed 5-year period of work than actually occurred. According to the Navy's report, each repair period beyond the initial one was a contract option that was not guaranteed to be exercised. In some instances, option repair periods were not performed by the company that had been awarded the Multi-Ship, Multi-Option contract, repair schedules changed or repair periods were canceled. These factors induced churn in the contractor workload forecasts, according to the report.

⁹²See GAO-20-370 for additional information. Under the Navy's current repair contracting strategy, it awards multiple- award indefinite delivery, indefinite quantity contracts to qualified contractors at specific home ports that can then compete for future repair periods, rather than all repair periods for a particular class of ships going to one contractor. See Federal Acquisition Regulation 16.504(c). These periods include an initial execution year, or base period, with four option years executable by the government. See Federal Acquisition Regulation 16.504(a)(4)(i). Several qualified contractors are available to subsequently compete for repair periods in a specific home port under delivery orders until contract expiration.

	made investments in ship repair infrastructure that will expand their capacity.
Navy Faces Challenges in Balancing Competing Industrial Base Priorities	<p>The Navy faces competing priorities in managing the shipbuilding and ship repair industrial base, a challenge that is compounded by overlap between the companies that conduct these types of work. In managing the ship industrial base, the Navy has sought to protect existing companies by providing sufficient work to ensure they stay in business. However, the Navy also seeks to increase opportunities for competition for Navy contracts. Increasing opportunities for competition could result from bringing additional companies into the ship industrial base or from adding capacity to existing companies so they can compete to be awarded additional contracts. These priorities can be at odds because, in a competitive environment, companies that do not obtain contract awards could struggle to remain viable. This is particularly true for Navy shipbuilding and ship repair, as some contractors are fully dependent on the Navy for work.</p> <p>The Navy's efforts to navigate these priorities have sometimes resulted in contradictory approaches, and the Navy has struggled to find balance. The Navy is also not structured for leadership to gain an understanding of the consequences of decisions intended to affect shipbuilding that could also affect repair, and vice-versa.</p>
Competing Priorities in Shipbuilding	<p>In shipbuilding, increasing the number of companies that can compete for Navy contracts could aid the Navy's goal of quickly increasing the size of the fleet. However, this priority is at odds with the Navy's desire to preserve the financial health of its existing shipbuilders. The Navy's fiscal year 2025 shipbuilding plan states that the limited availability of companies to compete for shipbuilding contracts has contributed to progressively higher costs to the government, greater fragility of the workforce, and reduced incentives for the private sector to invest in infrastructure. The plan also describes a new initiative in which the Navy plans to attract new market entrants and restore competition to the U.S. shipbuilding industry—referred to by the Navy as the Maritime Statecraft initiative. The plan describes this as a long-term initiative that would enable the Navy to deliver more ships on time and at a lower cost.</p> <p>We previously found that having few shipbuilders that are specialized for Navy shipbuilding and a low volume of ship procurement has limited the Navy's ability to award contracts competitively. While the Navy has an interest in increasing opportunities for competition among shipbuilders, it also wants to preserve these companies as part of the ship industrial</p>

base for future shipbuilding programs.⁹³ Figure 9 outlines examples of considerations between these competing priorities in the shipbuilding industrial base.

Figure 9: Examples of Competing Priorities in the Navy Shipbuilding Industrial Base



Source: GAO analysis of Navy contract file documents and other Department of Defense information; GAO (icons). | GAO-25-106286

In this complicated market environment, we found that, although the Navy seeks to increase opportunities for competition, it also regularly limited competition when procuring ships. We examined the Navy's justification and approval documents for using other than full and open competition for

⁹³GAO-17-211.

Competing Priorities in Ship Repair	<p>selected Navy shipbuilding contracts and identified a variety of Navy industrial base considerations for doing so.⁹⁴ These included:</p> <ul style="list-style-type: none"> • whether companies were already part of the Navy shipbuilding industrial base and were reliant on Navy contracts for their viability; • the need to maintain enough work for shipbuilding companies to retain an adequate number of workers; • whether shipbuilding companies had enough work to be able to maintain competitive prices; and • the cost to the government for developing new contractors for shipbuilding programs. <p>As the Navy seeks to provide competitive opportunities for future classes of ships, as called for in its fiscal year 2025 shipbuilding plan, it will need to determine how to navigate these competing priorities.</p>
	<p>The Navy has similar competing priorities related to the ship repair industrial base. In 2015, the Navy transitioned to a new contracting strategy with goals to increase competition and control costs, among other things.⁹⁵ However, it has also sought to preserve existing ship repair companies. Figure 10 outlines examples of considerations between these competing priorities in the ship repair industrial base.</p>

⁹⁴With limited exceptions, the government is to promote and provide for full and open competition, meaning all responsible sources are permitted to compete, when soliciting offers and awarding contracts. Contracts awarded using other than full and open competition must be generally supported by written justifications that provide sufficient facts and rationale to justify the specific exception to full and open competition that is being applied to the procurement. These justifications must be approved in writing by specific officials, depending on the dollar value of the procurement. See Federal Acquisition Regulation §§ 2.101, 6.1, 6.304. For the justification and approval documents we reviewed, a variety of exceptions were used, including Industrial mobilization; engineering, developmental, or research capability (Federal Acquisition Regulation 6.302-3) and only one responsible source and no other supplies or services will satisfy agency requirements (Federal Acquisition Regulation 6.302-3).

⁹⁵For additional information, see [GAO-20-370](#).

Figure 10: Examples of Competing Priorities in the Navy Ship Repair Industrial Base



Source: GAO analysis of Navy contract file documents and other Department of Defense information; GAO (icons). | GAO-25-106286

While the Navy has a goal to increase opportunities for competition in the ship repair market, we found the Navy has in some instances used other than full and open competition on its ship repair contracts. We reviewed justification and approval documents for using other than full and open competition from selected ship repair periods to identify the Navy's considerations for limiting competition on its ship repair contracts.⁹⁶ We found these considerations included:

- preventing the loss or degradation of existing skilled workforce;
- expanding dry dock capacity and providing training for a contractor to conduct Navy ship repairs at a new affiliate location; and
- ensuring existing repair companies remain in business.

⁹⁶The justification and approvals reviewed included the below Federal Acquisition Regulation authorities to limit competition: Federal Acquisition Regulation 6.302-1 (Only one responsible source and no other supplies or services will satisfy agency requirements), Federal Acquisition Regulation 6.302-2 (Unusual and compelling urgency), Federal Acquisition Regulation 6.302-3 (Industrial mobilization; engineering, developmental, or research capability; or expert service), and 6.302-7 (Public interest).

