

NOT FOR PUBLICATION UNTIL
RELEASED BY THE SENATE
ARMED SERVICES COMMITTEE

STATEMENT OF

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ON NAVY READINESS POSTURE

BEFORE THE

SENATE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON

READINESS AND MANAGEMENT SUPPORT

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Chairman McCaskill, Senator Ayotte, and distinguished members of the Senate Armed Services Subcommittee on Readiness and Management Support, it is my honor to appear before you to testify on the readiness of our Navy.

Our Fiscal Year 2013 budget request seeks to meet operational requirements while sustaining the readiness of our ships and aircraft over the course of their expected service lives. We viewed readiness through the lens of Admiral Greenert's three tenets -- "Warfighting First, Operate Forward, and Be Ready" -- in his "Sailing Directions" for the Navy. The new defense strategic guidance and the fiscal limits dictated by the Budget Control Act of 2011, guided our choices. We reduced force structure and reduced procurement of new platforms to ensure "wholeness" of our existing force structure. We focused on enhancing our forward presence to mitigate reduced force structure, placing four Arleigh Burke class destroyers in Rota, Spain and planning for the forward stationing of Littoral Combat Ships in Singapore and additional Patrol Craft and Minesweepers in Bahrain. Our decisions prioritized readiness and capability against emerging threats over force structure to deliver a ready and relevant Navy now and in the future.

We remain fully able to meet the Combatant Commander requirements as adjudicated through the Secretary of Defense-directed Global Force Management (GFM) process. As we respond to emergent requests for forces, Navy is prepared to source these requests with combat-ready forces. To be clear, the global demand for naval forces is much higher than approved in the GFM process, and exceeds our sustainable capacity over the long term. Supporting this higher demand above programmed levels will require additional funding or reprogramming actions in the current year, and could impact the service life of our platforms should we compress maintenance timelines. Should this demand continue unabated, our potential risk would be reduced surged capacity in the future and increased stress on the force due to longer deployment lengths. As an example of the impact of this higher demand, the USS Bataan recently returned from a nearly 11 month deployment supporting operations in the European, African and Central Command areas of operation. While sustaining our overall global presence levels, Navy is also responding to the heightened tension in the Central Command region. We have deployed two Carrier Strike Groups, and are preparing to deploy additional staff, surface combatants, mine sweepers, mine clearance helicopters, patrol craft, and the USS PONCE as a deterrent force. The cost of providing these additional forces forward, together with fuel cost increases, has placed pressure on our readiness accounts. Every \$1 increase in the price per barrel of fuel results in approximately \$31M of additional cost annually above our budgeted level. The deployment of additional forces forward will cause us to divert resources from other accounts to fund this bill. We are actively exploring means

to ensure we can continue to provide the high levels of readiness we enjoy today while still meeting this demand within our budget.

A Ready Navy Today

We are ready today to respond to contingencies with the highest quality force in our history. As previously discussed, we continue to experience high operational tempo globally, and sustaining it remains dependent upon the receipt of overseas contingency operations (OCO) or similar supplemental appropriations. We are taking risk in the readiness of our non-deployed forces to maintain very high levels of readiness in our deployed forces. The FY13 budget, including OCO funding, supports the anticipated needs of the Combatant Commanders, as adjudicated through the GFM process, with some capacity to provide surge forces in support of their major operational plans and other emergent needs. We are dependent on OCO funding in the near term to sustain these readiness levels

The Navy manages force generation using the Fleet Response Plan (FRP). This plan establishes a sustainable cycle of deployment, sustainment, maintenance and training for individual units and task groups. With this process, Navy generates the capacity to provide forces required to meet global presence demands and supports a force for surge response for contingencies, homeland defense, and training. The plan operates as a cycle, so that forces undergo maintenance, training, and then deployment periods in defined periods.

