

**DEPARTMENT OF DEFENSE AUTHORIZATION
FOR APPROPRIATIONS FOR FISCAL YEAR
2014 AND THE FUTURE YEARS DEFENSE
PROGRAM**

THURSDAY, APRIL 25, 2013

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

DEPARTMENT OF THE NAVY

The committee met, pursuant to notice, at 8:32 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Reed, Nelson, McCaskill, Hagan, Manchin, Shaheen, Blumenthal, Donnelly, Hirono, Kaine, King, Inhofe, Sessions, and Ayotte.

Committee staff members present: Peter K. Levine, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Creighton Greene, professional staff member; Gerald J. Leeling, general counsel; John H. Quirk V, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Adam J. Barker, professional staff member; Steven M. Barney, minority counsel; Allen M. Edwards, professional staff member; Ambrose R. Hock, professional staff member; and Lucian L. Niemeyer, professional staff member.

Staff assistants present: Jennifer R. Knowles and John L. Principato.

Committee members' assistants present: Carolyn Chuhta, assistant to Senator Reed; Jeff Fatora, assistant to Senator Nelson; Jason Rauch, assistant to Senator McCaskill; Christopher Cannon, assistant to Senator Hagan; Mara Boggs, assistant to Senator Manchin; Chad Kreikemeier, assistant to Senator Shaheen; Marta McLellan Ross, assistant to Senator Donnelly; Nick Ikeda, assistant to Senator Hirono; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant to Senator King; Paul C. Hutton IV, assistant to Senator McCain; Lenwood Landrum, assistant to Senator Sessions; Todd Harmer, assistant to Senator Chambliss; Brad Bowman, assistant to Senator Ayotte; and Craig Abele, assistant to Senator Graham.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. I want to welcome Secretary Mabus, Admiral Greenert, General Amos to our committee to testify on the plans and programs of the Department of the Navy in our review of the fiscal year 2014 annual budget request. We very much appreciate your willingness to accommodate this early starting time for our hearing. It's my goal to conclude the hearing in time for members to attend an all-Senators briefing at 10:30 a.m. this morning, and in order to do that we're going to have to have a shorter first round when we come to that of either 6 or 7 minutes to give everybody a chance, depending on when that first round begins.

We're grateful to each of you for your service to the Nation and for the truly professional service of the men and women that you work with. We're very grateful to their families, all of your families, knowing as you do the vital role that families play in the success of the men and women of our Armed Forces.

This year the defense budget situation is particularly challenging. The sequestration required by the Budget Control Act (BCA) for fiscal year 2013 is already having an adverse impact on the Navy and the Marine Corps in the form of deferred maintenance, reduced steaming, and flying hours. The problem will get dramatically worse in fiscal years 2014 and beyond, and I look forward to the testimony of our witnesses on how this fiscal situation is likely to affect personnel, readiness, modernization, and our operations overseas.

The Department of Defense's (DOD) most recent strategic guidance, issued in January 2012, refocuses the U.S. military on the Asia-Pacific region. Consistent with that strategy, DOD has been working to realign U.S. military forces in South Korea and Japan and plans to position Navy and Marine Corps forces further to the south in Australia, Singapore, and possibly elsewhere.

The Department has also begun implementing a plan to deploy forward more ships, as shown by the beginning of the Navy's first rotational deployment of a Littoral Combat Ship (LCS), the USS *Freedom*, to Singapore in the past few weeks.

As we rebalance and realign our presence in the Asia-Pacific region, it is important that we not only get the strategy right, but that we also ensure that it is sustainable. With respect to the planned realignment of U.S. marines currently on Okinawa, Senator McCain, former Senator Webb, and I advocated changes to the 2006 U.S.-Japan realignment roadmap plan to better support U.S. strategic goals in the region while also accounting for the fiscal, political, and diplomatic realities associated with long-term sustainability.

The April 2012 joint U.S.-Japan announcement of changes to the 2006 plan reflected an appreciation by both governments of the need to make adjustments in order to support the goal of achieving a more viable and sustainable U.S. Marine Corps presence in Japan, Guam, Australia, and Hawaii. The Department is currently working to develop the details of this new plan, so the final construction schedule and total cost are not yet known. After we receive that plan, we will be in a position to judge it. But until that

plan is forthcoming, the committee has deferred action on associated requirements until the conditions that we set are met.

Even in the absence of sequestration, the DOD authorization request raises significant issues. For example, should we increase the cost cap for the aircraft carrier CVN-78? Should we approve the multi-year procurement authority for the E-2D surveillance aircraft? Should we authorize advance appropriations for the SSN-774 *Virginia*-class submarine?

For many years the committee has expressed concern about Navy ship force levels which have consistently fallen short of the projected needs. At the same time, Navy and Marine Corps aviation force levels are also under pressure. The budget provides for a service life extension program on some 150 F-18 aircraft already in the inventory and for the purchase of additional E/A-18G electronic warfare aircraft to support land-based electronic warfare squadrons, but would end the acquisition and production of new F-18 aircraft. The budget also sustains planned purchases of the Marine Corps and Navy versions of the F-35 Joint Strike Fighter (JSF) aircraft and, while it is encouraging that the Navy is now predicting a strike fighter shortfall of only 18 aircraft compared to earlier projections as high as 250 aircraft, I suspect that estimate will be significantly impacted by sequestration.

The Weapons Systems Acquisition Reform Act (WSARA) of 2009 requires that the DOD make significant changes to avoid the kind of costly delays and overruns that have plagued our acquisition system in the past. While this legislation should help correct past problems, I know that we will succeed only through concerted efforts within the executive branch to implement that legislation, and we look forward to hearing from our witnesses as to how the Department of the Navy is implementing the provisions of the WSARA of 2009.

Finally, I want to commend you, Secretary Mabus, for your efforts to lead on energy efficiency and energy self-reliance. You have placed a strong emphasis on an area where, as strong as our military forces may be, we remain subject to the tyranny of energy supplies. You have put deeds behind the commitment to a more sustainable Navy and the Nation is stronger for it.

Our witnesses this morning face huge challenges as they strive to balance modernization needs against the costs of supporting ongoing operations and sustaining readiness in the face of across-the-board cuts from sequestration. Those challenges are made all the more important by the fact that we continue to have roughly 7,000 marines in Helmand Province in Afghanistan and thousands more Navy and Marine Corps personnel deployed elsewhere around the world.

We appreciate everything that you do and the men and women of the Navy and the Marine Corps do every day what they do to meet the challenges that this Nation faces.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman.

First of all, let me thank all three witnesses for sharing your valuable time with me personally. It was actually helpful to me, Sec-

retary Mabus, with some of the areas where I thought I would have more disagreement with you, and that's changed. You'll have a chance to cover those things.

I think, Mr. Chairman, you've covered the budget comments that I would have made adequately. Our ability to meet our 30-year shipbuilding goal and recapitalize our sea-based nuclear deterrent will greatly depend upon budget certainty. It's the certainty that's important, I believe.

The Navy needs a sustained level of investment topping \$20 billion by 2021 and maintaining that level for the following 10 years. More importantly, this assumes that DOD can finally control the runaway cost overruns in ship construction. We are not on the right track to accomplish that at this time.

The Navy's largest research and development (R&D) program in fiscal year 2014 is the *Ohio*-class ballistic missile submarine replacement program. A failure to recapitalize our at-sea deterrent on time would have devastating impacts. I encourage the Navy to aggressively continue to reduce risk and emphasize affordability of this program.

The Navy also needs a sustained level of funding for readiness, training, and shipyard maintenance to keep a majority of the fleet fully mission capable. Sequestration in 2013 has resulted in a \$4 billion operation and maintenance (O&M) shortfall and a \$6 billion investment shortfall. In addition, the Navy has not budgeted for over the \$700 million in unscheduled ship repairs resulting from a series of sea accidents, sabotage, and major equipment failures. I think you have to budget for these things because these are going to happen.

The Navy just released a report stating that shipyards are in such poor shape that at the current funding rate it would take 17 years just to clear the backlog of critical facility repairs that have been identified to date. Further, the Navy announced in January 2013 yet another reduction in its requirement for Navy combatant vessels, from 313 to 306. Then the budget request for fiscal year 2014 goes even further and accelerates the retirement of 16 ships, reducing the combatant force structure to an all-time low of 273, down from 289. I suspect that we'll hear some comments about that in opening remarks. If not, there'll be some questions.

In addition, while DOD has identified a requirement for 33 amphibious ships to support the Marine Corps, the Navy only had 22 of those ships actually available and fully mission capable and ready to go last year.

Marine Corps readiness continues to be a significant concern. Similar to other Services, the Marine Corps has rightfully prioritized deployment and next-to-deploy marines in the O&M accounts. This is at the expense of non-deployed units and has already resulted in a degradation of the Marine Corps readiness.

By the beginning of calendar year 2014, approximately 50 percent of Marine Corps ground and aviation units will be below acceptable mission readiness levels. Of course, readiness, risk, and lives are all tied together.

This all comes down to risk. As the world is becoming more dangerous, our Navy and Marine Corps are becoming less capable and less prepared. We're going down a path where readiness and capa-

bility are being cut at such a rate, as General Dempsey has said, will soon be at a point where it would be immoral to use this force.

So we have problems and I'm looking forward to your testimony. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe. Secretary Mabus, welcome.

**STATEMENT OF HON. RAYMOND E. MABUS, JR.,
SECRETARY OF THE NAVY**

Mr. MABUS. Mr. Chairman, thank you, Ranking Member Inhofe, and distinguished members of this committee. I first want to thank you for your support for the Department of the Navy, for our sailors, our marines, our civilians, and our families.

General Amos, the Commandant of the Marine Corps, and Admiral Greenert, the Chief of Naval Operations, and I could not be prouder to represent those steadfast and courageous sailors, marines, and civilians. No matter what missions are given to them, no matter what hardships are asked of them, these men and women serve the Nation around the world with skill and dedication.

In the past year the Navy and Marine Corps team has continued to conduct a full range of military operations, from combat in Afghanistan to security cooperation missions in the Pacific to disaster recovery operations on the streets of Staten Island. In each one of these, sailors and marines have gotten the job done.

As the United States transitions from two land wars in Central Asia to the maritime-centric defense strategy that was referenced by the chairman and which was announced 15 months ago, our naval forces will be absolutely critical in the years ahead. This strategy, which focuses on the Western Pacific, the Arabian Gulf, and continuing to build partnerships around the world, requires a forward-deployed, flexible, multi-mission force that is the Navy and Marine Corps, America's away team.

Within this strategy we have to balance our missions with our resources. We're working under Secretary Hagel's leadership on a strategic choices and management review to assess how we deal with budget uncertainty facing the Department as we go forward. He has directed us to review the basic assumptions that drive the Department's investment in force structure, to identify institutional reforms that may be required, including, as we always should, those reforms that should be pursued regardless of fiscal pressures. As he said during recent testimony, everything will be on the table during this review.

2013 has been hard because we began the fiscal year operating under a Continuing Resolution that gave us little room to be strategic and to prioritize, limiting our ability to manage the Navy and Marine Corps through this new fiscal reality.

Thanks to the efforts of this committee and to your congressional colleagues, we have an appropriations bill for this fiscal year. However, sequestration is still forcing us, as also mentioned by the chairman and the ranking member, to make across-the-board cuts totaling more than \$4 billion from our O&M accounts and about \$6 billion from our investment accounts.

These cuts will have some real impacts. We've prioritized combat operations in U.S. Central Command (CENTCOM) and deployments to U.S. Pacific Command (PACOM). However, we've had to cancel a number of deployments into U.S. Southern Command (SOUTHCOM). In order to maintain our priority deployments in 2013 and 2014 and to meet our global force management allocation plan, funding shortfalls will cause our units back home to cut back on training and maintenance. Pilots will get less flight time, ships will have less time at sea, and marines will have less time in the field. It will take longer for repair parts to arrive when needed. Our facilities ashore will be maintained at a far lower level.

The Department's 2014 budget request is a return to a measured budget approach, one based on strategy that protects the warfighters by advancing the priorities I've referred to as four Ps: people, platforms, power, and partnerships.

We're working to make sure our people are resilient and strong after more than a decade of a very high operations tempo. We're doing this with programs like 21st Century Sailor and Marine Initiative. With this program we aim to bring all the efforts on protection and readiness, on fitness and inclusion, and the continuum of service, together as one coherent whole. This encompasses a wide range of issues from preventing sexual assault and suicide to fostering a culture of fitness to strengthening the force through diversity to ensuring a successful transition following 4 years of service or 40.

In the Marine Corps, we continue decreasing manpower to meet our new end strength of just over 182,000 marines by fiscal year 2016. But we're doing this in a way to keep faith with the marines and to help retain the right level of noncommissioned officers (NCO) and field grade officers and their experience.

We're working to make sure that our sailors and marines have the tools and the platforms they need to do the missions they are given. One of the most important of these is our fleet. On September 11, 2001, the U.S. Navy had 316 ships. By 2008, after one of the largest buildups in our Nation's military history, that number was down to 278 ships. In 2008 the Navy put only three ships under contract, far too few to maintain the size of the fleet or our industrial base, and many of our shipbuilding programs were over budget, behind schedule, or both.

One of my main priorities as Secretary has been to reverse those trends. Today, the fleet is stabilized and the problems in most of our shipbuilding programs have been corrected or arrested. We have 47 ships under contract today, 43 of which were contracted since I took office, and our current shipbuilding plan puts us on track for 300 ships in the fleet by 2019.

The way we power our ships and our installations has always been a core and vital issue for the Department of the Navy. We continue to lead in energy as we have throughout our history. From sail to coal to oil to nuclear, the Navy has led in moving to new sources of power, and every time it has made us a better warfighting force.

Today, from marines making power in the field to alternatives on land, on and under the sea, and in the air, the Navy and Marine

Corps are powering innovations that will maintain our operational edge.

Building partnerships, interoperability, capacity, and capability is a crucial component of this defense strategy. The strategy directs that these partnerships be pursued in a low-cost, small-footprint, innovative way. This is exactly what the U.S. Navy and Marine Corps do. The process we use to craft the Department of the Navy's budget was determined, deliberate, and dedicated to our responsibility to you and to the taxpayers. Like the budget resolutions of both the Senate and the House, we do not assume in this budget that sequestration will continue in fiscal year 2014.