Navy Efforts to Increase San Diego Dry Dock Capacity Underscores Competing Priorities



In its fiscal year 2024 maintenance plan, the Navy reported procuring one government-operated dry dock and upgrading another in San Diego, California to increase dry docking capacity in the region.

Once the first new dry dock, a stationary dock at Naval Base San Diego, had been upgraded, the Navy made it available for contractors to use as a place of performance when submitting offers for certain ship repair contracts. The Navy reported competitively awarding a contract to a company (hereinafter referred to as Company A) that did not operate its own dry dock to conduct two consecutive ship repair periods in San Diego at the stationary dock.

Yet, many of the other maintenance periods that the Navy projected would be conducted by the industrial base at this time in the region were delayed, moved, or canceled, resulting in ship repair companies in San Diego that had no work to fill their privately-operated dry docks. For example, these delays or cancellations resulted in one repair company (hereinafter referred to as Company B) having an unused dry dock. To stabilize Company B's workload and thereby prevent layoffs of the skilled workforce, the Navy reported moving the place of performance for a maintenance period that had been scheduled to occur at the Navy's stationary dock in San Diego to a dry dock operated by Company B. The Navy told GAO that adjusting scheduling for the stationary dry dock at Naval Base San Diego also enabled them to address emergent repair needs.

However, according to Navy documents, moving the place of performance cost \$23 million.

Source: GAO analysis of Navy data (text); Eshaan Saavan Patel (photo). | GAO-25-106286

These considerations reflect a tension between a desire to grow the ship repair industrial base and maintain existing companies. This tension can be illustrated in examining dry docks, a key component of ship repair infrastructure. The Navy's dry dock strategy states that it is critical that the Navy preserve some level of dry dock surge capacity—additional dry docks beyond the minimum required to perform planned maintenance.

Ship repair company representatives told us that maintaining excess infrastructure to provide surge capacity was too costly and could place the financial health of their companies at risk. Officials from one repair company told us that they operated a dry dock that had mostly remained empty, and to reduce costs and avoid competition with other domestic companies, they were considering selling a dry dock to a foreign company. The Navy has purchased dry docks in one of its five domestic ship repair fleet concentration areas—San Diego—to provide such additional capacity, but it has struggled to use these dry docks without disruption to the industrial base (see sidebar).

Competing Priorities
Complicated by Overlap in
Ship Industrial Base

Further complicating the Navy's efforts to manage the ship industrial base is the substantial overlap between companies in the two areas of shipbuilding and ship repair. Specifically, all seven of the major shipbuilders operate repair facilities or are owned by companies that also operate affiliated repair shipyards in the United States.

The Navy's approach for managing the industrial base treats shipbuilding and ship repair separately, resulting in differing approaches. For example, the Navy's May 2022 dry dock report—its most recent report on its approach to using private industry and government-owned dry docks—cautioned that direct investment in the industrial base may disrupt industry's ability to achieve growth and the Navy's ability to treat companies equitably. Navy officials told us that avoiding disrupting the competitive environment was a key consideration for their approach to investing in the private ship repair industry. Although the Navy plans to begin a grant program for ship repair as described above, the Navy's dry dock strategy states that the Navy prefers to use the demand signal to encourage private industry to invest and characterizes investments in ship repair as a last resort. In contrast, the Navy's most recent shipbuilding plan stated that the Navy needed to directly invest in shipbuilders to support new construction and outlined \$2.6 billion in investments for fiscal year 2023, with more planned in future years.

Navy officials told us that they do not see these differing approaches as contradictory because there are different dynamics in the shipbuilding and ship repair markets. For example, they said that ship repair is more competitive, and ship repair companies do not generally have a backlog of work. As a result, they stated that investments in ship repair would have a greater impact on the competitive environment.

However, since there is overlap between companies in the shipbuilding and ship repair industrial base, the Navy's actions could have an effect across the shipbuilding and ship repair environment. For example, the parent companies of some ship repair companies have benefited from Navy investments in shipbuilders because they also operate as shipbuilders. Examples of how its differing approaches can have influence across these two sections of industry could include:

- Contracting actions taken to protect the existing shipbuilding industrial base, such as awarding contracts using other than full and open

	<p>competition, could affect companies' overhead rates and their competitive position to win contract awards in ship repair.⁹⁷</p> <ul style="list-style-type: none"> • Direct investments to bolster shipbuilders could also drive down their overhead rates and enable them to be more competitive for ship repair contracts.
Navy Does Not Have a Strategy or Coordinated Leadership for Managing Ship Industrial Base Challenges	<p>The Navy does not have a long-term strategy to help navigate its competing priorities within the shipbuilding and ship repair industrial bases. Additionally, the Navy's organizational structure hinders effective coordination on its surface ships. Specifically, while the ASN (RD&A) has direct oversight of the offices responsible for aircraft carrier and submarine repairs, it does not have direct oversight of the office responsible for managing surface ship repairs. This organizational structure makes it more difficult for the ASN (RD&A) to fulfill its responsibilities for the repair portion of life-cycle management.⁹⁸ Further, the Navy has not had a coordinated leadership position to advise the ASN (RD&A) on the ship industrial base as a whole, despite overlap between the companies in the shipbuilding and ship repair industrial base. However, the Navy recently established a new program office intended to provide such coordinated leadership.</p>
Navy Does Not Have a Long-Term Strategy for Managing the Ship Industrial Base	<p>Our prior work shows that strategic planning that results in a consolidated and comprehensive strategy enables decision-makers to better guide program efforts and determine if these efforts are achieving intended results. We previously identified desirable characteristics of a national strategy, which include: identification of the problems the strategy intends to address; goals; how the strategy relates to other strategies; and resources and investments and where they should be targeted.⁹⁹ These characteristics cover actions an agency should consider from conception</p>

⁹⁷Costs that are typically classified as overhead because they are not directly assignable to a specific contract but rather support a company's total business, include those of facilities and equipment, administrative and general office support, computer operations, managers' salaries, and security. See GAO, *Overhead Costs: Defense Industry Initiatives to Control Overhead Rates*, NSIAD-95-115 (Washington, D.C.: May 3, 1995). See Federal Acquisition Regulation 6.300 for regulations regarding contracting without providing for full and open competition. Federal Acquisition Regulation 6.302-3.

⁹⁸Life-cycle management includes the acquisition, sustainment, modernization, and final disposal of a system, such as a ship.

⁹⁹See GAO-22-104154 for additional information on the desirable characteristics of a national strategy.

Navy Leadership Is Not
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Repair

to implementation of a strategy to help it achieve results, evaluate progress, and ensure accountability.