For over ten years, Navy forces have been operating at a war-time pace, which has resulted in more underway days, deferred maintenance, missed training, and increasing deployment lengths. A critical element of our FY 13 budget is the adjustment of the FRP cycle to ensure the long term readiness of the Fleet. This realignment provides additional time for training and maintenance while providing greater deployment availability. The flexibility of this approach enables Navy to better surge forces in response to contingencies.

Ship Operations

The baseline FY13 budget request, plus OCO, funds the Ship Operations account at 96% of our projected requirement. This funding profile enables the Navy to meet the operational requirements of the Combatant Commanders for our forward forces and to conduct FRP training and certification requirements with manageable risk. It provides for a nominal 2.5 Carrier Strike Group presence, 2.6 Expeditionary Strike Group/Amphibious Strike Group presence, and 34 independent surface combatant presence with an average ship's OPTEMPO of 58 steaming days per quarter

(deployed) and 24 steaming days per quarter (non-deployed). This level of funding also supports two Carrier Strike Groups ready to surge within 30 days and one Carrier Strike Group ready to surge within 90 days. Measures such as increased use of simulators, concurrent training and certification events while underway and the judicious use of fuel are used to mitigate this risk.

Air Operations (Flying Hour Program)

The FY13 baseline budget, plus OCO, funds the Flying Hour Program (FHP) to 100% of our requirement for the operation, maintenance, and training of ten Navy carrier air wings, three Marine Corps air wings, Fleet Air Support (FAS) squadrons, training commands, Reserve forces, and support activities. It is resourced to achieve an operational availability of three Carrier Air Wings deployed, two Carrier Air Wings ready to surge within 30 days, and two Carrier Air Wings ready to surge within 90 days. Our individual Navy and Marine Corps aviation units are funded to achieve a defined training-rating level for deployment or surge operations. We are increasing the use of simulation to use non-deployed flying hours most effectively, and continuing to invest in new simulators. To preserve aircraft service life, we are also upgrading existing simulators to reduce aircraft flying hours.

Fleet Training and Training Ranges

To support a ready Navy, we continue to invest in new or improved training capabilities. Our budget submission requests funding for the upgrade of the Navy Continuous Training Environment (NCTE) network that supports our Fleet Synthetic Training program, and extends the NCTE to support the four ballistic missile defense-capable guided missile destroyers to be forward stationed in Rota, Spain. Live training is enhanced by the accelerated procurement of high speed maneuverable surface targets and electronic warfare threat emitters, while we continue development of threat representative enhanced air targets. This budget also supports expanded live fire training on our ranges with surface-to-air missiles to ensure operator proficiency.

To ensure that proficiency and confidence in our ability to use our weapons and sensors, we shifted procurement, research and development, and readiness funds toward selected weapons, systems, sensors and tactical training that can be rapidly fielded to the Fleet. Key investments include increases in quantity for Evolved Sea Sparrow Missile (ESSM), MK 48 Heavy Weight Torpedo, sonobuoys, Advanced Precision Kill Weapon System (APKWS), and Hellfire. We increased funding for exercise ordnance to increase live-fire training and improve operator proficiency across the force.

A Ready Navy Tomorrow

Our FY13 Navy budget submission balances the need to meet today's operational requirements with the need to sustain our force and develop the capabilities needed for emerging threats. Our shipbuilding and aviation construction investment is focused on designs that promote readiness of the future force. This budget supports our proven sustainment models for nuclear aircraft carriers and submarines, continues our investment in the readiness of our surface combatants, and supports the transition and integration of new capabilities into Naval Aviation.

There are three major attributes that we incorporated in the future force: adaptability, ability to remain forward and inherent training capability. Platforms such as the Freedom and Independence class Littoral Combat Ship (LCS), Virginia class submarines, and the P-8A Poseidon maritime patrol and reconnaissance aircraft incorporate adaptability to support future capability evolution through new payloads. LCS also improves our ability to remain forward through rotational crewing while Joint High Speed Vessels and Mobile Landing Platforms will be able to spend three times as long forward deployed as today's frigates and destroyer because of their rotational civilian crews. Our shipbuilding and aviation investments will also provide for onboard capability for simulation and training in platforms such as the P-8A and Arleigh Burke destroyers.