Mr. Chairman and members of the committee, the budget we are submitting supports the defense strategy. It preserves the readiness of our people and it builds on the success we've achieved in shipbuilding. For 237 years our maritime warriors have established a proven record as an agile and adaptable force. Forward deployed, we remain the most responsive option to defend the American people and our interests.

Thank you very much.

[The prepared statement of Mr. Mabus follows:]

PREPARED STATEMENT BY HON. RAY MABUS

Chairman Levin and Ranking Senator Inhofe, and members of the committee, today I have the privilege of appearing on behalf of the sailors, marines, and civilians who make up the Department of the Navy. This is the fifth time that I have been honored to report on the readiness, posture, progress, and budgetary requests of the Department. With my shipmates—Commandant of the Marine Corps, General James Amos, and Chief of Naval Operations (CNO), Admiral Jonathan Greenert—I take great pride in the opportunity to both lead and serve the dedicated men and women of the Department. This statement, together with the posture statements provided by CNO Greenert and Commandant Amos, present a comprehensive overview of the state of the Department of the Navy.

For 237 years the U.S. Navy and Marine Corps have been deployed around the globe, conducting missions across the full spectrum of military operations. Whether ashore, in the air, on or under the world's oceans, or in the vast cyberspace, The Navy-Marine Corps team operates forward, as America's "Away Team," to protect our national interests, respond to crises, deter conflict, prevent war or, when necessary, fight and win. The past year has been no different. Among myriad missions, our sailors and marines have continued to conduct combat operations in Afghanistan; maritime stability and security operations around Africa; ballistic missile defense with our allies in Europe, the Middle East and the Pacific; and humanitarian assistance and disaster relief missions from the archipelagos of Southeast Asia to the streets of Staten Island.

Today, we continue to transition from a decade of war and counterinsurgency ashore to a time of increased global uncertainty. Eighty percent of the world's population live a short distance from the sea and 90 percent of global trade moves by sea, so our naval forces play a vital role in delivering the security needed to help address today's global challenges. The Nation's Defense Strategic Guidance, as announced by President Obama, directs focus toward the maritime-centric regions of Western Pacific and Arabian Gulf and uses innovative, low-cost, light footprint engagements in other regions. These are tasks tailor made for the Navy-Marine Corps Team. The Commandant, CNO, and I are confident that with proper resourcing, the U.S. Navy and Marine Corps will meet today's and tomorrow's missions.

Almost a century ago the United States began a fruitful period of profound military development between the First and Second World Wars. Vice Admiral William Sims, commander of our naval forces in England during World War I, wrote that "we must be on our guard against the dangers of a lack of vision." As then, strategic thinking and innovative development of our operating concepts will be central to our success now and in the future. The ability to think and adapt to changes in the fiscal and operational environment has been and will be the key to the success of American naval forces.

The Department of the Navy has a proven track record of effective and efficient management of our Nation's most important maritime resources: people, platforms, power, and partnerships. The most resilient and capable force in our history protects the Nation. In the past 4 years, we have stabilized the size of the Fleet, and we are building more capable ships with greater accountability and at a better value to the taxpayer and we are on a trajectory to restore the Fleet to 300 ships by 2019. The Navy and Marine Corps are seeking ways to lessen dependence on fossil fuel and volatile oil prices, some of our greatest military vulnerabilities, by using more efficient and varied forms of power. We are building and maintaining the global partnerships that are so critical to the Navy and Marine Corps' ability to project power throughout the world through forward deployment. As we sail into a new maritime century, the Navy and Marine Corps team is the most formidable expeditionary fighting force the world has ever known.

NAVAL OPERATIONS IN 2012

Operational tempo in 2012 was high. On a daily basis, almost half the fleet was at sea and more than 70,000 sailors and marines were deployed; our Reserve components mobilized over 3,700 sailors and 5,000 marines to support operations. Our forces conducted combat and maritime security operations, bi-lateral and multi-lateral exercises with our international partners, and humanitarian assistance missions.

U.S. Pacific Command (PACOM)

The Asia-Pacific is fundamentally a maritime region, and over 50 percent of the world's population and the world's five largest Armed Forces lie within the operating area of the U.S. Seventh Fleet. Emphasizing our existing alliances while also expanding our networks of cooperation with emerging partners is central to the defense strategy articulated by the President in January 2012. Our mission is to provide security with combat ready units, demonstrated by the forward basing in Japan of USS *George Washington* and her strike group as well as the USS *Bonhomme Richard* amphibious ready group and 31st Marine Expeditionary Unit. Destroyer Squadron 15 continues to conduct Ballistic Missile Defense (BMD) patrols that contribute significantly to this mission. When North Korea conducted launches using ballistic missile technology in both April 2012 and December 2012, our ships were on scene to monitor the situation and defend our forces and allies if needed.

The first Marine rotational force arrived in Darwin, Australia early last year. The marines, part of the 3rd Marine Expeditionary Force (MEF) soon after embarked USS *Germantown* and began operations in the region. Working with naval assets like the destroyer USS *Lassen* and the submarine USS *Buffalo* the marines participated in the longstanding Cooperation Afloat Readiness and Training (CARAT) exercises with a number of our allies and partners including Thailand, Singapore and Bangladesh. Marines from 3rd MEF also participated in Mongolia's Khaan Quest 2013 exercise as part of a joint force that included the U.S. Army. The multinational exercise started 10 years ago as a bi-lateral training opportunity between U.S. Marines and Mongolian forces and has grown to include participants from 10 countries.

Exercise Malabar, an annual bi-lateral exercise between U.S. and Indian Forces, continued to expand in 2012 and comprised training in numerous mission areas including maritime security operations and strike missions. U.S. units, including the USS *Carl Vinson* strike group, conducted operations both at sea and ashore with our partners from the Indian Navy. In cooperation with the armed forces of the Philippines in 2012 we expanded our annual Balikatan exercise to include 20 participating partners from the Association of South East Asian Nations (ASEAN). This year's exercise focused on Humanitarian Assistance, Search and Rescue, and helped develop interoperability with the participating forces.

In 2012 our west coast hospital ship, USNS *Mercy* executed a 5-month Pacific Partnership humanitarian assistance deployment, conducting medical and civic assistance missions in Indonesia, Vietnam, the Republic of the Philippines, and Cambodia. Pacific Partnership began as a humanitarian response to one of the world's most catastrophic natural disasters, the 2004 tsunami that devastated parts of Southeast Asia. The *Peleliu* Amphibious Ready Group and marines from the 15th Marine Expeditionary Unit (MEU) conducted Exercise Crocodilo with the Defense Forces of Timor-Leste, demonstrating the importance of working with all partner nations, no matter the size of their naval forces, which share our commitment to peace and security.

Our largest operation in the Pacific this year was the biennial Rim of the Pacific Exercise (RIMPAC). The largest maritime exercise in the world, RIMPAC in 2012 had participants from 22 nations, including for the first time the Russian Navy. RIMPAC provides a unique training opportunity that helps foster and sustain the

cooperative relationships that are critical to maritime safety and security not only in the Pacific, but across the globe. This year's exercise also displayed the Navy's commitment to energy security with the Great Green Fleet demonstration. USNS *Henry J. Kaiser* conducted an underway replenishment with USS *Nimitz*, USS *Princeton*, USS *Chafee*, and USS *Chung-Hoon*, refueling all the ships and types of aircraft in the *Nimitz* Strike Group with a 50/50 blend of advanced biofuels and petroleum-based fossil fuels. Every type of aircraft that flew from the strike group flew on this blend and all the surface ships sailed on this blend. No engines were changed in any way. This demonstrated the effectiveness and seamlessness of the use of advanced biofuels during operations at sea.

U.S. Central Command (CENTCOM)

Marines and sailors, Active and Reserve, remain engaged in operations in Afghanistan. They have denied the Taliban safe haven and substantially calmed the violent Helmand Province. Along with Coalition partners from eight nations and the Afghan National Security Forces (ANSF), Marines have succeeded in pushing enemy initiated attacks outside populated areas, diminishing the enemy's ability to disrupt governance efforts by Afghans and bringing increased security to population centers.

As 9,000 marines have been drawn down in Helmand over the course of the year, our forces there helped to standup the 215th Corps of the Afghan National Army as well as units of the Afghan National Police and Afghan Local Police. Through these efforts, ANSF has increasingly taken responsibility for securing this area. ANSF units currently conduct 80 percent of operations on their own while leading 85 percent of all operations in Helmand Province.

Aircraft from Carrier Strike Groups in the Indian Ocean conducted thousands of sorties supporting combat operations in Afghanistan with Intelligence, Surveillance and Reconnaissance (ISR) and close air support. With two Carrier Strike Groups in the region for much of the year, regular flight operations were also conducted in the Arabian Gulf. USS *Ponce* also deployed to the region to demonstrate and employ the capabilities of our future Afloat Forward Staging Bases (AFSB).

Off the Horn of Africa, we continue to work with partners in Combined Task Force 151 and other counter-piracy missions. Primarily as a result of these efforts, there was a dramatic drop in the number of pirate attacks during 2012. While the primary purpose and goal of counter-piracy operations is to enhance maritime security in the region, an additional benefit is the development of operational relationships with a wide range of partners. For example, in September USS *Winston S. Churchill* conducted exercises to expand counter-piracy expertise and promote interoperability with the Chinese frigate *Yi Yang*, the first bilateral exercise of its kind between the navies of the United States and the People's Republic of China.

European Command/Africa Command/Southern Command (EUCOM/AFRICOM/SOUTHCOM)

U.S. Navy ships teamed with 11 European and African partners for Phoenix Express 2012, a maritime security exercise in the Mediterranean. AEGIS ships in EUCOM continued their BMD patrols for the European Phased Adaptive Approach to missile defense and planning continues to forward base four guided missile destroyers in Rota, Spain. The High Speed Vessel (HSV) *Swift* circumnavigated Africa for African Partnership Station, making 20 port calls to conduct security cooperation missions and humanitarian assistance. Marines from Special Purpose Marine Air-Ground Task Force (SPMAGTF) Africa trained counterterrorism forces and provided support to forces across the Maghreb region of North Africa.

In the Caribbean, western Atlantic, and eastern Pacific work continued with our regional partners to counter transnational organized crime. Aircraft from Helicopter Anti-Submarine (Light) and Carrier Airborne Early Warning squadrons flew detection and monitoring missions while our ships, working with the U.S. Coast Guard, helped confiscate millions of dollars of illegal drugs and illicit cargo.

Southern Partnership Station provided both military to military training opportunities and humanitarian assistance missions to countries in Central and South America. The Navy also supported the annual Unitas exercises, multinational naval exercises designed to enhance security cooperation and improve coalition operations. Unitas exercises are typically conducted annually in Atlantic and Pacific waters around South America, and in 2012 U.S. Southern Command conducted bilateral training opportunities with nations including Guatemala, Honduras, and Belize. Panamax, the annual U.S. Southern Command-sponsored multinational exercise series, focused in 2012 on ensuring the defense of the Panama Canal. Personnel from 17 nations, including the United States, participated in simulated training scenarios from various U.S. locations.

U.S. Northern Command (NORTHCOM)

When Hurricane Sandy came ashore in October, the Navy and Marine Corps immediately gathered resources to support the Federal Emergency Management Agency (FEMA) and other Federal agencies in the response to this disaster. USS *Wasp*, USS *San Antonio*, USS *Carter Hall*, and USNS *Kanawha* steamed to the coast of New York and New Jersey and became logistics bases for relief efforts following the storm, working in concert with units deployed to Lakehurst Naval Air Station in central New Jersey. Marines from 26th MEU went ashore from *Wasp* at Staten Island to clear debris and reopen streets, while Seabees ran supply convoys into hard hit areas and set up generators, removed beach sand from city streets, pumped over a million gallons of water from homes and removed tons of debris. Sailors from Mobile Diving and Salvage Units worked with FEMA and State officials in dewatering the World Trade Center site and the New York subway system, while members of the Coastal Riverine force cooperated with FEMA at the Hoboken Ferry Terminal to restore service.

Our sea-based strategic deterrent force of ballistic missile submarines continues to provide the most survivable leg of the Nation's strategic deterrent triad. For 50 years, and for more than 4,000 strategic patrols, our Navy's submarine force has patrolled, undetected, below the sea. Our *Ohio*-class ballistic missile submarines promote global stability and provide credible and reliable deterrence.

There are countless other examples of Navy and Marine Corps units on, above and under the seas, on land both in the United States and in every corner of the globe, standing watch protecting this Nation.

DEVELOPING CAPABILITIES FOR FUTURE OPERATIONS

The 21st century presents us with new challenges or threats to both our national security and to global stability. The Navy and Marine Corps are working to develop new concepts and capabilities that will help address sophisticated anti access/area denial (A2/AD) networks, irregular and cyber threats, and the proliferation of precision guided munitions. The Navy, Marine Corps, Air Force and Army are working together to implement the Air-Sea Battle concept, which seeks to improve integration of air, land, maritime, space, and cyberspace forces. The Navy and Marine Corps are also developing the concept of an integrated battle force, taking many of the lessons we have learned about joint and combined operations, combining them with the results of exercises like Bold Alligator 2012, the largest amphibious exercise in over a decade which was conducted on the coast of North Carolina in early 2012, and developing new frameworks for naval warfare and expeditionary operations.

Air-Sea Battle

In order to ensure that U.S. forces remain able to project power on behalf of American interests, the Departments of the Navy, Air Force, and Army continue to develop the Air-Sea Battle concept and its capabilities. The Air-Sea Battle Office, jointly manned by all four Services, is working on a series of initiatives to achieve the capabilities and integration required in future joint forces so that combatant commanders have the tools they need, delivered with the most efficient use of resources. Air-Sea Battle is building on the lessons learned by the joint force over the past three decades to enhance efficiency while confronting the challenge of A2/AD systems in all theaters of operations.