DOD released a National Defense Industrial Strategy in November 2023 that included some of these elements, including the problems the strategy is intended to address (such as weaknesses in the supply chain) and goals for addressing these problems (such as improving supply chain resiliency by investing in extra capacity).¹⁰⁰ DOD's strategy, however, does not include information to specifically guide the Navy's management of the ship industrial base.

The Navy established a new program office in September 2024 that Navy officials told us will be positioned to develop a strategy for the ship industrial base. They stated that they plan to have additional details about the strategy available in early 2025. Until the Navy develops and implements a ship-specific industrial base strategy, it will not be able to effectively align or assess its actions to manage the industrial base for both shipbuilding and repair. Further, clarifying in the strategy how its approach to the ship industrial base integrates with DOD's National Defense Industrial Strategy would also reflect the characteristics of a desirable national strategy, which includes establishing relationships between strategies. Additionally, such a strategy could include performance measures to gauge results from investments in the ship industrial base and provide a framework for navigating the Navy's competing priorities.

The ASN (RD&A) does not have authority over the organization responsible for surface ship maintenance and modernization, which hinders the ASN (RD&A)'s ability to fulfill its responsibilities for life-cycle management.¹⁰¹ The ASN (RD&A)'s role was expanded under the John S. McCain National Defense Authorization Act for Fiscal Year 2019 to include overall supervision of sustainment, including maintenance, as part of life-cycle management of Navy systems, such as ships.¹⁰²

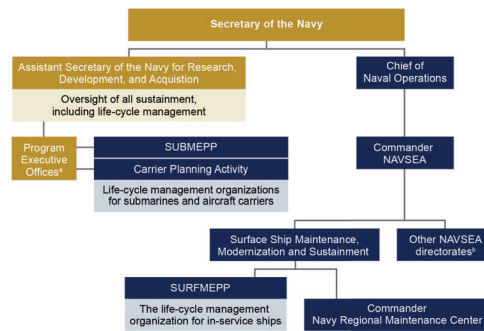
¹⁰⁰See GAO-22-104154. We made six recommendations related to elements that should be included in DOD's industrial base strategy. DOD and the military departments partially concurred with one recommendation and fully concurred with the rest. We continue to monitor DOD's implementation of its effort to further develop its strategy.

¹⁰¹The ASN (RD&A) maintains contracting authority for NAVSEA and for surface ship contracting within the continental United States.

¹⁰²Pub. L. No. 115-232, § 915 (2018)(amending 10 U.S.C. § 5016(b)(4)(A)), which has been renumbered 10 U.S.C. § 8016(b)(4)(A)).

Program Executive Office (PEO) Ships, the subordinate organization tasked to advise the ASN (RD&A) on surface ships, does not have the authority over surface ship repair needed to inform the ASN (RD&A)'s overall supervision of repair. The ASN (RD&A) has oversight responsibility for the Navy's PEOs, which are responsible for all aspects of life-cycle management—which includes acquisition and sustainment—for their respective programs. However, PEO Ships does not have a direct line of authority over NAVSEA's Directorate for Surface Ship Maintenance, Modernization and Sustainment, which is the Navy's dedicated life-cycle management organization for in-service surface ships. In contrast, PEO Submarines and PEO Carriers have direct lines of authority over the Submarine Maintenance Engineering, Planning and Procurement office and the Carrier Planning Activity, the organizations responsible for life-cycle management for submarines and carriers, respectively (see fig. 11).

Figure 11: Organizational Structure for the Navy with Ship Repair Oversight Responsibility



■ Navy military organizations
 ■ Department of the Navy civilian organizations
 ■ Ship and submarine life-cycle management responsibilities

NAVSEA = Naval Sea Systems Command
 SUBMEPP = Submarine Maintenance Engineering, Planning and Procurement
 SURFMEPP = Surface Maintenance Engineering, Planning Program
 Source: GAO analysis of Navy documents. | GAO-25-106286

NAVSEA's Directorate for Surface Ship Maintenance, Modernization and Sustainment reports to the Chief of Naval Operations through the Commander of NAVSEA. ASN (RD&A) leadership told us that after sustainment was added to the ASN (RD&A)'s responsibilities, the Navy had reorganized, assigning responsibility for the construction and repair of aircraft carriers and submarines to their respective PEOs. However, ASN (RD&A) leadership stated the Navy has yet to conduct a similar reorganization for surface ships. ASN (RD&A) leadership told us they recognized it as a challenge that there was no coordinated leadership, but they have yet to fully analyze how to adjust the organizational structure. As a result, neither the ASN (RD&A) nor the PEOs can fully coordinate actions that affect the industrial base's ability to support shipbuilding and

ASN (RD&A) Is Establishing an Office to Better Coordinate the Navy's Industrial Base Approach	<p>repair for surface ships, such as making investments in infrastructure or workforce.</p> <p><i>Standards for Internal Control in the Federal Government</i> calls for agency management to establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.¹⁰³ Evaluating how to align NAVSEA's Directorate for Surface Ship Maintenance, Modernization and Sustainment more directly under the ASN(RD&A)'s authority and oversight, such as by placing it under a PEO, would position the Navy to manage the ship repair industrial base more holistically and effectively.</p> <p>The ASN (RD&A) is responsible for Navy acquisition and sustainment, but it has not had an executive-level manager to serve as the assistant secretary's principal advisor on the ship industrial base. We found that neither DASN Sustainment nor DASN Ships, the relevant offices at the DASN-level, are well positioned to provide integrated oversight based on their roles and responsibilities. The ASN (RD&A) told us that DASN Sustainment only oversees some aspects of sustainment, and the official responsible for DASN Sustainment told us that DASN Ships has better insight into industrial base issues. However, DASN Ships does not have an executive position with full-time responsibility for industrial base oversight. The ASN (RD&A) explained that DASN Ships previously had someone in a temporary position to oversee the industrial base. Moreover, as noted above, PEO Ships does not have direct oversight of the ship repair industrial base.</p> <p>After discussions with us about these issues in March 2024, the Navy announced efforts to create a new program office that could provide better oversight of the ship industrial base. In June 2024, the ASN (RD&A) released a memorandum establishing the Maritime Industrial Base program office. This program office is intended to manage the ship industrial base, including the industrial base that supports submarine and surface shipbuilding and ship repair. According to the memorandum, this new organization will directly report to the ASN (RD&A) on ship industrial base issues and will incorporate several existing smaller industrial base management organizations. The memorandum also states that, due to the size and scope of the Navy's ship industrial base efforts, the head of the program office will be a dedicated, full-time executive. The Navy plans to treat the ship industrial base as a major acquisition program, and as</p>
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¹⁰³GAO-14-704G.

such, the head of the program office will be tasked with establishing an acquisition strategy for related efforts. The ASN (RD&A) directed the office to begin operating on August 1, 2024, but Navy officials told us it was formally established in September 2024. We will continue to monitor the efforts the Navy is initiating through this newly formed office.

