

**NOT FOR PUBLICATION UNTIL
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SENATE ARMED SERVICES
COMMITTEE**

STATEMENT OF

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BEFORE THE

SENATE ARMED SERVICES COMMITTEE

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Executive Summary

In the decade since September 11, 2001, Navy has experienced growth in flag officer positions, primarily due to an increased number of flag officers provided to the joint force in the execution of ongoing combat operations and in support of new mission areas. In 2001 the Navy has an authorized level of 161 in service and 59 joint positions.

The Navy is unique in that it provides flag officer leaders in support of the United States Marine Corps, such as Senior Health Care Executives, Chaplain Corps officers, Judge Advocate General Corps officers, and Acquisition Professionals.

The Department of Defense efficiency review recommended the elimination of 11 in-service flag positions and 14 joint positions allocated to Navy. Following the full implementation of these changes, Navy will have an active duty billet structure of 149 in-service flag positions, 60 joint positions, and four exempt flag positions as authorized by law. The review also authorized a total of 48 reserve flag officers with 3 filling designated joint positions.

Navy supports these efficiency actions and anticipates additional review to reduce or merge flag officer positions. Navy is taking a phased approach to lowering flag inventory through the reduction of promotion opportunities and retirements.

Chairman Webb, Ranking Member Graham, and distinguished members of the committee, thank you the opportunity to testify regarding the Navy's flag officer end strength as a part of the Department of Defense's efficiency efforts.

Navy has been fully supportive of the effort to identify savings that can be reallocated for investments in high priority war fighting capabilities and programs to prepare and equip our Sailors for current and future challenges. While the budgetary savings from the review of flag officer end strength is modest when compared to other implemented changes, we believe the actions were necessary and set us on a path of having a flatter and more agile staff structure.

Background

Prior to September 11, 2001, the Navy had 220 flag officers – 161 in-service and 59 joint positions – with an end-strength of 377,810 Sailors. This is a total ratio of one flag officer to every 1,717 Sailors. If only flag officers assigned to in-service Navy billets (non-joint flag) are compared against the Navy end-strength, then the ratio is one flag officer to every 2,347 Sailors.

While we do not include USMC end strength in this calculation, Navy continues to provide flag officer staff support for the United States Marine Corps as Senior Health Care Executives, Chaplain Corps officers, Judge Advocate General Corps officers, and Acquisition Professionals. This provides a more efficient means to deliver support to both the Navy and Marine Corps.

For example, the close coordination between our two services allows the Department of the Navy (DoN), to operate a single Systems Command for procurement of aircraft and support equipment. Led by a Navy flag officer, the Naval Air Systems Command is the Aircraft Controlling Custodian for all DoN test aircraft regardless of service. Each of NAVAIR's five affiliated Program Executive Offices (PEOs) are led by flag officers.

Similarly, Naval Sea Systems Command is responsible for not only the procurement and in-service maintenance planning for all Navy ships, but is also accountable for the Landing Craft Air Cushion (LCAC) Service Life Extension Program, the development and procurement of the LCAC replacement and the Ship-to-Shore Connector.

Lastly, the PEOs for Enterprise Information Systems and PEO C4I are both responsible for Navy and USMC systems that enable information dominance and the command and control of maritime forces.

Since September 11, 2001 the Department of Defense has added two new combatant commands and additional Joint Task Forces to meet emerging operational missions. As required, Navy has provided flag officers to fill these leadership positions for the Joint Force. In addition to flag positions allocated to the service at United States Africa Command and United States Northern Command, Navy flag officers have served in Joint Task Forces to include: Commander, Joint Task Force Guantanamo; Commander, Joint Task Force Horn of Africa; Chief, Office of Defense Representative-Pakistan; Director, Communications and Strategic Effects – Afghanistan; and Chief Medical Advisor, International Security Assistance Force, Afghanistan.

During this time the Navy has also undergone additional mission growth. The SEAL and Explosive Ordnance Disposal communities have risen in importance, with an increase in those communities' representation in joint assignments. Similarly, to keep pace with the rapidly growing prominence of information (dominance), the Navy created flag officer positions in the Intelligence, Information Warfare, Information Professional community.