The Navy continues to work on the integration of advanced air and cruise missile defense capabilities, the development of BMD enhancements, and "soft-kill" capability. A new generation of Anti-Ship Cruise Missile (ASCM) remains a priority, which will increase the range and speed at which we can engage enemy surface combatants, the most capable of which are armed with advanced ASCMs. We are also developing the Virginia Payload Module for the *Virginia*-class submarines, to mitigate the loss of the undersea strike capacity of our guided missile submarines when they retire in the mid-2020s.

DEFENDING FREEDOM OF THE SEAS: LAW OF THE SEA CONVENTION

By custom, experience and treaty the traditional concept of freedom of the seas for all nations has developed over centuries. This vital part of the global order has been codified within the Law of the Sea Convention (LOS Convention). The DOD and the Navy continue to strongly support this important treaty. The LOS Convention guarantees rights such as innocent passage through territorial seas; transit passage through, under and over international straits; and the laying and maintaining of submarine cables. Nearly every maritime power and all the permanent members of the UN Security Council except the United States have ratified the conven-

tion. Our absence as a Party weakens our position and impacts our military, diplomatic, and economic efforts worldwide. Remaining outside the LOS Convention also undercuts our ability to challenge expansive jurisdictional claims that, if unchallenged, could undermine our ability to exercise our navigational rights and freedoms, conduct routine naval operations in international waters, and provide support to our allies. Additionally, only as a Party to the Convention can the United States fully secure its sovereign rights to the vast resources of our continental shelf beyond 200 miles from shore. The uniformed and civilian leaders of the Department strongly support accession to the LOS Convention.

DEPARTMENTAL PRIORITIES

Maintaining the world's most capable expeditionary fighting force means developing our Navy and Marine Corps as a strategic asset that provides our Commander in Chief with the broadest range of options in a dynamic and complex global security environment. As Secretary, I continue to charge the Department to focus on four key priorities: people, platforms, power, and partnerships, by ensuring we do the following:

- Support our sailors, marines, civilians, and their families;
- Strengthen shipbuilding and the industrial base; Promote acquisition excellence and integrity; Continue development and deployment of unmanned systems;
- Recognize energy as a strategic national security issue; and
- Build partner capacity to help distribute the burden of securing the global maritime domain based on alliances, shared values, and mutual trust.

From training our newest midshipmen and recruits, to supporting ongoing operations in Central Asia and the Pacific, to preparing for the future force, these principles will guide the Department in all of its many tasks.

Supporting our sailors, marines, and their families

Operational tempo is high and getting higher. The *Bataan* Amphibious Ready Group and 22d Marine Expeditionary Unit's spent almost 11 months at sea, the longest amphibious deployment since World War II. Personnel with *John Stennis* Carrier Strike Group spent only 5 months at home between her two most recent 7-month deployments. Sailors, marines, civilians, and their families are being asked to do more with less, and it is the job of the Department's civilian and military leaders to provide them with the resources to maintain readiness, both physically and mentally, and to support families while loved ones are forward deployed.

The naval strategist and historian Alfred Thayer Mahan once wrote that being ready for naval operations "consists not so much in the building of ships and guns as it does in the possession of trained men." The Department is committed to our most important asset and the most critical combat payload for our ships, aircraft, and units ashore—our people. Over the last 4 years, I have visited with sailors and marines deployed in 96 countries across the globe. When our U.S. Navy and Marine Corps team is on the job, they are far from home and from the people they serve. One of my core missions is to remind them we are grateful for their service, and humbled by their sacrifice.

Pay and benefits are the most tangible example of our commitment to our sailors and marines, and an important focus for the Department. The President's budget includes a 1 percent pay raise for sailors and marines. The amount of this raise reflects the commitment to our sailors and marines, while adhering to the current budget constraints faced by DOD. We support the modest TRICARE fee increase in the fiscal year 2014 budget, which Congress has allowed the Department of Defense to link to CPI to help ensure an efficient and fair benefit cost, as well as efforts to introduce efficiency and cost savings into military pharmacies. These are important steps that help us introduce reform to the Department's personnel costs. The promise of a military retirement is one of the solemn pledges we make to compensate our servicemembers when they volunteer for a full career. However, it is time for a review of this system. We fully support Congress' establishment of the Military Compensation and Retirement Modernization Commission to conduct a comprehensive review of military compensation and retirement systems. The commission must maintain a focus on ensuring any suggested changes support the required force profiles of the services. Keeping faith with those currently serving is a high priority, and the Commission and Congress should ensure that any resulting reforms protect our current servicemembers through grandfathering those who prefer the current retirement structure.

We must manage resources to ensure support for the most combat effective and the most resilient force in history. The standards are high, and we owe sailors, ma-

rines, and civilians the services they need to meet those standards. I am very proud of the dedicated service provided by our civilian workforce, who despite economic sacrifices, continue to deliver outstanding products and services in support of the Navy mission. The continued development of the 21st Century Sailor and Marine Initiative will help ensure that sailors and marines maximize their professional and personal readiness with initiatives that cut across previously stove-piped programs. In March 2012, aboard USS *Bataan*, I outlined the five "pillars" of the 21st century sailor and marine which are: readiness and protection, safety, physical fitness, inclusion, and the continuum of service.

Readiness and protection will ensure sailors, marines, and their families are prepared to handle the mental and emotional rigors of Military Service. Ensuring the readiness of the force includes continuing campaigns by both Services to deglamorize, treat, and track alcohol abuse.

It also means maintaining the standard of zero tolerance for sexual assault. The Navy Sexual Assault Prevention and Response Office (SAPRO) is responsible for keeping the health and safety of our sailors and marines at the forefront. SAPRO has developed training initiatives, opened new lines of communication, and worked to ensure that offenders are held accountable while reducing the number of attacks. In the last year, SAPRO conducted dozens of site visits to Navy and Marine Corps installations worldwide. Their sexual assault prevention programs for leadership reached over 5,000 Navy and Marine officers and senior enlisted personnel at eight operational concentration sites. Simultaneously, live-acted and vignette-based programs, emphasizing the importance of bystander intervention in preventing sexual assault, were presented to packed theaters totaling roughly 15,000 sailors and marines. The Commandant of the Marine Corps has personally championed a Sexual Assault Prevention and Response (SAPR) Campaign Plan that engages his senior leadership in top-down, Corps-wide training initiatives anchored on the core values of Honor, Courage, and Commitment. He and the Sergeant Major of the Marine Corps have been tireless in conveying their expectations in special forums and personal visits to virtually every Marine Corps installation. Across both Services, literally every sailor and marine is receiving special SAPR training that emphasizes the concept of Bystander Intervention to prevent sexual assaults, and additional training tools are in development.

To enhance capabilities in the area of sexual assault prevention and prosecution, Naval Criminal Investigative Service (NCIS) created an advanced adult sexual assault training course. They have also launched a multidisciplinary Adult Sexual Assault Program, which synchronizes the efforts of investigators, prosecutors, and victim advocates. NCIS has continued its campaign to train the Department's leaders, conducting 389 briefings worldwide to over 48,000 servicemembers. Last year they also introduced a 24-hour text-tip capability to enhance responsiveness to criminal allegations including sexual assault, receiving 1,300 web based referrals.

A ready force is also a force that understands how to respond to our shipmates in need in order to help stem the tide of military suicides. The Department will continue to work to improve suicide prevention programs to eliminate suicide from the ranks. This will not be easy. The complexities surrounding suicide requires an "all-hands" effort and comprehensive approach. New training programs, like the Marine Corps' R.A.C.E. (Recognize suicide warning signs, Ask one another about suicide, Care for one another through listening and support, and escort fellow marines to help), are just the start. Navy and Marine Corps commanders are fully engaged in promoting the psychological health of our marines, sailors, and family members and are receiving training on how best to provide solutions in their units. The message to all Navy and Marine Corps leaders is to look out for each other and to ask for help.

The fiscal uncertainty we live with today not only affects operational readiness; the impact may also manifest itself in safety performance. More than ever, we must emphasize safety and risk management, both on- and off-duty as operational tempo increases and our sailors and marines are asked to do more with resources that are being stretched. Efforts to ensure the safest and most secure force in the Department's history include more targeted oversight of our high risk evolutions and training. To improve risk assessment, the Department is analyzing safety and safety-related data from a variety of sources and in 2012 committed to establishing a secure funding stream for the Risk Management Information System. The Department is also employing System Safety Engineers in the hazard and mishap investigation process.

Physical fitness is central to the ability of our sailors and marines to complete their missions. More than just another program, it is a way of life and supporting it resonates throughout the 21st Century Sailor and Marine Initiative. Throughout the force personal fitness standards will be emphasized and reinforced. That com-

mitment extends to improving nutrition standards at Navy dining facilities with the “Fueled to Fight” program, developed and used by the marines. Fueled to Fight emphasizes the importance of nutrition and healthy food items, and ensures their availability.

A cornerstone of the Department’s commitments to individual sailors and marines is to ensure the Navy is inclusive and, consistent with military effectiveness, recruits, retains, and promotes a force that reflects the Nation it defends. The aim to increase the diversity of ideas, experiences, expertise, and backgrounds to ensure the right mix of people to perform the variety of missions required of the services. With military requirements as a guiding tenet, the Department will reduce restrictions to military assignments for personnel to the greatest extent possible.

An officer corps must be representative of the enlisted force it leads. The U.S. Naval Academy, our Reserve Officer Training Corps programs, and Officer Candidate School have all continued to achieve high ethnic diversity rates as minority applications remain at historic levels. In recent years NROTC units have reopened at some Ivy League schools, and new units have opened at State Universities with large minority populations, including Arizona State University and Rutgers University. The first group of women assigned to the submarine force have deployed aboard their boats. Three of these trailblazing officers already earned their qualifications in Submarine Warfare and were presented their “Dolphins” in a ceremony last fall. With success aboard Ohio Class ballistic missile submarines (SSBNs) and guided missile submarines (SSGNs) women will now be assigned to the attack submarine fleet and enlisted women will soon be included in the submarine force.

The final pillar, continuum of service, will provide the strongest transition support in the Department’s history. The Navy and Marine Corps develop future leaders of our Nation, in and out of uniform. For that reason, and for their service, individuals separating or retiring from the Naval Service should be provided the best assistance programs and benefits available to get a positive start in civilian life. The Department’s education benefits, transition assistance, career management training, life-work balance programs, and morale, welfare, and recreation programs are keys to their future and have been recognized by human resource experts as some of the best personnel support mechanisms in the Nation. Our transition efforts also bolster our ability to maintain a highly-skilled Reserve Force, ensuring those highly-trained servicemembers who want to continue to serve in a Reserve capacity are smoothly and appropriately aligned within the Reserve component.

Both the Navy and Marine Corps reached our recruiting goals again in the past year. The Navy is on track to meet its active duty-manning ceiling of 322,700 sailors by the end of this fiscal year. The Marine Corps continues to draw down from 202,001 to the goal of 182,100 by fiscal year 2016 and stood at about 198,000 at the end of 2012. The quality of our recruits continues to rise, with high levels of physical fitness and increasing numbers of recruits with a high school diploma rather than a GED. With high quality recruits the attrition numbers in Boot Camp have dropped, and more sailors and marines are successfully completing their follow-on schools, where they learn the basics of their military specialty.

In order to address many of the asymmetric military scenarios we face, the Department has initiated programs in our Special Operations and Cyber Forces to ensure we have the right personnel for the mission. For instance, the Department conducted a Cyber Zero-Based Review and developed a Cyberspace Manpower Strategy. Operating in and strategically leveraging cyberspace requires a sophisticated and technically savvy force and we must invest in their training and development. We also need an equally sophisticated officer corps to lead this force and therefore, I will make the construction of a cybersecurity studies facility at the U.S. Naval Academy a top priority in developing the fiscal year 2015–2019 military construction program, looking for opportunities to accelerate this vital project. With respect to Special Forces, the Department continues to work closely with U.S. Special Operations Command (SOCOM) on their manpower priorities, including emphasis on targeted recruiting of personnel with language capability and ethnic diversity, compensation issues, and ensuring the proper balance of SOF manning during times of fiscal austerity.

The Department constantly evaluates its success at reintegrating the combat-wounded sailor or marine into civilian life. The Navy and Marine Corps have pressed forward in their efforts to support our wounded, ill, and injured (WII) sailors and marines. The Marine Corps’ Wounded Warrior Regiment, based at Quantico, provides and facilitates non-medical assistance throughout all phases of recovery. With Battalions located on both coasts and detachments around the world, it has the global reach needed to support our men and women. The Navy has established the Safe Harbor Program to coordinate the non-medical care of WII sailors, coast guardsmen, and their families. The program provides a lifetime of individually tai-

lored assistance designed to optimize the success of our shipmates' recovery, rehabilitation, and reintegration activities and has representatives at military treatment facilities all over the world, including partnering with some Veteran's Affairs facilities.

A key to successful integration is meaningful employment and the Department continues to lead by example in providing employment opportunities for Wounded Warriors and veterans. Civilian careers within the Navy offer a wealth of opportunities that allow Wounded Warriors to apply the wide array of skills and experience gained from their military service. Last year, veterans represented more than 50 percent of new hires, with nearly one in ten having a 30 percent or more compensable service-connected disability. Additionally, nearly 60 percent of the Department's civilian workforce has prior military experience. The Department also continues to share best practices across the Federal and private sector, and annually hosts the Wounded Warrior Hiring and Support Conference.

In addition to the successful efforts to help employ transitioning sailors and marines, the Department has also made tremendous strides to improve overall career readiness through the implementation of the newly designed Transition Assistance Program. Both the Navy and Marine Corps have reported compliance with the mandatory components of the transition program required by the Veterans Opportunity to Work to Hire Heroes Act (VOW Act) and implemented new and revised curriculum to facilitate pursuit of post-military goals. By the end of this year, program enhancements will also include the program's three individualized tracks for education, technical training, and entrepreneurship.

Strengthening Shipbuilding and the Industrial Base

Much has been said and written about the size of our Fleet. A few facts are in order. On September 11, 2001, the Navy's battle force stood at 316 ships. By 2008, after one of the great military buildups in American history, our battle force had shrunk to 278 ships. In 2008, the Navy built only three ships, and many of our shipbuilding programs were over budget or over schedule or both. Over the past 4 years, the Fleet has stabilized and many problems in our shipbuilding programs have been corrected or arrested. There are now 47 ships under contract, many under fixed-price contracts that ensure the Department receives the best value for our shipbuilding programs.