Conclusions

Problems in Navy shipbuilding and repair have remained relatively unchanged over the past decades—programs are not achieving cost and schedule goals, and as a result, the battle force is not sufficiently modernized and ready to meet national security needs. These problems are in part because the ship industrial base faces workforce and infrastructure challenges that put the Navy's goals out of reach. Yet, the Navy continues to expect different performance outcomes in the coming years than it has achieved in the past. There is no basis for expecting industrial base outcomes to improve without changes from the Navy that would motivate a different level of private industry investment and performance.

In large part, the Navy's approach for improving the private ship industrial base is to continue to provide shipbuilding companies and their suppliers with increasing financial support, and to begin to do so for ship repair companies. Well-targeted investments that are tied to specific program outcomes could influence improved performance on the current programs of record. Achieving such outcomes demands that the Navy track and monitor its investments in the ship industrial base—specifically its contract investment incentives. Moreover, the Navy could bolster its ability to improve the industrial base if it consistently evaluated its investments based on performance metrics to determine whether its overall industrial base investments are effective and adjusting as necessary. Further, to prevent duplication and overlap of their investments, the offices in the Navy and OSD that distribute industrial base funding would benefit from coordinated visibility into the various efforts across the department. Finally, before it begins investing in the ship repair industrial base in the way it does for shipbuilding, the Navy would benefit from first establishing an understanding of its needs to avoid providing too much infrastructure and disrupting the market for repair.

Enduring changes require a strategic, rather than reactive, approach. As such, developing a strategy to motivate the ship industrial base to perform better—including goals and the resources it needs to achieve them—will help the Navy break a cycle of poor performance that has stifled the growth and modernization of the fleet for decades. Development of a

successful strategy will involve effort from the Navy to resolve the underlying tensions between its desire to increase opportunities for competition and protect the existing industrial base from the negative outcomes that would normally result from underperformance in a competitive market. Further, evaluating changes to the Navy's organizational structure could position the Navy to ensure that the ASN (RD&A) has the appropriate line of authority to carry out its responsibilities related to oversight of acquisition and sustainment, including for the industrial base that carries out these functions.

Recommendations for Executive Action

We are making the following six recommendations to DOD:

The Secretary of the Navy should ensure that the Commander of Naval Sea Systems Command (NAVSEA) updates and implements its policies to require its Contracts Directorate to centrally collect data for shipyard investment incentives from contracting officers and its Program Management Offices' contracting officer's representatives to track and monitor its incentive efforts on an ongoing basis. (Recommendation 1)

The Secretary of the Navy should develop performance metrics to assess the programmatic and aggregate effect of the Navy's ship industrial base investments. (Recommendation 2)

The Secretary of Defense should ensure that the Office of the Under Secretary of Defense for Acquisition and Sustainment and the Secretary of the Navy regularly coordinate on industrial base support investments, to include collecting and sharing relevant data. (Recommendation 3)

The Secretary of the Navy should ensure that grant funding or other support efforts the Navy provides for the ship repair industrial base are informed by analysis that identifies the required infrastructure capacity needed for surface ship repair. (Recommendation 4)

The Secretary of the Navy should develop a ship industrial base strategy that aligns with the National Defense Industrial Strategy and adheres to the desirable characteristics of a national strategy. (Recommendation 5)

The Secretary of the Navy should evaluate how to ensure ASN (RD&A) has the line of authority it needs to carry out its responsibilities for acquisition and sustainment, including repair, for example, by reorganizing NAVSEA's Director for Surface Ship Maintenance, Modernization and Sustainment to fall under PEO Ships' authority, and act on the results of this evaluation, as appropriate. (Recommendation 6)

Agency Comments

We provided a draft of our report to DOD for review and comment in October 2024. As of February 2025, DOD had not provided official comments on this report. The Navy provided draft comments indicating that it generally concurred with the substance of the recommendations. The Navy stated that Recommendation 1 on collecting and monitoring investment incentive data should include additional parties within the Navy. We agreed and adjusted our recommendation accordingly. The Navy also provided technical comments, which we incorporated as appropriate.

We also provided a draft of our report to the Department of Transportation for review and comment. Officials from the Department of Transportation informed us that they did not have comments on the report.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, the Secretary of the Navy, Secretary of Transportation, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

Should you or your staff have questions, please contact us at (202) 512-4841 or oakleys@gao.gov or at (202) 512-9627 or maurerd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.



Shelby S. Oakley
Director, Contracting and National Security Acquisitions



Diana Maurer
Director, Defense Capabilities and Management

List of Committees

The Honorable Roger Wicker
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Mike Rogers
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

Appendix I: Objectives, Scope, and Methodology

This report examines (1) the extent to which the industrial base can support the Navy's shipbuilding and repair goals; (2) the extent to which the Department of Defense (DOD) is taking actions to support the industrial base for Navy shipbuilding and ship repair and determining the effectiveness of those actions; and (3) the extent to which the Navy is taking a strategic approach to address the challenges it faces managing the industrial base to meet its long-term shipbuilding and repair goals.

In general, our work focuses on the capability and capacity that private industry provides to support Navy shipbuilding and repair efforts.¹ In shipbuilding, we included the work conducted by the private sector industrial base at contractor-owned shipyards in our review; we did not include the work performed by suppliers to produce materials for shipbuilding programs. For ship repair, we included work conducted by the private sector industrial base in our review, to include work performed at contractor-owned facilities and work performed by private contractors at government-owned facilities. We did not include repair work conducted at the Navy's four public shipyards—part of the organic industrial base—which includes most submarine and aircraft carrier maintenance, or work performed by suppliers for ship repair. Our analysis is focused on the

¹While we focused this review on the private industry for surface ship repair, we have reported extensively on the Navy's ability to conduct repairs of aircraft carriers and submarines at its public shipyards. Our work has identified poor conditions at the public shipyards and the challenges the Navy faces in improving them; delays in repairs conducted by the Navy; and limitations to the Navy workforce that repairs submarines and aircraft carriers. See GAO, *Naval Shipyards: Ongoing Challenges Could Jeopardize Navy's Ability to Improve Shipyards*, GAO-22-105993 (Washington, D.C.: May 10, 2022) for an overview of this work.