Our baseline budget request, plus OCO, fully funds ship maintenance requirements and reduces surface ship maintenance backlog during mid-life availabilities. Reaching expected service life requires an integrated engineering approach to plan, fund, and execute the right maintenance. Over the last two years, we have made significant progress to better define the maintenance requirement necessary to improve surface ships material readiness and achieve expected service life.

The Surface Maintenance Engineering Planning Program (SURFMEPP) has established ship maintenance requirements based on disciplined engineering processes, similar to those used by our carrier and submarine communities. Since its inception in 2010, it has developed Technical Foundation Papers for five of our seven major combatant ship classes. The last two, Mine Countermeasures and Littoral Combat Ships, are scheduled to be completed by FY14. These documents specify the periodicity, size, duration and scope of the maintenance required for each class. The FY13 budget submission was informed by this level of detail for CG-47, LPD-17, LHD-1, DDG-51 and LSD-41/49 Classes. Under this new process, availability planning, execution, and certification are codified; all required maintenance actions are tracked to completion; and all proposed maintenance deferrals are formally reviewed to ensure adjudication by the appropriate technical authority and rescheduling in a follow-on availability or other appropriate window of opportunity.

The maintenance community has also focused on becoming better at “condition-based” planning through documentation and analysis. For example, ship tank condition has been identified as a key factor to reducing growth work and maintenance availability extensions, so it is now aggressively monitored. Tank corrosion prevention and repairs have been incorporated into individual ship life cycle maintenance plans. The goal is to document the condition of 95 percent of all tanks by the end of FY14. Navy is also continuing our partnership with the American Bureau of Shipping in performing detailed surface ship structural surveys using commercially proven processes and procedures.

We have also addressed manpower concerns, restoring some billets previously removed from our ships to provide them with the capacity and capability to improve their operational and material readiness. This process began in FY12 with an increase of 1,105 technically skilled Sailors returning to sea duty. An additional 1,107 billets will be added to seagoing commands in the coming year. The increase in both Sailor and civilian manning at our Regional Maintenance Centers (RMCs) also continues under this budget submission. This increased staff provides the RMCs with appropriate skill-sets to execute Navy maintenance, supports quality shore duty for Sea/Shore rotation, and establishes a journeyman training continuum for Sailors that will increase a ship’s capability to document and fix maintenance issues.

Navy is also committed to the right level of ship maintenance at the most efficient cost. We continue efforts to reduce the total cost of ownership of the Fleet, as we have done with SSN 688 and SSN 774 class submarines, through continued analysis of engineered technical requirements and assessment of recently completed availabilities.

The cyclic nature of ship and submarine depot availabilities from year to year continues to cause variations in budget requests and annual obligation levels. Surface ship availabilities are conducted almost exclusively in the private sector, while submarine and aircraft carrier availabilities are primarily conducted in the public sector with selected availabilities completed by nuclear-capable private shipyards. Whenever practical, maintenance is performed in the ship’s homeport to minimize the impact on our Sailors and their families. The Navy recognizes maintenance organizations need a stable and level workload to maximize efficient execution. We continue to level the workload to the maximum extent practicable within operational constraints.

Aviation Maintenance

The Naval Aviation Enterprise applies continuous process improvement (CPI) tools to deliver readiness with greater efficiency. CPI produces readiness by increasing the speed, reliability

and predictability of processes associated with integrated maintenance and supply chain replenishment. The FY13 budget submission supports continuing CPI efforts, such as those which developed repairs for high cost consumable items for the FA-18 and MV-22, providing measurable savings. Additionally, our FY13 budget request invests in long term enhancements to the overall material condition of Naval aircraft, such as corrosion prevention teams.