Maintaining and increasing current Fleet numbers is a challenge in the current fiscal environment. However, it is important that we succeed in this effort as our defense strategy calls upon us to focus on the maritime-centric theaters of Pacific and Central Command, while still remaining engaged globally. This is why building up the number of ships in our Fleet has been my priority from day one. With your support it will continue to be a priority as we allocate our resources moving forward.

The fiscal year 2013 shipbuilding plan projected that, by the end of the 5 years of the Future Years Defense Program (FYDP), the Fleet, because of a large number of retirements, would have 285 ships, about the same number as exist today. Beyond the FYDP, the Fleet would again experience growth reaching 300 ships before the end of the decade. The plan maintains a flexible, balanced battle force that will prevail in combat situations, including in the most stressing A2/AD environments, while living within the reduced means allocated.

Furthermore, our shipbuilding plan aims to build a Fleet designed to support the new defense strategy and the joint force for 2020 and beyond. A force structure assessment was recently completed and it found, due to the new defense strategy, forward basing and other variables that about 300 ships will be needed to meet the Navy's future responsibilities.

Regardless of the final battle force number, the Fleet's ship count will begin to rise as major surface combatant and submarine building profiles are sustained and as the Littoral Combat Ships (LCS) and Joint High Speed Vessels (JHSV) built during the next 5 years begin to enter fleet service.

A healthy industrial base is necessary to support the Department's priorities going forward. Our Nation faces tough economic times, so our plan, as we noted earlier, to grow the Fleet to 300 ships by 2019 means we have to work closely with the shipbuilding industry to ensure we maintain their skill and capability while growing a fleet affordable to the American people. The industrial base also includes our aircraft manufacturers, and the industry teams that develop the payloads aboard our ships. We will work to ensure diversity in supply as we move ahead, and we will look for opportunities to compete.

Promoting Acquisition Excellence and Integrity

One of the most important obligations of public service is a responsibility to be good stewards of the American people's money; it is particularly important given to-

day's fiscal realities. Rebuilding the fleet with the right platforms continues to be a top priority, and requires efficient and smart spending based on a realistic vision of the future force. At the heart of the Department's improved stewardship and leadership is the acquisition excellence initiative in force since 2009.

The central role Navy and Marine Corps play in the Nation's defense strategy drives the acquisition programs currently underway and those planned in the future. Contract requirements, aggressive oversight, and competition drive affordability. At every appropriate opportunity the Department pursues fixed-price contracts like those in use for the LCS program, or multi-year procurements like those used to purchase the *Virginia*-class submarines, MV-22 Ospreys, and MH-60 helicopters. The Department continues to look for other innovative funding strategies that help ensure a consistent workload for the industrial base, as well as focus on increasing productivity and fostering innovation both in industry and government. Total ownership costs, eliminating unnecessary bureaucracy, and unproductive processes are always considered as programs are developed. Using these methods to inject affordability and refine requirements in the LCS and DDG-51 programs, the Department cut over \$4.4 billion from the projected cost of the ships, and over \$4.9 billion in projected life-cycle costs.

To be responsible with the taxpayer's money also means we must take action against fraudulent contractors and shoddy work. The Navy has greatly strengthened our suspension and debarment system, and enhanced its ability to protect the Department from unscrupulous and irresponsible contractors. NCIS has made significant investments in our major procurement fraud program and has realized a 300 percent return on investment through fines and recoveries associated with criminal prosecutions this year. During fiscal year 2012, the Navy Suspending and Debarment Official suspended or debarred 344 contractors, a 75 percent increase from the previous year. Most of this increase was the result of aggressive pursuit of "fact-based" debarments of contractors who had been terminated for default or poor performance under a Navy contract or who had mischarged costs against Navy contracts, but also includes conviction-based debarments taken against contractors for fraud associated with Government contracts. The Government Accountability Office has recognized the Navy for its very active procurement fraud program, which actively pursues leads of contractor misconduct from numerous sources, and effectively carries out its suspension and debarment responsibilities under the Federal Acquisition Regulations.

To protect the Department's research, development and acquisition (RDA) process from a counterintelligence (CI) perspective, NCIS has partnered with intelligence community members at locations of special interest. For example, integration of NCIS resources at University Applied Research Centers (UARC) and the Applied Research Laboratories has allowed NCIS CI agents and analysts to intensify their operational efforts and investigations that protect these prioritized programs and technologies. Operation "Bigger Game", an integrated RDA CI effort, resulted in the arrest of seven individuals affiliated with a UARC for illegally exporting high-tech microelectronics from the United States to Russian military and intelligence agencies.

Over the past decade and a half the acquisition workforce was downsized. As a result, our expertise and experience was stretched too thin. With your support the Department has been slowly increasing the number of acquisition professionals, restoring the core competencies inherent in their profession and to our responsibilities in the Department to organize, train and equip the Navy and Marine Corps. Since starting the effort 3 years ago, the Department has grown the acquisition work force by 4,700 personnel, which has been key to increasing the necessary technical authority and business skill sets, and improving the probability of program success.

Additionally the Department is keeping program managers in place longer to build up their expertise in and oversight of individual programs, which also contributes to program stability and success. The Department also invests in education for our program managers, who are sent to an intensive short course at the graduate business school at the University of North Carolina specifically targeting a better understanding of defense contractors. A pilot for mid-level managers began last year for a similar graduate level course at the University of Virginia Darden Business School. The Department is also changing the way program leaders are evaluated and now incentivizes them to work with their industry counterparts to manage costs. Finally, acquisition workforce professionalization is receiving the attention it deserves, and more resources are targeted to individual training, education and experience for individuals in key leadership positions.

Developing and Deploying Unmanned Systems

Unmanned systems will continue to be key military platforms, both in the maritime domain and ashore. Successful integration of the unmanned systems begins with the sailors and marines who support the effort. In October 2012, we established Unmanned Helicopter Reconnaissance Squadron 1 (HUQ-1), the first dedicated rotary-wing UAV squadron in the Navy, to train sailors on the aircraft as well as provide deployable detachments. Across the entire spectrum of military operations, an integrated and hybrid force of manned and unmanned platforms is the way of the future. In the past year the Department has made significant movement forward in the development of unmanned systems.

In 2012 USS *Klaking* deployed with 4 MQ-8B Fire Scouts operated by Helicopter Anti-Submarine Squadron (Light) 42 to conduct operations in the Fifth and Sixth Fleets. The ship and squadron, which deployed with a Fire Scout detachment in 2011 in support of counter-piracy operations and operations off of Libya, continued to develop the tactics, techniques and procedures to integrate the Fire Scout helicopters into fleet operations. Another detachment of 3 Fire Scouts flew over 3,000 hours of ISR missions for marines engaged in combat operations in Afghanistan. The next generation Fire Scout, the MQ-8C, made its first flight in 2010 and began production in 2012. It has greater range and payload capacity and it will fly its first missions to serve with Naval Special Warfare.

In unmanned rotary-wing aviation, the marines have continued experimenting with the Cargo Resupply Unmanned Aerial System, using unmanned K-MAX helicopters for resupply in Afghanistan. These UAVs carry cargo to patrol bases and forward operating bases, eliminating the need for dangerous convoys. The contract was extended for another 6-month deployment in Afghanistan, in order to build on the system's success.

A good example of integrating manned and unmanned systems is the Mine Countermeasures (MCM) Mission Module in LCS. This module includes the Remote Multi-Mission Vehicle (RMMV), which will tow the AN/AQS-20A mine hunting sonar to find mines, paired with a manned MH-60S helicopter with the Airborne Mine Neutralization System (AMNS) system to neutralize them. The development team is working with unmanned surface craft for autonomous mine sweeping and shallow water mine interdiction, as well as vertical take-off UAVs for detection and neutralization. USS *Independence* (LCS-2) has already conducted developmental testing of the RMMV and continues to develop operating concepts and procedures.

This spring will bring the first flight of the MQ-4C Triton, the unmanned element of Navy's maritime patrol system of systems. Based on the proven Global Hawk, the Triton will play a central role in building maritime domain awareness and prosecuting surface targets. Further testing and evaluation will occur in 2013. Its experimental predecessor, the BAMS-D demonstrator aircraft, continues to provide maritime surveillance in Fifth Fleet and to develop operating concepts for the aircraft.

The Unmanned Carrier Launched Airborne Surveillance and Strike system (UCLASS) is changing the way reconnaissance and strike capabilities are delivered from our aircraft carriers. Designed to operate alone in permissive environments or as part of the air wing in contested environments, UCLASS will conduct ISR&T and/or strike missions over extended periods of time and at extreme ranges. Unlike manned carrier aircraft, UCLASS will not require flights solely to maintain pilot proficiency. The UCLASS airframe will be employed only for operational missions and operators will maintain proficiency in the simulator, extending its useful life expectancy considerably. Its airborne mission time will not be limited by human physiology but rather will be determined by tanker availability, ordnance expenditure, or the need to conduct maintenance. At NAS Lakehurst, the X-47 Unmanned Combat Air System, Aircraft Carrier Demonstrator conducted its first launch via catapult. In December, the X-47 went to sea for the first time aboard USS *Harry S. Truman* and conducted integration testing and evaluation with the flight deck crews for taxi checks and flight deck operability. Increased autonomy will continue to evolve and will continue to expand the possibilities of what can be done with unmanned systems flying from a carrier. Integrated manned and unmanned systems will provide a more effective fighting force while helping to reduce risk to our sailors and marines.

Recognizing Energy as a Strategic National Security Issue

How the Navy and Marine Corps use, produce, and procure energy is a critical operational element. From the adoption of steam power over sail, the development of oil burning power plants, or the move to nuclear power more than half a century ago, the Navy has a history of leading in energy innovation. In this fiscally constrained environment we must use energy more efficiently and effectively. This fiscal environment also means that the Department must continue to lead on and in-

vest in alternative energy. Failure to do so will leave a critical military vulnerability unaddressed and will expose the Department to price shocks inherent in a global commodity like oil.

The Department's energy initiatives are about combat and operational effectiveness. In wartime, energy is a tactical and operational vulnerability. Because of the massive amount of fuel that the Department uses, price shocks in the global market have a significant impact on budget resources. Every time the cost of a barrel of oil goes up a dollar, it effectively costs the Department an additional \$30 million in fuel costs. These price spikes are mostly paid out of operational funds, which mean less steaming time, less flight time, less training time for our sailors and marines and lack of facilities sustainment. To help address these operational vulnerabilities and threats to our combat effectiveness, in 2009 I established energy goals for the Department. These goals drive the Navy and Marine Corps to strengthen our combat capability by using energy more efficiently and by diversifying our sources of power.

Efficiency and innovation are key starting points to changing the way we use energy. USS *Makin Island*, the fleet's newest amphibious assault ship, is a great example. Designed with energy efficiency in mind, it has a unique hybrid electric power plant instead of the steam plant powering the rest of the *Wasp* class. The ship returned from its maiden deployment last year and, between the highly efficient systems and the energy awareness of the crew, saved the Navy \$15 million in fuel costs out of a budgeted \$33 million over the 7-month deployment. Plans for the two following ships, USS *America* and USS *Tripoli*, include hybrid electric systems like *Makin Island* and we are working on a similar system to back-fit it onto Flight IIA *Burke*-class DDGs.

The Marine Corps has proven and is proving that energy efficient and renewable energy equipment increases combat effectiveness. Recognizing a combat multiplier, the Marines Corps came up with an innovative process to shorten the timeline from concept to combat. In just a year, using the Experimental Forward Operating Base (ExFOB) process, the Marine Corps equipped marines with new capabilities that reduce the burden of fuel and batteries. Since Third Battalion, Fifth Marines deployed to Helmand Province in fall of 2010 with solutions identified through ExFOB, this equipment has become a standard part of the Marine Corps kit. Marine Battalions in Afghanistan are equipped with these energy technologies so we now have sniper teams, Special Operations teams, Communication units, Infantry and Artillery Units, and teams training our Afghan partners employing ExFOB-proven gear, from solar blankets to power radios, LED lights to illuminate tents, and solar generators to provide power at forward operating bases and combat outposts. These capabilities have made a real impact: enabling a foot patrol to operate for 3 weeks without battery resupply, reducing the backpack load on marines, and increasing self-sufficiency at operations centers. Continuing to aggressively pursue solutions, ExFOB deployed hybrid power solutions to Patrol Base Boldak in Afghanistan. With the lessons learned at Boldak, the Marine Corps is now writing requirements to redefine how they power the Force—with hybrid power systems and fewer generators that are right-sized for the mission. Capabilities that increase combat power through greater energy performance have become fundamental to Marine Corps modernization.

The Department continues to develop the drop-in, advanced biofuel initiative for our ships, aircraft, and shore facilities. Under the Defense Production Act, the Department of the Navy has teamed with the Departments of Agriculture and Energy to fund the Advanced Drop-in Biofuel Initiative to help the development of multiple, geographically dispersed biorefineries. Last fall, DOD issued a multi-stage solicitation under Title III of the Defense Production Act (DPA) that sought to construct or retrofit through public-private partnerships multiple, commercial-scale next generation bio-refineries geographically located and capable of producing cost-competitive, ready drop-in biofuels that meet or exceed military specifications. Soon, DOD will finalize negotiations with several companies that have met the criteria, including demonstrating the ability to domestically produce alternative fuels by 2016–2017 that are very cost-competitive with petroleum.

This past year the Navy purchased a B20 blend (80 percent conventional/20 percent biodiesel) for the steam plant at the St. Julien's Creek Annex, near Norfolk, VA. The cost of the B20 is 13 cents per gallon less expensive than conventional fuel, and is projected to save the facility approximately \$30,000 over the 2012–2013 heating season.

Drop-in fuels are necessary so that no changes to our engines, aircraft, ships, or facilities are needed to burn the fuel and so we retain operational flexibility to use whatever fuel is available. After testing individual platforms in 2011, in 2012 the Department took an important leap forward toward the goal of globally deploying

ships and aircraft in maritime operations on competitively priced biofuels by 2016. At RIMPAC, the entire *Nimitz* Carrier Strike Group, from the surface escorts to the helicopters flying patrol and logistics missions, conducted operations on a 50/50 conventional and biofuel blend. The ships of the strike group also demonstrated energy efficient technologies to reduce the overall energy use, including solid-state lighting, on-line gas turbine waterwash, and shipboard energy dashboards.