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industrial base as it relates to shipbuilding programs for the Navy's battle force, and major repair periods for the Navy's nonnuclear surface fleet.²

To assess the extent to which the industrial base can support the Navy's shipbuilding and repair goals, we compiled information from our prior work—from 2017 to 2024—on Navy shipbuilding and ship repair programs as it relates to the industrial base to identify trends. We also analyzed the Navy's Annual Long-Range Plan for the Construction of Naval Vessels for each year from fiscal years 2015 to 2025 and its Annual Long-Range Framework for Maintenance and Modernization of Naval Vessels from fiscal years 2023 to 2025 for information about the industrial base.³

For the shipbuilding industrial base, we compared the planned rate of delivery for two ship classes—the *Virginia* class submarine and *Arleigh Burke* class destroyer—to the actual rate of deliveries that appear in the Navy's budget documentation. We selected these classes because they have a high volume of production and have been in production for decades. Further, we examined DOD, Navy, and contractor documentation to identify information about the extent of shipbuilding program delays and the associated causes. In addition to identifying delays reported in the Navy 45-day Shipbuilding Review Briefing, for destroyers, we identified Navy reported contract delivery dates in program

²According to the Navy, battle force ships are warships capable of contributing to combat operations, or that contribute directly to Navy warfighting or support missions. The Navy conducts repair availabilities during peace time that range from a few weeks to over a year. Major repair periods, called Chief of Naval Operations availabilities, are conducted to accomplish significant planned repair work, such as structural, mechanical, and electrical repairs. These may include modernization work to upgrade a ship's capabilities along with repair work, and they can last for over a year. Other types of repair periods accomplish non-major repair work requiring relatively little time compared to Chief of Naval Operations repair periods—typically only weeks to a few months in duration. Non-major repair periods include continuous maintenance periods and emergent maintenance periods. Continuous maintenance periods accomplish planned, non-major repair work. For example, continuous maintenance periods may involve repainting parts of a ship or repairing the nonskid surfaces on a flight deck. Emergent maintenance periods accomplish unplanned repair work of an urgent nature when the risk of prolonged disruption to a ship's operations makes higher payments for repair acceptable. These repair periods are only completed on an as-needed basis to keep a ship operating.

³U.S. Navy, Office of the Chief of Naval Operations, *Long-Range Plan for Construction of Naval Vessels*, (Washington, D.C.: June 2014, March 2015, April 2016, February 2018, March 2019, December 2020, June 2021, April 2022, March 2023, March 2024); U.S. Navy, Naval Sea Systems Command, *Long-Range Framework for Maintenance and Modernization of Naval Vessels*, (Washington, D.C.: August 2022, April 2023, March 2024).

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briefings. For other classes of ships, we identified contract delivery dates in detail, design, and construction contracts. We conducted analysis to compare contract delivery dates with estimated delivery dates listed in the Navy's fiscal year 2025 budget request. We excluded the Littoral Combat Ship because the Navy is not planning to procure additional quantities of this class under its shipbuilding plan, as well as ships that have recently started construction and for which we did not have sufficient data to measure performance. We also excluded command and support ships from our analysis. Documents we examined include the Navy's 45-Day Shipbuilding Review Briefing; Selected Acquisition Reports; Navy program budget briefings; and contractor-produced briefing documents.⁴ We also used these documents to identify instances of shipbuilder workforce and infrastructure problems that affected shipbuilding program performance.

For the ship repair industrial base, we analyzed Navy and contractor documentation to determine the extent to which it has the number of government-owned and privately-owned dry docks—the most constrained element of ship repair infrastructure—to meet the Navy's plans based on its assessment of its peace time needs. The documents we examined include the Report to Congress on *Navy Dry Dock Strategy for Surface Ship Maintenance & Repair* and related analysis, long-range maintenance plans, documentation on fleet priorities, and contractor briefing documents.⁵ To determine the extent to which the industrial base has sufficient workforce to meet the Navy's repair needs, we examined the February 2024 projection produced by the Director for Surface Ship Maintenance, Modernization, and Sustainment from Naval Sea Systems Command; the long-range maintenance plan; and contracting documents that include information about workforce.⁶ We also conducted site visits and interviews, described in detail later in this appendix.

To determine the extent to which DOD is taking actions to support the industrial base for Navy shipbuilding and ship repair, we reviewed Navy and Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD)(A&S)) budget and briefing documents, as well as investment information provided by offices across the department. We

⁴U.S. Navy, *45-day Shipbuilding Review* (2024).

⁵Department of the Navy, Naval Sea Systems Command, *Report to Congress Navy Dry Dock Strategy for Surface Ship Maintenance & Repair*, (Washington, D.C.: May 2022).

⁶U.S. Navy, Naval Sea Systems Command, *Long-Range Framework for Maintenance and Modernization of Naval Vessels*, (Washington, D.C.: March 2024).

selected a historical time frame of 10 years, from fiscal years 2014 to 2023, as the Office of the Secretary of Defense's (OSD) Industrial Base Analysis and Sustainment (IBAS) office was established in fiscal year 2014. This period also encapsulates investments the Navy has made in other efforts, like the submarine industrial base, and surface combatant industrial base, including for the frigate program, which started in fiscal year 2018 or later. To examine future years, we selected fiscal years 2024 to 2028 because this period covers planned spending in the Future Years Defense Program that appears in budget documents.

To identify the Navy's investments in the ship industrial base, we reviewed Navy budget materials. Specifically, we reviewed materials pertaining to the submarine industrial base, surface combatant industrial base, the frigate program, and Manufacturing Technology program. For Navy direct investments in the National Shipbuilding Research Program, Navy shipyard investment incentives on contract, and OSD direct investments for IBAS and Defense Production Act (DPA) Title III, we requested and reviewed funding data covering fiscal years 2014 to 2023 from offices across the department. We also interviewed relevant officials and reviewed related documents—such as program briefings, policy, and contract documents—about the mechanisms DOD uses to track investment data. For OSD direct investments in the Defense Manufacturing Community Support Program, we reviewed OSD's public reporting of funding awards. We confirmed with a Navy official knowledgeable about the industrial base that we had identified the major sources of investments into the ship industrial base.

To understand the extent to which DOD determined the effectiveness of actions to support the industrial base, we compared the Navy's efforts to track its contract investment incentives and direct investments to its policy and with selected standards outlined in *Standards for Internal Control in the Federal Government*.⁷ Of specific relevance were internal control principles that emphasize management's responsibility to obtain relevant data from reliable sources in a timely manner for effective monitoring. Additionally, we examined the Navy's and OSD's efforts to collect investment outcome metrics and to establish visibility across investments. We reviewed relevant documentation—like program briefings, contract documents, and project funding awards—and conducted interviews with shipbuilding company representatives and DOD officials to determine the

⁷GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

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extent that DOD is collecting outcome metrics and coordinating on different investments. We compared these efforts to internal control principles for designing control activities to achieve objectives, such as activities to monitor performance measures and indicators, and internal control principles to communicate quality information externally through reporting lines to help the entity achieve its objectives and address related risks.