To reflect these changes in the joint force, the FY 2010 National Defense Authorization Act (NDAA) directed changes to general and flag officer end strength. This legislation capped the Navy at 160 flag officers, but increased our “fair share” contribution to the “Joint Pool” from 60 in 2001 to 74 in 2010. At present, the Navy is filling 78 joint billets. The changes specified in the 2010 NDAA codified joint flag officer increases while keeping the Navy “in-service” numbers flat at 160.

Exemptions

As authorized by law, Navy is permitted exemptions to flag officer end strength that count neither against the 160 in-service nor the 74, “Joint Pool” billets. Currently, the Navy has 18 exemptions. Four are filled by active duty officers and 14 by mobilized reservists. Of these exempt positions, eight are in-service billets, seven are “Joint Pool” and three billets are designated for the Chairman of the Joint Chiefs. The four active duty exemptions are the Superintendent of the Naval Academy, the Director of the Nurse Corps, the Director of the Medical Service Corps and the Attending Physician to Congress. Eleven of these eighteen exemptions were provided for by Congress in the FY2010 National Defense Authorization Act, Public Law 111-84, which amended sections 525 and 526 of USC Title 10.

Efficiency Review

In the summer of 2010, Navy participated in the Secretary of Defense flag officer efficiency review. Navy entered the general and flag officer manning efficiency review having experienced essentially zero growth in the in-service flag end strength, with contributions to joint billets as the principal driver of flag officer growth. Our review resulted in the recommended elimination or reduction of 25 flag officers. This action eliminated 11 in-service flag officer

positions, resulting in an effective end-strength of 149 in-service. An additional 14 flag officers were reduced from Joint billets, reducing our future contribution to a total of 60. This represents a reversal of the 2010 NDAA directed growth. Following the full implementation of the recommended position eliminations, and using a targeted end-strength of approximately 328,000 Sailors by 2017, Navy will have a total ratio of one flag officer to every 1571 Sailors and a non-joint, in-service ratio of one flag officer to every 2201 Sailors.

Implementation

The Navy has begun implementing these changes in a phased approach. In doing so, we have focused on two tasks; alignment of the billet structure and the adjustment of flag officer inventory. Beginning in FY12, our billet structure will begin to reflect the elimination or reduction of the paygrade required for identified positions, for example: from O-8 to O-7 or from O-7 to SES or O-6. At this point, we intend to make the position modifications as incumbents are relieved, and should be complete by FY13.

As this change will occur less than two years after the authorized end strength increase, we are planning for a near equivalent reduction through adjustments in promotions and retirements. Under current policy, flag officers may serve for up to five years after initial selection and promotion. To meet the required reduction goals, near-term O-7 and O-8 selection opportunities will be reduced. We anticipate that we will meet the required reductions within the five year period, and believe a measured approach will minimize disruption and allow an effective transition to lower manning levels.

Navy Reserve

Finally, U.S. Navy Reserve officers play an important role in our overall flag manning. In 2001, reserve flag officer end-strength was 48 flag officers, with 4 filling designated Chairman's Reserve positions and counted within the active component. At that time, the Navy Reserve held 87,913 sailors with a ratio of one flag officer to 1,690 Sailors.

The Navy "fair share" allocation of joint duty positions, authorized in the 2010 National Defense Authorization Act, also provided the authority for reserve force components to participate in the Joint Pool assignment processes to fill critical roles in excess of the Chairman's Reserve positions. As seen with the active component over this time period, the reserve component flag end-strength also experienced zero in-service growth. Upon full implementation of the efficiencies initiatives in 2017, the Navy Reserve will have 48 flag officers with 3 filling designated joint or Chairman's Reserve positions. The planned end-strength of 61,254 sailors will result in a ratio of one flag officer to every 1,201 Sailors.

Conclusion

We remain committed to creating a more efficient and economical staff structure. We anticipate we will continue to reduce or merge flag officer positions. We look forward to working with the Congress to create a more efficient and agile force structure.