This year I issued the Department's "Strategy for Renewable Energy" to outline our path to procuring one gigawatt (GW) of renewable energy for our shore facilities by 2020. For reference, one GW can power a city the size of Orlando. This strategy will help us achieve the goal of obtaining 50 percent of our power ashore from alternative energy sources, at no additional cost to the taxpayer. The Department chartered a 1GW Task Force to create an implementation plan, calling on each region of our shore establishment to develop their own energy plans to help achieve these goals. In fiscal year 2012 we initiated four power purchase agreements for large scale renewable energy including three photovoltaic projects, each of which will provide electricity cheaper than conventional sources and will save a total of \$20 million over the lives of the agreements, and a waste-to-energy facility at MCAS Miramar that is cost neutral when compared to conventional power. All four of these projects have been developed with third party financing.

Continued leadership in this field is vital to the Nation's future. Our allies and friends around the world are actively exploring the potential of efficiency and alternative energy to increase combat effectiveness and strategic flexibility. The Australian Navy is drafting an alternative fuels policy, and the Department is working closely with them to ensure interoperability so that our forces can use alternative fuels together. The British Army, partnered with marines in Afghanistan, has begun to use alternative energy equipment developed by the marines in their ExFOB program at the bases they operate in theater. These partnerships are emblematic of the types of engagements with our allies around the world on important topics such alternative fuels, energy efficiency and renewable energy that we must continue to lead to provide secure alternatives, improve reliability of fuel supplies, and enhance combat and operational effectiveness.

Energy, fuel, and how we power our ships have always been a vital issue for the United States Navy. Those who question why the Navy should be leading in the field forget the Navy's leadership in energy throughout history. From John Paul Jones rebuilding the sailing rig of USS *Ranger* in France in order to make the ship faster and more efficient before raiding the British seacoast, to the deployment of our first nuclear powered aircraft carrier USS *Enterprise*, which was just decommissioned, the energy and fuel to propel the Fleet has been a key element of the U.S. Navy's success.

Maritime Partnerships and Forward Presence

For almost 7 decades, U.S. Naval forces have maintained the stability and security of the global maritime domain, upholding the two key economic principles of free trade and freedom of navigation, which have underwritten unprecedented economic growth for the global economy. As 90 percent of worldwide trade and over half of global oil production are moved at sea, this system, and the sophisticated set of international rules and treaties upon which it is based, has become central to the economic success of the global marketplace. However its efficiencies, and the demanding timelines of a "just in time" economy, place it at risk from the destabilizing influences of rogue nations and non-state actors. While our engagement with and assurance of this global system are not without cost, the risk of instability, stagnant global economic growth and a decline in national prosperity could be dramatic.

Providing security across the global maritime domain requires more capacity and capability than any single nation is able to muster especially within the current fiscal constraints. Building partner capacity helps distribute the burden of securing the global maritime domain based on alliances, shared values and mutual trust. The Navy and Marine Corps are naturally suited to develop these relationships. Trust and partnerships across the globe cannot be surged when conflict looms if they have not been established in times of peace.

Forward presence is the key element of seapower, which can help deter or dissuade adversaries from destabilizing the system or starting a military conflict. U.S. naval forces operating around the world underwrite the credibility of our global leadership, and give meaning to our security guarantees. They demonstrate shared commitments and concerns, and reinforce regional security without a large and expensive footprint ashore. Forward deployed naval forces allow us to provide a full range of options to the President and the combatant commanders; from a single patrol craft to a carrier strike group; from a platoon of SEALs to a Marine air-ground

task force; that ensure our leaders have the adaptable and flexible forces needed to respond to any challenge and retain an element of control in the escalation of conflict. The ability to concentrate forces for military operations in times of crisis, or distribute them to engage allies, partners, and friends in times of relative peace, depends on maintaining naval forces forward. As does our ability to be present during a crisis and avoid the appearance of escalation.

In addition to the exercises and operations previously described, senior leader engagement and training opportunities for our allies, partners, and friends are important components of building international relationships and trust. As Secretary, I have had the opportunity to meet with 35 Heads of State and Government, over 60 Ministers of Defense, over 80 Chiefs of Navy, as well as additional military leaders and many foreign military personnel. The U.S. Naval Academy, the U.S. Naval War College, Marine Corps University, and the Naval Post Graduate School host international students who return home with not only a first-rate education, but with friendships and new perspectives on the United States and its people that can have a significant impact on future military-to-military relationships.

FISCAL YEAR 2014 BUDGET SUBMISSION

Every strategy is a balance of responsibilities and resources. The Department's ability to meet the demands of today's operations, in support of our Defense Strategic Guidance, depends on anticipating and preparing for the changing geopolitical landscape and having the proper resources ready to deploy. The Department will continue to maintain the capabilities required to ensure that the Navy and Marine Corps is the finest expeditionary force in the world, however proper resourcing is needed to maintain our capacity for global operations.

With the resources as laid out in the fiscal year 2014 budget request, the battle force of 2019 will include the following platforms.

Nuclear-powered Aircraft Carriers and Air Wings.

With the 2016 delivery of USS *Gerald R. Ford*, the first of a new class of nuclear-powered aircraft carriers, the number of carriers in commission returns to 11. The Department will sustain that number at a minimum through the middle of this century. The *Ford* class of carrier is a completely new ship within a rearranged *Nimitz* hull. The *Ford* class contains new shipboard systems like an electromagnetic launch system and advanced arresting gear, and with advanced combat capabilities resident in the F-35C Lightning II Joint Strike Fighter, F/A-18E/F Super Hornet, EA-18G Growler electronic attack aircraft, E-2D Advanced Hawkeye airborne early warning aircraft, the MH-60 Sierra and Romeo tactical helicopters, and new unmanned aerial systems.

Nuclear-powered Attack Submarines.

There are nine *Virginia*-class submarines already in commission and seven more at various stages of construction. The planned fiscal year 2014–2018 multi-year procurement (MYP) of nine submarines remains intact, and with the 2013 congressional action, advanced procurement has been authorized and appropriated for a 10th boat to be ordered in 2014. I would like to thank Congress for their support of our submarine programs. Your continued support is needed for the advance appropriation required to complete the procurement of the 10th *Virginia*-class boat. This means that these flexible, versatile platforms will be built at the rate of two per year during the FYDP with the cost-saving benefits afforded by the multi-year procurement contract.

With four guided missile submarines (SSGNs) decommissioning in 2026–2028, the Department will continue to invest in research and development for the *Virginia* Payload Module (VPM). VPM could provide future *Virginia*-class SSNs with four additional large diameter payload tubes, increasing her Tomahawk cruise missile capability from 12 to 40 and adding other payload options.

Guided Missile Cruisers and Destroyers.

Modular construction of the DDG 1000 class destroyers is proceeding apace, with commissioning of all three ships of this class planned between 2015 and 2019. The *Arleigh Burke*-class DDGs (DDG-51s) remain in serial production, with plans in place for a multi-year purchase of up to 10 ships through fiscal year 2017. As part of that multi-year purchase, the Navy intends to seek congressional approval for introducing the DDG-51 Flight III aboard the second fiscal year 2016 ship based on the achievement of a sufficient level of technical maturity of the Air and Missile Defense Radar (AMDR) development effort. The Flight III Destroyer will include the more powerful AMDR providing enhanced Ballistic Missile Defense (BMD) and Air Defense capability. The modernization program for in-service *Ticonderoga*-class CGs

and *Arleigh Burke*-class DDGs is progressing satisfactorily, with hull, machinery, and electrical system maintenance and repairs; installation of advanced open architecture combat systems, and upgrades to weapons/sensors suites that will extend the service life and maintain the combat effectiveness of these fleet assets.

Littoral Combat Ships

With their flexible payload bays, open combat systems, advanced unmanned systems, and superb aviation and boat handling capabilities, LCSs will be an important part of our future Fleet. This spring we forward deployed the first LCS, USS *Freedom*, to Singapore and will forward deploy four by CY16. Crew rotation plans will allow for substantially more LCS forward presence than the frigates, Mine Counter-Measures ships, and coastal patrol craft they will replace, and will free our multi-mission capable destroyers for more complex missions. The Department remains fully committed to our plan of purchasing 52 Littoral Combat Ships.

Amphibious Ships

Thirty amphibious landing ships can support a two-Marine Expeditionary Brigade (MEB) forcible entry operation, with some risk. To generate 30 operationally available ships, the strategic review envisions an amphibious force consisting of 33 ships total. The objective fleet will consist of 11 big deck Amphibious ships (LHA/LHD), 11 Amphibious Transport Docks (LPD), and 10 Landing Ship Dock (LSD). To support routine forward deployments of Marine Expeditionary Units (MEUs), the amphibious force will be organized into nine, three-ship Amphibious Ready Groups (ARGs) and one four-ship ARG forward based in Japan, plus an additional big-deck Amphibious ship available to support contingency operations worldwide.

Afloat Forward Staging Bases (AFSBs)

The Navy is proposing to procure a fourth Mobile Landing Platform (MLP) in fiscal year 2014, configured to serve as an Afloat Forward Staging Base (AFSB). This AFSB will fulfill an urgent combatant commander requirement for sea-based support for mine warfare, Special Operations Forces (SOF), Intelligence, Surveillance and Reconnaissance (ISR), and other operations. The work demonstrated by the interim AFSB, USS *Ponce*, has been very encouraging. To speed this capability into the fleet, and to ultimately provide for continuous AFSB support anywhere in the world, we are designing and building the fiscal year 2012 MLP 3 to the AFSB configuration, resulting in a final force of two MLPs and two AFSBs. This mix will alleviate the demands on an already stressed surface combatant and amphibious fleet while reducing our reliance on shore-based infrastructure and preserving an important part of our shipbuilding industrial base.

Naval Aviation

The Department continues to evaluate the needs of naval aviation to ensure the most efficient and capable force in line with the Defense Strategic Guidance. The Navy procured the final F/A-18 Super Hornet in fiscal year 2013 for delivery in fiscal year 2015 for a total of 552 aircraft. EA-18 Growler will complete program of record procurement with 21 EA-18G in fiscal year 2014 for delivery in fiscal year 2016 for a total of 135 aircraft. The Department's review of aviation requirements has validated the decision to purchase 680 Navy and Marine Corps F-35s. The F-35 procurement remains steady, with four F-35C and six F-35B. The Marine Corps stood up the first F-35 operational squadron, VMFA-121, in November 2012. The Fleet Replacement Squadron, VFA-101, is expected to receive its first F-35C in April 2013.

The Department of the Navy continues to monitor strike fighter capacity. Changes in the Marine Corps force structure, accelerated transition from the legacy Hornet aircraft to the Super Hornets, high flight hour extensions for legacy Hornets and lowered utilization rates resulted in an appropriately sized strike fighter aircraft inventory. Based on current assumptions and plans, strike fighter aircraft shortfall is predicted to remain below a manageable 29 aircraft through 2023, with some risk.

In the long term, the Navy will need to replace its F/A-18E/F Fleet. Pre-Milestone A activities are underway to define the follow-on F/A-XX aircraft. Navy continues to develop the first-generation Unmanned Carrier-Launched Airborne Surveillance and Strike System (UCLASS), which will provide long-range, persistent ISR&T with precision strike capability, enhancing the carrier's future ability to provide support across the range of military operations in 2020 and beyond. UCLASS will utilize the flexibility and access inherent in carrier operations to provide the Joint Force and combatant commanders with on demand intelligence and strike capability against time-sensitive targets while on station.

In fiscal year 2014, the Navy is seeking approval for a MYP of 32 E-2D aircraft over a longer term than originally proposed. Over the FYDP, purchases of P-8s

have been reduced by eight aircraft, which reflects the Department's intent to procure all the aircraft originally planned, but at a slower rate in order to distribute the costs more evenly.

MARINE CORPS

As the Nation's ready response force, the Marine Corps, by definition, remains at a high state of readiness. The demands of a ready force require careful balance across these accounts to avoid a hollowing of the force. The Department is executing an approved multi-year plan to draw down the Corps from an end strength of 202,100 in early 2012 to 182,100 by the end of fiscal year 2016. The drawdown is on pace at approximately 5,000 marines per year and anticipates that voluntary separations will be adequate to meet this planned rate. The marines will resort to involuntary separations only if absolutely necessary. But, no matter how a marine leaves, we remain committed to providing effective transition assistance and family support.

The Joint Strike Fighter continues as the Marine Corps number one aviation program. The F-35 will replace the Marine Corps' aging legacy tactical fleet; the F/A-18A-D Hornet, the AV-8B Harrier and the EA-6B Prowler, bringing the force to one common tactical fixed-wing aircraft. The integration of F-35B will provide the dominant, multi-role, fifth-generation capabilities needed across the full spectrum of combat operations, particularly to the Marine Air Ground Task Force (MAGTF) and the Joint Force. Having successfully completed initial ship trials, dropping a variety of ordnance and completing hundreds of successful test flights, the F-35B continues to make significant progress, culminating with the standup this past November of the first operational JSF squadron, VMFA-121, in Yuma, AZ.

The Marine Corps' ground vehicle programs are also a critical element of revitalizing the force after age and operational tempo have taken their toll on the equipment. Two key programs for the Ground Combat Elements are the Joint Light Tactical Vehicle (JLTV) and the Amphibious Combat Vehicle (ACV). The JLTV will provide the Marine Corps tactical mobility with a modern expeditionary light utility vehicle. The initial planned purchase of 5,500 vehicles has been reduced based on our constrained fiscal environment, and the Marine Corps will need to refurbish the remaining High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) fleet in order to fill out less dangerous missions. The ACV is central to the Marine Corps role as an amphibious force providing forcible entry and crisis response. The ACV program will develop the next generation amphibious, armored personnel carrier that will help ensure the Marine Corps can continue to bridge the sea and land domains. The Marines' Light Armor Vehicle (LAV) Mobility and Obsolescence program is on track to extend the service life of the LAV by replacing or upgrading several components including the suspension and drive systems. The Marine Corps' ability to exploit an obsolete but already produced suspension system from the Army's Stryker vehicles has saved at least \$162 million taxpayer dollars.