To assess the Navy's plans to begin awarding grant funding to private ship repair yards, we reviewed documents, such as the *Navy Dry Dock Strategy for Surface Ship Maintenance & Repair* and legislative provisions.⁸ We compared the Navy's efforts to determine future repair infrastructure needs to internal control principles for using quality information to make informed decisions.

To assess the extent to which the Navy is taking a strategic approach to address the challenges it faces managing the industrial base to meet its long-term shipbuilding and repair goals, we reviewed DOD's National Defense Industrial Strategy to determine whether it contained information specific to the ship industrial base.⁹ We also discussed with a knowledgeable Navy official whether the Navy had developed a similar strategy document to guide its management of the ship industrial base. We examined the Navy's approach to managing the ship industrial base as described in the Navy's long-range plans.

Based on our review of the Navy's long-range plans, we examined the demand signal as a key element of the Navy's approach to managing the industrial base. To do so, we examined the extent to which the Navy's shipbuilding plans have changed over time. Specifically, we examined the planned procurement for battle force ships outlined in six iterations of the plan, released in fiscal years 2018 through 2024 and intended to accompany the fiscal years 2019 through 2025 budgets.¹⁰ For plans that included multiple variations in planned procurement, we included each variation in our analysis. For each plan, for each fiscal year we identified

⁸Naval Sea Systems Command SEA21, *Report to Congress Navy Dry Dock Strategy for Surface Ship Maintenance & Repair*.

⁹Department of Defense, *National Defense Industrial Strategy* (2023).

¹⁰U.S. Navy, Office of the Chief of Naval Operations, *Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels* (Washington, D.C.: March 2024). We were not able to include the shipbuilding plan intended to accompany the fiscal year 2022 budget in our analysis because it did not outline planned procurement beyond fiscal year 2022.

Appendix I: Objectives, Scope, and Methodology

the plan or variation under which the Navy would purchase the fewest ships and the most ships, to identify the range of potential procurements over time. We conducted additional analysis on the shipbuilding plan, which appears in appendix II.¹¹

For our analysis of the demand signal from Navy repair workload projections, we examined the publicly released bi-monthly workload projections produced by NAVSEA's Directorate for Surface Ship Maintenance, Modernization, and Sustainment. We included projections for October 2019 through April 2024, the most recent available at the time of our analysis. To estimate the range of labor days the Navy projected, we identified the highest and lowest workload volume projected for each fiscal year made during the October 2019 to April 2024 projections. We also calculated the average annual projection for each fiscal year in that period.

In our review of the Navy's approach for managing the industrial base, we identified competing priorities—such as preservation of the existing industrial base and competition. To identify the Navy's approach to navigating competing priorities in shipbuilding and ship repair, we analyzed selected Navy justification and approval documents for shipbuilding and ship repair contracts. These justification and approval documents are required under Federal Acquisition Regulation to award certain contracts without using full and open competition, and they helped us to determine examples of actions the Navy has taken using other than full and open competition for reasons related to industrial base considerations.¹² We compared the Navy's actions to goals for competition outlined in Navy documentation, such as planning and strategy documents, and in our interviews with Navy officials.

To understand how Navy leadership is structured to strategically manage the industrial base, we examined the statute outlining shipbuilding and repair responsibilities of the Assistant Secretary of the Navy for Research,

¹¹In addition, we also compared the planned force structure tables from the Navy's most recent plan, intended to accompany the fiscal year 2025 budget request, with the Navy's force structure goals from its most recent force structure assessment, based on the force structure assessment summary tables also included in the most recent shipbuilding plan.

¹²Agencies may use other than full and open competition in instances where it is deemed necessary to maintain a facility, producer, manufacturer, or other supplier available for furnishing property or services in case of a national emergency or to achieve industrial mobilization, or in instances in which the work is only available from one source, among other reasons. See Federal Acquisition Regulation Part 6 and 10 U.S.C. § 3204(a)(3)(A).

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Development, and Acquisition (ASN (RD&A)). We also examined policy from the Office of the Secretary of the Navy that implements those responsibilities, and compared statute to the Navy's organizational structure for implementing those responsibilities.¹³ We further examined policy from the Office of the Chief of Naval Operations assigning specific repair responsibilities to Naval Sea Systems Command and on NAVSEA's role during maintenance periods.¹⁴ We also interviewed the ASN (RD&A) and officials from NAVSEA.

For all objectives, we conducted extensive interviews with DOD and Navy officials, and private shipbuilding and repair companies. We gathered information on the condition of companies' infrastructure, workforce and suppliers, as well as associated challenges; past and planned investments in improvements; the competitive environment for shipbuilding and ship repair; anticipated current and future workload; and other challenges. We interviewed all seven shipbuilders the Navy uses to construct battle force ships and visited the majority of their shipyards.¹⁵ For shipbuilding, we identified challenges for the defense industrial base workforce in DOD documents and our prior work and interviewed representatives on those topics. We conducted a content analysis based on our interviews about these workforce challenges to identify trends. To learn about barriers to entry into the Navy shipbuilding industrial base, we

¹³10 U.S.C. § 8016. U.S. Navy, Department of the Navy Research, Development and Acquisition, Associated Life-Cycle Management, and Sustainment Responsibilities and Accountability Secretary of the Navy Instruction 5400.15D, (Jan. 19, 2021). Pub. L. No. 115-232, § 915 (2018)(amending 10 U.S.C. § 5016(b)(4)(A), which has been renumbered 10 U.S.C. § 8016(b)(4)(A)).

¹⁴U.S. Navy, *Mission, Functions, and Tasks of Commander, Naval Sea Systems Command* Chief of Naval Operations Instruction 5450.340A CH-1 (Dec. 9, 2019), and U.S. Navy, *Maintenance Policy for Navy Ships* Chief of Naval Operations Instruction 4700.7M (May 8, 2019).

¹⁵Shipbuilders for Navy battle force ships include: Austal USA; General Dynamics Bath Iron Works; General Dynamics National Steel and Shipbuilding Company; Huntington Ingalls Newport News Shipbuilding; and Ingalls Shipbuilding. We also met with representatives from Fincantieri Marinette Marine and General Dynamics Electric Boat, but we did not visit these locations as part of this engagement because other GAO engagements were already conducting site visits to these shipbuilders.

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also interviewed Bollinger and Vigor, companies that build ships, but do not currently build battle force ships for the Navy.¹⁶

For additional context about challenges facing the shipbuilding industrial base, we also interviewed representatives from key supplier consortiums—which represent multiple suppliers that produce similar materials—to gain perspectives about issues facing the supplier base.¹⁷ Further, we interviewed Navy task forces responsible for issues pertaining to the industrial base, including the Navy’s Shipbuilding Industrial Base Task Force, Submarine Industrial Base Task Force, and Aircraft Carrier Industrial Base Task Force.