Our budget request for depot airframe and engine workload supports 94% of the aviation depot maintenance Fleet and Reserve requirement. This achieves an acceptable balance between funding for the full range of Navy requirements and operational risk. It will result in 720 airframe and 2,070 engine depot inductions during the year, and a projected backlog of 14 airframes and 273 engine depot requirements. This is assessed to be an acceptable level of risk, and the program will be monitored during the execution year to ensure Fleet readiness requirements are met.

Navy Expeditionary Forces

Although a smaller part of the overall Navy operations and maintenance budget, Navy expeditionary forces support global missions by deploying security, construction, logistics and training units. Our FY13 budget request for Navy Expeditionary Combat forces, of which 50% is OCO, fully funds operational requirements, such as Explosive Ordnance Disposal, Maritime Expeditionary Forces, and Naval Construction Forces.

Shore Operations

The Navy's shore infrastructure – both in the United States and overseas – provides essential support to our Fleet. In addition to supporting operational and combat readiness, it is also a critical element in the quality of life and quality of work for our Sailors, Navy civilians, and their families. The FY13 budget submission emphasizes ship and air operations, as well as Sailor and family readiness.

Our FY13 budget submission funds port and flight line operations, safety and security, and family support programs within Base Operating Support. Meanwhile, we continue to target our Facilities Sustainment, Restoration, and Modernization funding toward facilities directly supporting operations, such as airfields, hangars, piers, and barracks.

Navy's planned FY13 shipyard investment of \$248M is in compliance with the National Defense Authorization Act (NDAA) 6% investment requirement for infrastructure improvements. However, based on modifications to the accounting rules for minimum capital investment in the 2012 NDAA enacted December 2011, our Fleet Readiness Centers are below that level. Planned

FY13 Department of Navy average investment level is now 5.3%, and we are currently reviewing options to increase depot investment during FY13 execution to ensure compliance. We continue to sustain and recapitalize our shipyards within today's fiscally constrained environment, focusing on mission-critical facilities such as production shops, piers, wharves, and dry docks. We mitigate the level of deliberate risk we take in the sustainment of our infrastructure by prioritizing projects for repair.

Family Readiness Programs and Child and Youth Programs

Navy's Family Readiness programs enhance mission readiness by assisting Commanding Officers, Sailors, and their families in managing the demands of the military lifestyle. This budget request increases funds for warfighter and family readiness programs to include child development centers, services for exceptional family members, sexual assault prevention, and Wounded Ill and Injured Warriors. Our Navy Child and Youth Programs provide high-quality educational and recreational programs for Navy children ages six weeks through eighteen years in multiple venues. All programs are operated in accordance with the Military Child Care Act, and are DoD-certified and nationally accredited. We recently expanded our childcare facilities by 7,000 spaces, and will meet the Secretary of Defense's goal of providing for at least 80 percent of the "potential need" by the end of this year.

Housing

Our budget request also sustains funding for quality housing which significantly impacts Sailor retention, productivity, and individual and mission readiness. Our Bachelor Housing program is focused on providing Homeport Ashore housing for our junior sea-duty Sailors by 2016, and attaining the OSD goal of 90 percent of our bachelor housing evaluated as being "adequate" on a quality scale rating. We have requested \$195M in FY13 to improve the condition of our existing barracks to continue progress toward this goal.

We maintained funding for the operations and maintenance of Navy Family Housing in this budget. Navy is on track to achieve OSD's goals of 90 percent "adequate" family housing inventory by 2017. Our FY13 budget submission funds family housing improvements, planning, and design, in addition to the operation and maintenance of our approximately 10,000 Navy-owned and 3,000 leased homes. We have privatized 97 percent of our CONUS and Hawaii family housing inventory and continue to perform oversight of our privatized housing to ensure Navy Sailors and their families benefit from quality housing and services.

Conclusion

We will continue to ensure our Navy remains ready to meet the demands of the national security strategy with acceptable risk. Our Sailors are the highest quality, most diverse force in our history and make us the finest Navy in the world. On behalf of all these men and women - active, reserve, and civilian - thank you for your continued support of the United States Navy.