Of particular concern is the fact that the Marine Corps modernization accounts represent only 14 percent of the Marines' total obligation authority. Because of this level of modernization funding, even proportional cuts have disproportionate impact on the many small programs essential to modernization of the Corps. Combining this with efforts to reconstitute the force as it returns from Afghanistan, our reset strategy, which focuses on the most economical way to restore equipment readiness, is vital to the Marine Corps' future.

Keeping faith with our marines as we reduce the force, maintaining our plans for the modernization of the force, and resetting our equipment after a decade in combat depend on appropriate funding.

CONCLUSION

The Founding Fathers, in their wisdom, placed in the Constitution the requirement that Congress "provide for and maintain a Navy." In the 21st century, that force is as vital, or more so, to our national security as it has been throughout our Nation's history. As we commemorate the bicentennial of the Battle of Lake Erie, we continue to recognize our Navy's history in the War of 1812. Captain Oliver Hazard Perry led his men through a bloody battle, in the end reporting that "we have met the enemy, and they are ours." It was the first time that an entire squadron of the Royal Navy surrendered to an enemy force. The battle was a critical naval victory and represents more than just the skill and daring of our Navy in the Age of Sail. The joint operations that followed, with Perry's naval forces conducting an amphibious landing and providing naval gunfire support for an Army invasion of Canada, were early examples of joint power projection. It serves as a reminder that the Navy and Marine-Corps Team has a vital role to play in the defense of our Na-

tion, but is a teammate with our joint partners who all contribute to success and victory.

The goals and programs we have discussed today will determine our future as a global force. We have worked to streamline our processes and increase efficiency, to work toward innovative new solutions to our 21st century problems, and to eliminate programs that no longer apply in the current strategic environment. We have done this to ensure that we retain the ability to deter regional conflict and respond rapidly and decisively to emerging crises.

Our specific requests are reflected in the President's fiscal year 2014 budget submission. Today's economic environment and our Nation's fiscal constraints demand strict stewardship and leadership. The process by which we arrived at the Department's budget requests was determined, deliberate, and dedicated to our responsibility to you and the taxpayer. I can assure you that the Department has thoroughly considered the risks and applied our available resources efficiently and carefully to align our request with the President's Defense Strategic Guidance.

Today, your Navy and Marine Corps are deployed across the spectrum of military engagement around the world, from direct combat operations to providing security in the maritime domain to humanitarian assistance. Our sailors and marines often seem to be everywhere except at home. Their hard work and success are based on the unparalleled professionalism, skill, and dedication that ensure their dominance in every clime and place. The Commandant, CNO, and I look forward to answering your questions. This committee's continued and enduring support for our policies, payloads, platforms, and people enables us to fulfill the historic charge of the Founders to sail as the Shield of the Republic.

Thank you.

Chairman LEVIN. Thank you very much, Secretary Mabus.
Admiral Greenert.

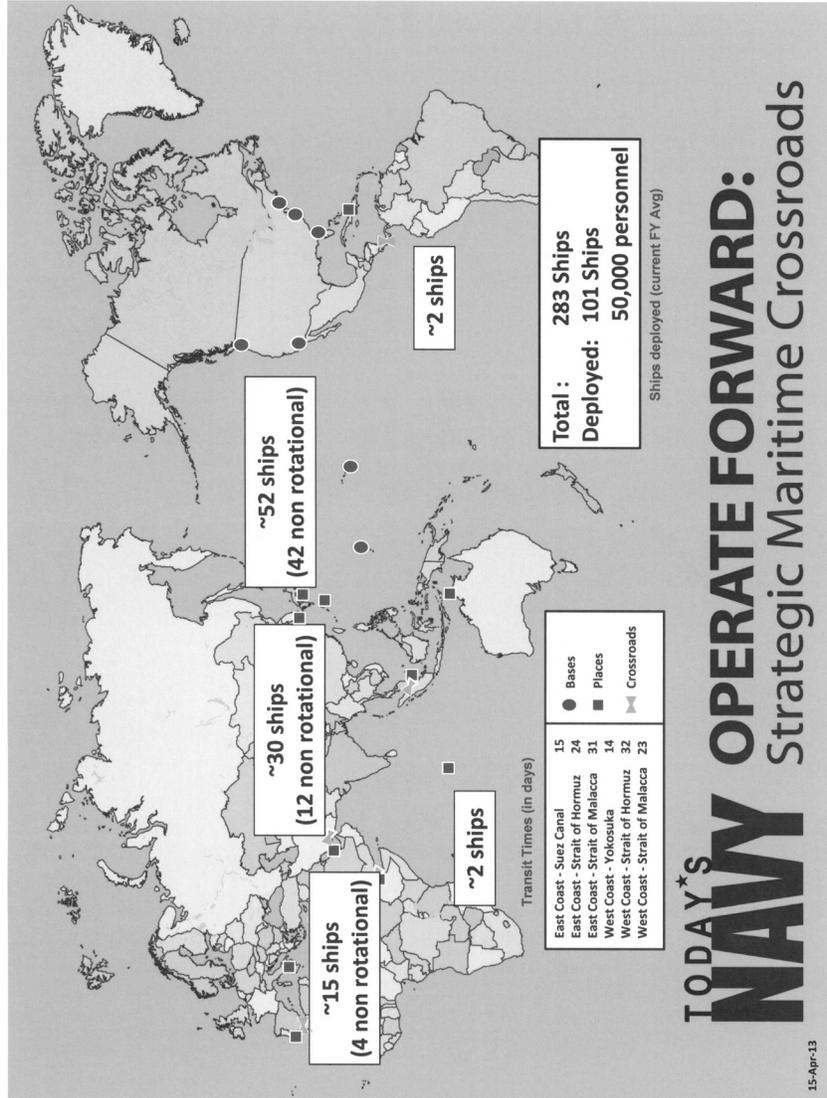
**STATEMENT OF ADM JONATHAN W. GREENERT, USN,
CHIEF OF NAVAL OPERATIONS**

Admiral GREENERT. Thank you, Chairman Levin, Senator Inhofe, distinguished members of the committee: It's my pleasure to appear before you today to testify on the Navy's fiscal year 2014 budget and our posture. I am honored to represent 613,000 Active and Reserve sailors, Navy civilians, and the families who support them, all who are serving today. This morning I will address three points in my oral testimony: our enduring tenets for decision-making, our budget strategy for 2013 and the subsequent carryover that we will incur, and our intended course for 2014.

Two important characteristics of our naval forces describe our mandate, that we will operate forward where it matters and that we will be ready when it matters. Our fundamental approach to meeting this responsibility remains unchanged. We organize, man, train, and equip the Navy by viewing our decisions through three lens, or I call them tenets. They are that warfighting is first, we have to operate forward, and we need to be ready. Regardless of the size of our budget or our fleet, these three tenets are the lens through which we evaluate all our decisions.

If you refer to the chartlet I've provided in front of you, you will see that on any given day we have about 50,000 sailors in 100 ships deployed overseas. They are providing forward presence. The orange bow ties, if you will, on the chart represent what I call the maritime crossroads, where shipping lanes and our security concerns intersect. A unique strength of your fleet is that it operates forward from U.S. bases, represented by circles on the chartlet, and from places provided by partner nations, represented by squares on the chartlet.

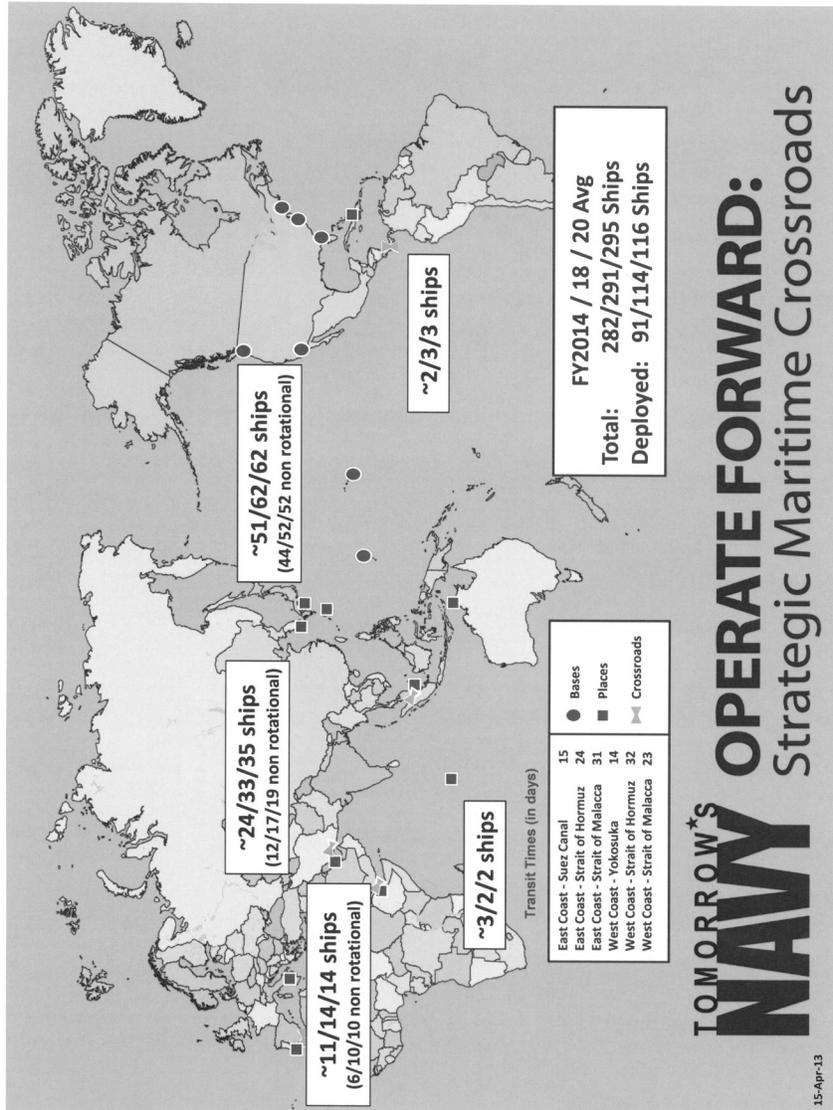
[The chart referred to follows:]



Admiral GREENERT. These places are critical to your Navy being where it matters because they enable us to respond rapidly to crises and enable us to sustain forward presence with fewer ships by reducing the number of ships on rotational deployments.

The reverse side of the chartlet will describe the plan for our deployments shown in the rebalance to the Asia-Pacific while sustaining our Mideast posture.

[The chart referred to follows:]



Admiral GREENERT. In February we faced a shortfall of about \$8.6 billion in our 2013 O&M account. Since then we received a 2013 appropriation in March, and I thank this committee for their work in that regard. In accordance with our priorities and tenets, we plan to invest our remaining 2013 O&M funds to fund our must-pay items such as contracts, leases, and utilities, to reconcile our 2013 presence with our combatant commanders, and to conduct the training and maintenance for forces next to deploy, and to prepare to meet our 2014 global force management allocation plan responsibilities. Also, we'll restore critical base operations and renovation projects.

Although we intend to meet our most critical operational commitments to the combatant commanders, sequestration still leaves us with a \$4.1 billion O&M shortfall and a \$6 billion investment shortfall. This will result in our surge capacity of fully mission-capable carrier strike groups and amphibious ready groups being reduced by two-thirds through 2014. Further, we will have deferred about \$1.2 billion in facilities maintenance, as well as depot-level maintenance for 84 aircraft and 184 engines.

Combined, our O&M and investment shortfalls leave us \$9 billion worth of carryover challenge for 2014. A continuation of sequestration in 2014 will compound this carryover challenge from \$9 billion to \$23 billion. Further, accounts and activities we were able to protect in 2013, such as manpower and nuclear maintenance and critical fleet operations, will be liable to a reduction in 2014.

Our people have remained resilient in the face of this uncertainty and I have been amazed throughout this process with their patience and their dedication, that of our sailors and our civilians.

Our 2014 budget submission supports the Defense Strategic Guidance (DSG) and enables us to maintain our commitments in the Middle East and to rebalance to the Asia-Pacific region. We prepared this budget with the following priorities: One, to deliver overseas presence in accordance with our Global Force Management Allocation Plan (GFMAP); and two, to continue our near-term investments and address challenges in the Middle East and the Asia-Pacific region; three, we want to develop long-term capabilities with the appropriate capacity to address warfighting challenges in the Middle East and the Asia-Pacific region.

Our budget submission continues to invest in future fleet. We've requested \$44 billion in ships, submarines, manned and unmanned aircraft, weapons, cyber, and other procurement programs such as the JSF, LCS, unmanned aerial vehicles, the DDG-1000, and the P-8A Poseidon, just to name a few.

These investments will deliver a fleet of 300 ships by 2019 with greater interoperability and greater flexibility when compared to today's fleet.

We also continue to fund important high-technology and asymmetric capabilities such as the Laser Weapon System for small boat and drone defense, which will deploy aboard the ship *Ponce* in spring 2014. Also in 2014, we will deploy on the carrier *George Herbert Walker Bush* a successfully tested prototype system to detect and defeat advanced wake-homing torpedoes.

We continue to grow manpower by about 4,600 sailors in this submission compared to last year's budget, and these new sailors

will reduce our manning gaps at sea, will enhance our cyber capabilities, and will improve our waterfront training. We will continue to address our critical readiness and safety degraders, such as sexual assault, suicide, increased operational tempo, and our at-sea manning.

Mr. Chairman, this budget places our Navy on a good course which enables us to meet the requirements of the DSG today while building a relevant future force and sustaining our manpower for tomorrow. We appreciate everything you and the committee have done for the sailors and civilians of our Navy as well as the families, and we again ask for your support in removing the burden of sequestration so that we can better train, better equip, and deploy properly these brave men and women in defense of our Nation.