For ship repair, we interviewed all 12 companies eligible to conduct complex repair work on the Navy’s nonnuclear surface ships. Many of the companies conducting ship repair have facilities in more than one location, and we engaged some of these companies in more than one location to gain perspective on region-specific topics.¹⁸ We also interviewed several companies under contract to perform repair work for the Littoral Combat Ship.¹⁹ Repair companies for Navy nonnuclear surface ships represent all five U.S.-based fleet concentration areas (Norfolk, VA; Mayport, FL; Seattle/Everett, WA; San Diego, CA; and Pearl Harbor, HI).

¹⁶We made a judgmental selection of shipbuilders that do not build battle force ship to interview. Of these shipbuilders, we selected Bollinger because it has experience in constructing smaller vessels for the Navy. We selected Vigor because of its involvement in Navy ship modernization work, and to gain perspective from a different geographic region.

¹⁷Specifically, we spoke with the Forging Industry Association and the U.S. Partnership for Assured Electronics. We selected these supplier groups because supplies from these sectors were identified as challenging in DOD’s evaluation of the supply chain in recent reports. Department of Defense, Office of the Under Secretary of Defense for Acquisition and Sustainment, *State of Competition within the Defense Industrial Base* (February 2022); Department of Defense, *Submarine Industrial Base (SIB) Study Supporting Fiscal Year 2023 Program Review* (May 2022).

¹⁸The companies we interviewed include: BAE Systems; Colonna’s Shipyard; Continental Maritime of San Diego; Epsilon Systems; East Coast Repair and Fabrication; Fincantieri Marine Repair; MHI Ship Repair & Services; General Dynamics National Steel and Shipbuilding Company; Pacific Ship Repair and Fabrication; Pacific Shipyards International; Southcoast Welding and Manufacturing; and Vigor.

¹⁹We made a judgmental selection of companies eligible to conduct major repair work for the Littoral Combat Ship based on location and their other work on Navy shipbuilding and repair contracts. The companies we interviewed that Navy documentation shows as being on contract to work on the Littoral Combat Ship but not complex work on surface combatants include Austal and Marine Group Boat Works.

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For additional information about ship repair, we also interviewed Navy officials in charge of naval surface ship maintenance. These Navy ship repair officials came from NAVSEA's Directorate for Surface Ship Maintenance, Modernization and Sustainment, Commander Navy Regional Maintenance Center, and each continental-based Regional Maintenance Center—Mid-Atlantic, Northwest, Southeast, and Southwest—as well as the Hawaii Regional Maintenance Center. To learn more about the Navy's planning process for ship repair, we also interviewed QED Systems Inc, which conducts planning efforts for Navy repair.

For additional information about the OSD's investments in the industrial base, we also interviewed OSD officials managing DPA Title III investments, IBAS investments, and contractors managing an IBAS workforce project. We also interviewed the officials from the Program Executive Office for Strategic Submarines and a subcontractor for the program—BlueForge Alliance—about their role in managing submarine supplier investments. Additionally, we interviewed officials from DOD's Office of Cost Assessment and Program Evaluation about its studies on submarine industrial base investments. To gain perspectives from an external party managing investments in the ship industrial base, we interviewed the Department of Transportation's Maritime Administration. Lastly, we interviewed NAVSEA's Contracts Directorate to understand its role in managing shipyard investment incentives on contracts.

To gain the perspective of Navy leadership on the ship industrial base, we interviewed the Deputy Assistant Secretary of the Navy for Ships and officials from the office of the Deputy Assistant Secretary of the Navy for Sustainment. We also held a discussion with the Assistant Secretary of the Navy for Research, Development, and Acquisition. We also reviewed a memo issued by the ASN (RD&A) that includes information about the establishment of a new direct reporting program office for the ship industrial base.

We conducted this performance audit from October 2022 to February 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

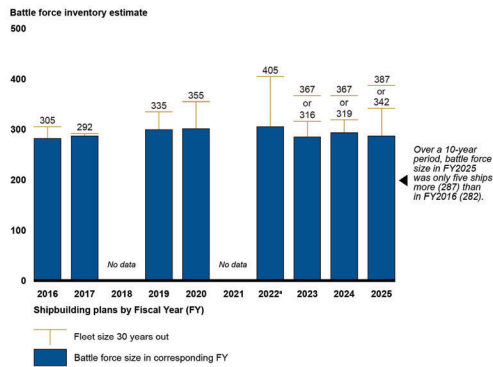
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Some of the companies we interviewed to inform our analysis identified some of the information they provided to us as being business sensitive, which must be protected from public disclosure. Therefore, this report omits the sensitive information on the companies' workforce, infrastructure, and subcontracts. One company, Bath Iron Works, did not respond to several requests to validate if information obtained from the company could be cleared for public release. We therefore omitted some information obtained from Bath Iron Works in this report.

Appendix II: Misalignment Between Navy Shipbuilding Plan for Growth in the Fleet and the Navy's Battle Force Assessments

The Navy produced its first shipbuilding plan for fiscal year 2004. In recent years, it has increased its target for the size of the fleet and will have to construct more new ships to meet its goals, as seen in figure 12.

Figure 12: Navy Planned Fleet Size Growth from Shipbuilding Plans, Fiscal Years 2016-2025



Source: GAO analysis of Department of Defense data. | GAO-25-106286

*The 2022 Navy planned numbers come from the shipbuilding plan the Navy submitted to Congress on December 9, 2020. The official fiscal year 2022 shipbuilding plan released in June 2021 did not include 30-year inventory projections.

However, while the plan has consistently reflected the need for growth, it has not always outlined a pathway for the Navy to achieve its desired fleet size, as determined by Navy force structure analyses. For example, the Navy completed a force structure analysis for fiscal year 2016 that identified a 355-ship force, with a specific mix of ship types, as required to achieve national goals. Following this analysis, the National Defense Authorization Act for fiscal year 2018 specified that it is U.S. policy to have no less than 355 battle force ships available as soon as

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practicable.¹ Additionally, the law stated that the fleet should be comprised of the optimal mix of ship types, subject to the availability of appropriations or other funds. However, under the shipbuilding plan that followed, for fiscal year 2019, the Navy did not plan to reach a 355-ship battle force. Rather, it planned to have only 335 ships by fiscal year 2048.