[The prepared statement of Admiral Greenert follows:]

PREPARED STATEMENT BY ADM JONATHAN GREENERT, USN

Chairman Levin, Ranking Senator Inhofe, distinguished members of the committee; it is my pleasure to appear before you today to testify on the Navy's fiscal year 2014 budget and posture. I am honored to represent the approximately 613,000 Active and Reserve sailors and Navy civilians serving today, as well as their families.

ESTABLISHING THE BASELINE FOR FISCAL YEAR 2014

Before discussing our fiscal year 2014 budget submission, we have to clarify our current situation in fiscal year 2013. This will form the baseline for our fiscal year 2014 program. In February, Navy faced a shortfall of about \$8.6 billion in our fiscal year 2013 operations and maintenance (O&M) account due to a combination of requirements growth, the Continuing Resolution and sequestration. Since then, thanks to Congress' efforts, we received an fiscal year 2013 appropriation in March as part of the Consolidated and Further Continuing Appropriations Act of 2013. This appropriation restored about \$4.5 billion toward our total need in operations and maintenance. As a result, we have a fiscal year 2013 shortfall in operations and maintenance of about \$4.1 billion, approximately 10 percent of the planned amount for this fiscal year.

In accordance with our priorities and strategy, we are applying our remaining O&M funds to the following:

- Pay "must pay bills": Ensure we have funding for bills such as utilities, contracts and reimbursables.
- Reconcile fiscal year 2013 readiness: Sustain operations and maintenance for the priority forces in accordance with the defense strategy that will deploy to meet the current approved fiscal year 2013 Global Force Management Allocation Plan (GFMAP), which describes the forces required to be provided by the Services to the combatant commanders (CCDR) as directed by the Secretary of Defense. Our remaining spending plan for fiscal year 2013 will address furloughs of civilians and sustain nondeployed ship and aircraft operations so appropriate forces prepare to deploy, and other forces operate enough to be able to safely respond if needed to support homeland defense.
- Prepare to meet fiscal year 2014 GFMAP: Conduct training and maintenance for forces that will deploy as part of the fiscal year 2014 GFMAP, including guided missile destroyers (DDG) transferring to Rota, Spain as part of the Forward Deployed Naval Force (FDNF).
- Restore critical base operations and renovation: Sustain base infrastructure and port and airfield operations to support training and deployments needed for the fiscal year 2013 and fiscal year 2014 GFMAP. We will also conduct health and safety-related facility repairs and continue high-return energy efficiency projects.

However, sequestration will result in a fleet and bases less ready than planned. For example, at sea we were compelled to recommend the fiscal year 2013 GFMAP be changed to cancel one ship deployment to the Pacific, two ship deployments to Europe and cancel all but one fiscal year 2013 ship deployment to U.S. Southern Command. We continue to evaluate opportunities to add deployments to these regions as our fiscal position becomes clearer. In addition to reducing overseas deploy-

ments, we will also reduce the amount of operations and training our ships and aircraft will conduct when not deployed.

We reduced maintenance, including deferral of depot maintenance on 84 aircraft and 184 engines, and reducing the scope of 2 ship maintenance availabilities. We plan to recover this backlog during fiscal year 2014. With Congress' approval of our proposed fiscal year 2013 reprogramming, we will restore all of our planned ship maintenance availabilities remaining in fiscal year 2013.

The impact of reduced fleet operations and maintenance will be less surge capacity, but we will retain the ability to support the fiscal year 2014 GFMAP. All our forces deploying in fiscal year 2013 and fiscal year 2014, including two carrier strike groups (CSG) and two amphibious ready groups (ARG) (one each in the Middle East and the Asia-Pacific), will be fully mission-capable and certified for Major Combat Operations. All our forces supporting operations in Afghanistan, where Navy aircraft fly about one-third of all tactical sorties, will also be fully mission-capable and certified. For surge, we will retain one additional CSG and ARG in the United States that are fully mission-capable, certified for Major Combat Operations and available to deploy within 1–2 weeks. This is about one-third of our normal surge capacity. Overall, due to reduced training and maintenance, about two-thirds of the fleet will be less than fully mission capable and not certified for Major Combat Operations. Historically, about half of our fleet is in this status, since ships and squadrons are in training or maintenance preparing for their next deployment. While these forces will not be ready or certified to deploy overseas, they will remain able to respond, if needed, to support homeland defense missions.

Ashore, we deferred about 16 percent of our planned fiscal year 2013 shore facility sustainment and upgrades, about \$1.2 billion worth of work. Recovering these projects could take 5 years or more, and in the meantime, our shore facility condition will degrade. We were able to sustain our Sailor and Family Readiness programs through fiscal year 2013, including Child Development Centers, Fleet and Family Support Centers, and Sexual Assault and Prevention programs. We also fully funded a judicious Tuition Assistance program for our sailors. Despite these efforts to reduce the impact of sequestration on our people, however, we must still consider furloughs for our Navy civilians.

Sequestration reduced the fiscal year 2013 funding for each of our investment programs by about 8 percent, or about \$6.1 billion total. We are still reconciling the impact of this reduction, but due to the mechanics of sequestration and limited reprogramming authorized by the fiscal year 2013 Defense Appropriations Act, it is likely we will be compelled to reduce the number of weapons we purchase and the number of aircraft we buy in some of our aviation programs due to the reduction—including one E–2D Hawkeye, one F–35C Lightning II, one P–8A Poseidon and two MQ–8C Fire Scout. Our ship construction programs will need to restructure schedules and shift some outfitting costs to future years to address the nearly 8 percent sequestration reduction in fiscal year 2013. This will pass on “costs to complete” that will need to be reconciled in future years. These costs will not be an insignificant challenge as they may compel Navy to cancel the procurement of future ships to complete outfitting ships that are nearing delivery.

THE IMPACT OF CONTINUED UNCERTAINTY

Over the past 4 months we slowed our spending, stopped new program starts, and proceeded very deliberately in choosing our operations, deployments and investments. We brought “all hands on deck” to work on revised plans for everything from how we provide presence to what we buy in fiscal year 2013. In the Fleet, this is standard procedure for proceeding through a fog bank—slow, deliberate and with limited visibility ahead; effectively, most other operations and planning stop because of the dangerous near-term situation. With a fiscal year 2013 appropriation, we are now coming out of this “fog,” increasing speed, heading toward a national future, and reestablishing momentum behind our top priorities.

This momentum, however, may be short-lived. While the fiscal year 2014 budget submission includes deficit reduction proposals beyond that called for by the Budget Control Act of 2011 (BCA), it requires the BCA's lower discretionary budget caps are replaced in fiscal year 2014 and beyond. If the discretionary caps are not revised, our fiscal year 2014 obligation authority could be reduced \$10–\$14 billion. This would compel Navy to again dramatically reduce operations, maintenance and procurement in fiscal year 2014, preventing us from meeting the fiscal year 2014 GFMAP and negatively impacting the industrial base. While military personnel compensation was exempted in sequestration during fiscal year 2013, if the lower discretionary budget caps of the BCA are retained, we will evaluate options to reduce personnel and personnel costs, including compensation and entitlements.

The uncertainty inherent in our fiscal outlook prevents effective long-term planning and will begin to affect the “Health of the Force.” We can ill-afford the distraction of planning for multiple budget contingencies, stopping and restarting maintenance, changing operational schedules and restructuring investment programs. This constant change negatively impacts our sailors and civilians and their Families here at headquarters and in the Fleet. It also precludes us from looking long-term at how we should build, train, develop and posture the future force as we end two land wars in Middle East and rebalance our effort toward the Asia-Pacific.

To begin planning for the long-term and ensure we are realistically confronting our strategic and fiscal challenges, the Secretary of Defense ordered a Strategic Choices and Management Review (SCMR). The review does not assume or accept that deep reductions to defense spending, such as those from sequestration, will endure or that they could be accommodated without a significant reduction in military capabilities. The review does reflect the Secretary’s view that the Department of Defense must constantly examine the choices that underlie our defense strategy, posture, and investments, including all past assumptions.

The SCMR will consider the 2012 Defense Strategic Guidance (DSG) as the point of departure. It will define the major strategic choices and institutional challenges affecting the defense posture in the decade ahead that must be made to preserve and adapt defense strategy and management under a wide range of future circumstances. The results of this review will frame the Secretary’s guidance for the fiscal year 2015 budget and will ultimately be the foundation for the Quadrennial Defense Review due to Congress in February 2014.

OUR STRATEGIC APPROACH

Our first responsibility is to ensure Navy is able to deliver the overseas presence and capabilities required by our DSG Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, as manifested in the GFMAP.

Our mandate per the DSG is to be present overseas where it matters, and to be ready when it matters. A central element of the DSG to Navy is to field a ready force, with the right capabilities, postured in each region. The DSG concludes that a prompt, credible response by forward U.S. forces can demonstrate American resolve and can blunt the initial actions of an aggressor. This can in turn deter, assure, and—if necessary—control escalation, contain the conflict and prevent it from growing into a larger war.

Our fundamental approach to making decisions and implementing the DSG is unchanged since I assumed the office of the Chief of Naval Operations. We organize, man, train and equip the Navy by viewing our decisions through three lenses, or tenets. They are: Warfighting First, Operate Forward, and Be Ready. Regardless of the size of our budget or our fleet, these tenets are the key considerations we apply to each decision.

Warfighting First

Warfighting First is a first principle. It is our fundamental responsibility; each decision inherent in our fiscal year 2014 program was viewed in terms of its impact on warfighting. Our forces must have relevant warfighting capability today to be credible—not at some point in the future. If the credibility of our forces is lost (or perceived lost) they cannot rebuild it easily or quickly. In developing our fiscal year 2014 budget submission we did not “let perfect be the enemy of good—or good enough.” For example, if a new system or capability would provide a probability of successfully defeating a threat 60 percent of the time, we will deploy it, particularly if today’s probability of success is 0 percent.

To develop future capability, Warfighting First compels us to look for the most effective way to defeat a threat or deliver an effect that can be realistically fielded, efficiently. The logic we use to identify our most effective capabilities is to analyze the adversary’s “kill chain” or “effects chain” and pursue an asymmetric means to “break the chain.” For example, to execute a successful attack, an adversary has to:

- Find the target
- Determine the target’s location, course, and speed (or relative motion)
- Communicate that information coherently to a platform or unit that can launch an attack
- Execute an attack using anything from a kinetic weapon to electromagnetic systems to cyber

Each (or any) of these “links” in the chain can be broken to defeat the threat. But some are more vulnerable than others and kinetic effects are not always the best way to break the chain. So instead of overinvesting and trying to break every part

of the effects chain, we focus on those where the adversary has a vulnerability we can exploit or where we can leverage one of our own advantages asymmetrically.

Similarly, we analyze our own effects chains for strengths and weaknesses; our fiscal year 2014 budget submission emphasizes proven technologies that limit the adversary's ability to defeat our ability to project power.

We addressed challenges in the Arabian Gulf throughout 2012 and into this year by emphasizing Warfighting First. For example, in response to a Central Command urgent request and with the help of Congress, we rapidly outfitted the amphibious ship USS *Ponce*, previously an amphibious ship slated for decommissioning, to be an Afloat Forward Staging Base-Interim (AFSB-I) in support of mine warfare and Special Operations Forces in the Arabian Gulf. To improve our mine warfare capabilities we rapidly deployed Mark 18 mine-hunting unmanned underwater vehicles (UUV) and SEAFOX mine neutralization systems to *Ponce* and our minesweepers (MCM). These systems became force multipliers and enable our forces to find and/or clear mines twice as quickly as the forces we deployed to the Arabian Gulf in 2012—taking 1–2 weeks instead of 1–2 months depending on the size (and our knowledge) of the minefield. We tested these new capabilities and improved our ability to operate with a coalition by organizing and conducting an International Mine Countermeasures Exercise (IMCMEX) with 34 other navies in the Arabian Gulf last September. We will hold another IMCMEX next month.

In addition to improving our mine warfare capability in the Arabian Gulf, we increased our surveillance capability and our ability to counter fast attack craft and submarines in the region. Through rapid fielding efforts supported by the Secretary of Defense and Congress, we added new electro-optical and infrared sensors to our nuclear aircraft carriers (CVN), upgraded the guns on our Patrol Coastal (PC) ships based in Bahrain, fielded upgraded torpedoes for our helicopters deployed in the Arabian Gulf and deployed additional anti-submarine warfare (ASW) sensors in the region. Each of these initiatives and our mine warfare improvements continue into fiscal year 2014 as part of our budget submission.

We also continued implementing the Air-Sea Battle concept as part of Warfighting First. We practiced and refined the concept in wargames and real-world exercises including Valiant Shield and Rim of the Pacific (RIMPAC) last summer. RIMPAC brought together 40 ships and submarines, more than 200 aircraft and over 25,000 personnel from 22 nations, including Russia and India for the first time. RIMPAC enabled forces to practice high-end ballistic missile defense, surface warfare and anti-submarine warfare in simulations and more than 70 live-fire missile and torpedo events. RIMPAC 14, supported by our fiscal year 2014 budget submission, will include as many or more live-fire events and nations, including China for the first time.

We reinvigorated our efforts to conduct integrated operations with the Marine Corps as the war in Afghanistan draws down and demands for naval crisis response grow in the Mediterranean and Middle East. The Navy-Marine Corps team conducted Bold Alligator in 2012; our largest amphibious exercise in more than a decade, yielding dozens of lessons learned which we are incorporating into our capability development efforts. Some of these changes, particularly in command control organizations and communications systems, are reflected in our fiscal year 2014 program. Bold Alligator 14, supported by our fiscal year 2014 budget submission, will build on the results of last year's exercise and will explore the concepts and capabilities needed for a range of amphibious operations from single ARG up to large-scale amphibious assaults.

Operate Forward

The Navy and Marine Corps are our Nation's "away team" and first responders to crisis. History has demonstrated that the Navy is at its best when we are forward and ready to respond where it matters, when it matters. To operate forward we focus our deployed presence at strategic maritime crossroads such as the Straits of Malacca and Hormuz or the Suez and Panama Canals. It is in these areas and others where sea lanes, resources and vital U.S. interests intersect that influence matters most.