Similarly, the most recent shipbuilding plan, for fiscal year 2025, does not outline a path by which the Navy will achieve the composition of battle force it determined it needs under an updated force structure assessment. Following a requirement to do so in the National Defense Authorization Act for Fiscal Year 2022, the Navy updated its force structure analysis. The Navy aligned its analysis with the 2022 National Defense Strategy, resulting in an increased fleet size goal over its 2016 analysis (see table 5).²

Table 5: Fleet Size by Ship Type Called for Based on Recent Navy Analysis by Fiscal Year

Ship Type	Fleet size in 2016 analysis	Fleet size in 2023 analysis
Aircraft carriers	12	12
Large surface combatants	104	87
Small surface combatants	52	73
Amphibious warfare ships	38	31
Attack submarines	66	66
Ballistic missile submarines	12	12
Cruise missile submarines	0	0
Combat logistics forces	34	46
Command, support, and other	37	54
Total battle force	355	381

Source: GAO analysis of Navy long-range planning documents. | GAO-25-106286

However, the most recent shipbuilding plan projects the Navy will have fewer of some ship types than called for in the force structure analysis. For example, it plans to have fewer than 12 aircraft carriers in the fleet—

¹Pub. L. No. 115-91 §1025 (2017).

²The National Defense Authorization Act for Fiscal Year 2022 required the Chief of Naval Operations to submit a battle force ship assessment and requirement to the congressional defense committees within 180 days of significant changes to wartime scenarios. This assessment should include the total number of battle force ships required. Pub. L. No. 117-81, § 1017 (a) (2021)(amending Title 10, U.S. Code, by adding § 8695(a)-(d)).

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the number called for in its force structure analysis—for 27 of the next 30 fiscal years.³ During some years, the Navy plans to have only nine aircraft carriers.


The divide between what the Navy has determined it needs and what the Navy plans to procure is wider in the lower-cost procurement options included in its recent shipbuilding plans. Since its fiscal year 2023 plan, the Navy has provided multiple options for future force structure, rather than a single projection, that reflect different budget scenarios. For example, in its most recent shipbuilding plan, the Navy presented options to procure either 60 or 81 small surface combatants over the next 30 fiscal years. Under these options, and when also considering the Navy's decommissioning plans, there would be either 50 or 68 small surface combatants in the fleet after 30 years, up to 23 fewer ships of this type than the 73 called for in the force structure assessment. Similarly, under one option the Navy would not reach 66 attack submarines—the number called for in its force structure analysis—until the 30th year of its shipbuilding plan, and under the other option it would never reach this goal.

³In addition to the Navy's force structure goals, the Navy also has a legal requirement to maintain not less than 11 operational aircraft carriers. 10 U.S.C. § 8062(b). The fiscal year 2025 shipbuilding plan projects the Navy will have fewer than 11 aircraft carriers for most fiscal years between fiscal years 2037 and 2054.

Appendix III: Examples of Shipbuilder Infrastructure Problems

For six of the seven major shipbuilders we spoke with, we identified examples of infrastructure limitations that either currently affect their ability to construct ships on time, or that could do so in the future (see fig. 13). One company, Bath Iron Works, did not respond to several requests to validate if information obtained from the company is cleared for public release. We therefore omitted all information obtained from Bath Iron Works from figure 13.

Figure 13: Examples of Key Infrastructure Limitations for Navy Shipbuilders

 Aging infrastructure	National Steel and Shipbuilding Company Aging infrastructure, including heavy cranes, block assembly tables, and a floating dry dock, is at risk of failure and presents a high risk of schedule delays to Navy programs.
 Lack of space in shipyard	Electric Boat The shipyard lacks space to construct both <i>Columbia</i> and <i>Virginia</i> class submarines simultaneously and has begun to outsource work that would normally be conducted at the shipyard. Fincantieri Marinette Marine The constrained panel line for welding steel panels is able to produce enough material for two frigates per year under an optimal schedule that does not include delays. Physical space constrains the ability to run additional shifts. Newport News The shipyard lacks space to construct both <i>Columbia</i> and <i>Virginia</i> class submarines simultaneously and has begun to outsource work that would normally be conducted at the shipyard.
 Future concerns	Austal An influx of new work—going up from two ship programs to 12—may strain capacity, unless ongoing and future expansion efforts are timely.

Source: GAO analysis of Navy and shipbuilder documents and interviews; GAO (icons). | GAO-25-106286

Appendix IV: Purpose and Legal Authority for Department of Defense Investment Programs in Navy Shipbuilding

The Department of Defense (DOD) makes direct investments in the shipbuilding industrial base under various authorities. While DOD uses these authorities to benefit the shipbuilding industrial base, the authorities differ in purpose and where specifically they direct support to. Table 6 provides information about the legal authorities associated with each investment type we assessed.

Table 6: Selected Direct Investment Legal Authorities for the Shipbuilding Industrial Base

Navy direct investment funding	Purpose	Authority
Submarine Industrial Base	To support supplier development, shipyard infrastructure, workforce development, government oversight, and technology opportunities for the submarine industrial base.	Authorized by National Defense Authorization Acts through Navy Shipbuilding and Conversion. ^a
Surface Combatant Industrial Base	To support advanced procurement for the surface combatant industrial base and infrastructure for the shipbuilders.	Authorized by National Defense Authorization Acts through Navy Shipbuilding and Conversion. ^a
Frigate	To support the frigate industrial base.	Authorized by National Defense Authorization Acts through Navy Shipbuilding and Conversion. ^a
Investment programs	Purpose	Authority
Navy Manufacturing Technology	To anticipate and close gaps in manufacturing capabilities.	10 U.S.C. § 4841. Manufacturing Technology Program
National Shipbuilding Research Program	To reduce the total ownership cost and improve the capabilities of both U.S. government and U.S. Flag commercial ships.	Industry led effort, in partnership with the Navy, using 10 U.S.C. § 4021. Research Projects. Transactions Other Than Contracts and Grants
Industrial Base Analysis and Sustainment (IBAS)	To maintain or improve the health of essential parts of the defense industry by addressing critical capability.	10 U.S.C. §4817. Industrial Base Fund
Defense Production Act (DPA) Title III	To focus on projects that establish, expand, maintain, or restore domestic production capacity for critical components and technologies.	50 U.S.C. §4533. Other Presidential Action Authorized, and related Executive Orders
Defense Manufacturing Community Support Program	To support long-term community investments that strengthen national security innovation and expand the capabilities of the defense industrial ecosystem.	John S. McCain National Defense Authorization Act of for Fiscal Year 2019. Pub. L. No. 115-232, § 846(a)(1).

Source: GAO analysis of DOD documentation and statutes. | GAO-25-106286

^aSee, e.g., National Defense Authorization Act for Fiscal Year 2024, Pub. L. No. 118-31, 137 Stat. 136, at 710 (2023).

Appendix V: GAO Contacts and Staff Acknowledgments

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