On any given day, about 50,000 of our sailors are underway on 145 ships and submarines, 100 of them deployed overseas as depicted in Figure 1. They are joined by about 125 land-based patrol aircraft and helicopters, 1,000 information dominance personnel, 1,000 Naval Special Warfare operators, and 4,000 Naval Combat Expeditionary Command sailors on the ground and in inland waters.

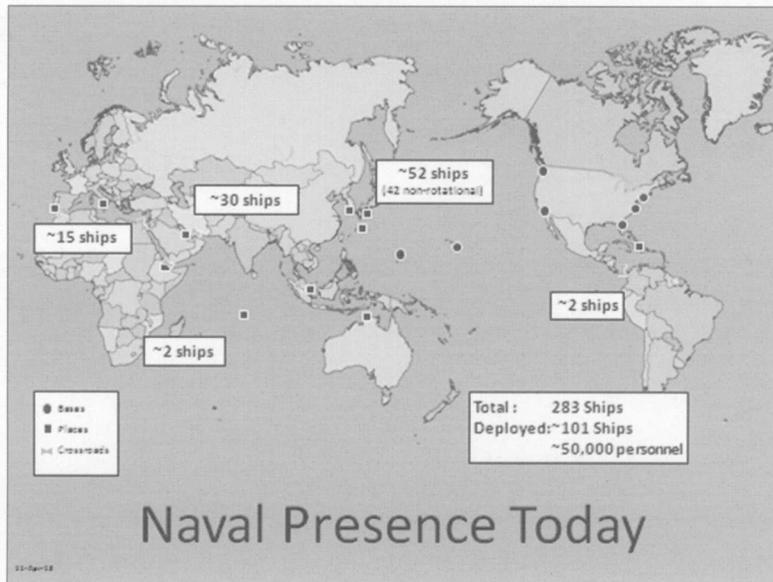


Figure 1

The tenet Operate Forward compels us to look for new ways to increase the amount of presence we can deliver at the right places—and to do so more efficiently. Each of these ways places ships overseas where they deliver continuous (“non-rotational”) presence, instead of having to deploy from the continental United States (CONUS) to provide “rotational” presence. One ship operating from an overseas port in this manner provides the same presence as about four ships operating from homeports in the United States.

There are two basic ways in which we can sustain ships overseas.:

- Ships can be homeported overseas as part of the Forward Deployed Naval Force (FDNF) with their sailors and their families as we do in Japan and will soon do in Rota, Spain. This provides continuous presence, immediate response to crisis, and the means to build a strong relationship with the host nation.
- Ships can also Forward Station overseas and be manned by civilian or military crews that rotate out to the ship. Rotating civilian crews man our Mobile Landing Platform (MLP), Joint High Speed Vessel (JHSV), Afloat Forward Staging Base (AFSB) and Combat Logistics Force (CLF) ships. Rotating military crews man our Littoral Combat Ship (LCS) and nuclear guided missile submarines (SSGN).

Both of these ways of operating forward rely on “places” overseas where our partners and allies allow us to use their facilities to rest, repair, resupply and refuel. Our fiscal year 2014 budget submission continues to sustain development of these facilities. Military construction (MILCON) for these facilities comprises only 27 percent of our fiscal year 2014 MILCON program funding, a slightly smaller percentage than in fiscal year 2013. These eight projects will provide essential support facilities at “bases” and “places” around the world such as Guam and Japan. Without this investment our forces will be less able to operate forward and more dependent on support from CONUS.

Our posture in the Arabian Gulf will improve this year with the addition of three PCs in Bahrain for a total of eight. Further, our fiscal year 2014 program supports the homeporting of 2 more PCs there for a total of 10 by the end of fiscal year 2014. During fiscal year 2013 we will permanently homeport all our PCs and our four MCMs in Bahrain, instead of manning them with crews rotating from the United States. This will increase the crews’ proficiency and continue to build our relationship with partners throughout the Arabian Gulf.

In Europe, we continued preparations for the planned move of four destroyers to Rota, Spain, which highlights the benefit of FDNF ships. Conducting the European ballistic missile defense (BMD) mission today takes 10 ships deploying from CONUS. This same mission can be done with four destroyers based forward, freeing up six rotationally-deployed destroyers to deploy to other regions such as the Asia-Pacific.

In the Pacific, we deployed our first LCS, USS *Freedom*, to Singapore where it will remain for two crew rotations (8 months) to evaluate LCS operational concepts. Our posture in the Asia-Pacific will increase as part of the Department's overall rebalance to the region. Our fiscal year 2014 program supports the basing of another nuclear attack submarine (SSN) in Guam (for a total of four) and the increase in the number of LCS operating from Singapore to four by fiscal year 2017. In addition to the increase in rotational forces made available by FDNF DDG in Rota and the introduction of new ships such as JHSV in Africa and South America, our efforts to shift 60 percent of our fleet to Pacific homeports will increase our day-to-day presence there by 15–20 percent.

Fundamentally, operate forward is about making the most effective and efficient use of what we own. Each of these initiatives reflects that idea.

BE READY

Our fleet must be ready to meet today's challenges, today. This means more than ensuring maintenance is done and parts and fuel are on hand. Those elements are essential to readiness, but our tenet to Be Ready requires that our sailors be confident in their abilities and equipment and proficient in their operations. Be Ready compels us in our decision making to always consider what our sailors need to be confident and proficient. We will buy proven technology that our sailors can use and depend on instead of new, unproven equipment. We will use empirical data, such as Board of Inspection and Survey reports, as much as possible in our decision making. This is what our sailors experience and we must work to make them as confident as possible in the warfighting capability of themselves and their gear. Applying our tenet to Be Ready requires that we consider all the factors that will detract from our sailors' ability to effectively fight when the time comes.

In the past year we increased the proficiency of our sailors by conducting more live-fire and practical training events. In addition to exercises such as RIMPAC and Bold Alligator, we increased live-fire air defense and surface warfare and practical ASW training in our preparations for deployment and purchased additional training missiles, sonobuoys, ammunition and targets. To enhance the proficiency of our operators more efficiently, we funded completion and installation of trainers for new systems such as the P-8A Poseidon, E/A-18G Growler and LCS.

Current concerns

We are encountering four major factors now that detract from our sailors' readiness and hinder our ability to make progress in line toward the vision described in Sailing Directions. They are: Sexual assault, suicide, at-sea manning shortfalls, and high operational tempo.

Sexual assault

Sexual assault is a crime that happens to about two sailors every day. Sexual assault creates an unsafe workplace and degrades the readiness of our ships and squadrons. Last year we began a concentrated effort to change our culture and get after sexual assault in our Navy. We implemented a series of measures, including:

- Completed training for all Navy military personnel, conducted by mobile training teams of experts in sexual assault prevention and response. We have received superb feedback on this training.
- Refined our reporting criteria for sexual assault to help understand victim and offender demographics, find out where these attacks happen and focus our efforts accordingly. We also required that all sexual assault incidents be briefed by unit commanders to the first flag officer in the chain of command.
- Established programs in Fleet Concentration Areas such as our Great Lakes training facility and San Diego which reduced the number of reported sexual assaults—by 60 percent in the 20-month program at Great Lakes. We established a similar program in San Diego in December 2012 and will implement programs in Europe and Japan this summer. Our San Diego program provided insights that enabled us to address contributors to sexual assault there, and we are seeing a near-term downward trend in the number of San Diego-area Navy sexual assault reports—we'll watch this closely.

- Continued quarterly meetings with all Navy four-star commanders to review the data from our “first flag officer” reports, refine our plan and adjust our approaches as needed.

We are seeing some clear trends regarding sexual assault in the Navy. There appears to be less stigma associated with reporting sexual assault, as indicated by an increased number of sexual assault reports—in particular delayed reports of sexual assaults that occurred weeks or months earlier. Most sexual assaults are sailors assaulting other sailors; most victims and offenders are junior sailors; more than half of incidents occur on base or on ship; and alcohol is a factor in the majority of sexual assaults. We are applying these findings to develop our efforts to prevent sexual assault. I see a great opportunity for future success in three main areas:

- Disrupting the “Continuum of Harm”—or the chain of events and contributors that tend to be associated with sexual assault. We continue to focus, in particular, on alcohol as a factor in sexual assault. This year we fielded Alcohol Detection Devices to the fleet to help educate sailors on their alcohol use.
- Prosecuting the offenders using specially trained investigators, victim advocates, prosecutors, and paralegals. As part of this effort we established dedicated Naval Criminal Investigative Service (NCIS) agent-teams in Norfolk, San Diego, Bangor, and Okinawa that exclusively handle adult sexual assault investigations. In Norfolk, these teams reduced the average sexual assault investigation timeline from 324 days to 80 days. NCIS is expanding this model during fiscal year 2013 to Yokosuka, Japan, Hawaii, and Mayport, FL.
- Support for victims. We prioritized prompt and effective care for victims of sexual assault that maximizes the ability to apprehend offenders. We continue to train and qualify our military and civilian medical care workers to conduct Sexual Assault Forensic Exam (SAFE); all our Military Treatment Facilities and operational settings will be able to perform SAFE exams by the end of this fiscal year. To support victims through the investigation and judicial process we will complete professionalizing our Sexual Assault Response Coordinator (SARC) and Victim Advocate (VA) cadre by hiring 10 additional SARCs and 66 full-time VAs in fiscal year 2013.

Suicide

Suicide is a growing problem in our Nation, our military and our Navy. The number of suicides per 100,000 sailors per year has risen steadily from 13, 2 years ago to 16 in the last 12 months. To help address this trend, Navy stood up a task force to examine Navy suicide prevention and resilience-building programs as well as evaluate DOD, other service, and non-DOD approaches and programs. The task force completed their assessment this month and is providing a comprehensive set of actions for implementation. Their findings showed that while no program to date has stopped suicides in the military, there are some key factors contributing to suicide that we can address. Their recommendations are being incorporated into our existing efforts to prevent suicide, focused on education and awareness; intervention; sailor care; and continued assessment of our progress.

In particular, the task force will revise our current collection of 123 programs designed to improve resiliency or prevent suicide and focus them on the factors they found to be most effective at preventing suicide. We will implement many of these recommendations in fiscal year 2013 and into fiscal year 2014. The Navy also works with DOD’s Defense Suicide Prevention Office to promote awareness of the Military Crisis Line, a service that provides 24/7 confidential crisis support to those in the military and their families. This line provides immediate access to care for those who may be at risk for suicide, along with additional follow-up and connection with mental health services.

At-sea manning shortfalls

Our goal for at-sea manning is 95 percent of billets filled and 90 percent “fitted” with a sailor having the right specialty and seniority. At the start of fiscal year 2013, we were at about 90 percent fill and 85 percent fit—5 percent short of our goal in each measure and about 7,000 short of our goal in at-sea manning. We put in place a number of initiatives to shift more sailors to sea including Sea Duty Incentive Pay, changes to Sea-Shore rotation and shifts of Reserve component sailors to Active Duty. We are on track to reach our fit and fill goals by the end of fiscal year 2013. An enduring factor behind at-sea manning shortfalls is the fact we are about 4,000 sailors below our planned and budgeted end strength. To permanently address our end strength shortfall we increased accessions by 6,000 per year and broadened and increased reenlistment bonuses for undermanned ratings, adding bo-

nuses for 18 specialties and increasing them for 42 more. We expect to reach our end strength goal by the end of fiscal year 2013.

High Operational Tempo (OPTEMPO)

Over the last decade, our fleet shrank by about 10 percent while our deployed presence remained about the same. As a result, each ship and aviation squadron spends on average about 15 percent more days away from home per year now than it did 10 years ago. This is an average, however. Our increased OPTEMPO is not evenly distributed. Our CSGs and ARGs will deploy on average 7–8 months in fiscal year 2013, but some will deploy for 9 months or more due to emergent maintenance or the effects of sequestration on operational schedules. Our BMD ships are similarly deploying for about 9 months at a time. To better understand how unit OPTEMPO affects individual sailors, this year we began monitoring the time each sailor is away from home (ITEMPO) and will use this information to guide our future decisions. For the long term, however, we have to adopt a more sustainable process to provide ready forces. For that reason, we are shifting to a “supply-based” model to prepare forces for deployment starting in fiscal year 2014. As part of this we will revise our Fleet Readiness Training Plan (FRTP) to make it more predictable and provide more presence from the same size fleet.

When sailors are gone up to 9 months at a time, family readiness is vitally important. Our fiscal year 2014 budget submission sustains family support programs that provide counseling, education, child care and financial advice. We also continue developing our sailors’ readiness and protection, safety, physical fitness, inclusion and continuum of service as part of our 21st Century Sailor and Marine initiative. The actions described above to address sexual assault and suicides are part of this initiative. To improve our resourcing, management and oversight of the programs that support our sailors and their families, I am reorganizing my personnel headquarters to bring all these aspects of a sailors’ total health and personal readiness under a 21st century sailor office led by a two-star admiral.

Our responsibility of support to our sailors and their families is most important when they are wounded, ill, or injured. Navy’s “Safe Harbor” program helps about 1,200 sailors and coast guardsmen and their families through their recovery with travel orders for treatment, lodging, child and respite care, employment and education assistance, mental health assistance and career counseling. We implemented a campaign over the past year that increased enrollment in Safe Harbor 30 percent by reaching out to servicemembers who were eligible but had not signed up. Our fiscal year 2014 budget submission sustains Safe Harbor and improves the program’s level of service.

OUR COURSE FOR FISCAL YEAR 2014

Our fiscal year 2014 budget submission implements the DSG and continues our current efforts by making decisions based on our three tenets. Our approach to building our fiscal year 2014 program focused on three main areas, in order:

- First, we ensured sufficient forces and readiness to provide the presence required to meet the current and projected future GFMAP.
- Second, we sustained our fiscal year 2013 investments required to support our critical near-term capability to perform DSG missions.
- Third, we addressed our most relevant future capability requirements to support the DSG missions.

The resulting fiscal year 2014 program and associated plans implement DSG direction to rebalance our effort toward the Asia-Pacific region, support our partners in the Middle East, sustain our alliance commitments in Europe and employ low-cost, small footprint approaches to security on other regions.

1. Delivering presence: Our fiscal year 2014 submission includes the investments in force structure needed to meet the presence requirements of the fiscal year 2014 GFMAP. Our investments in ships and aircraft are complemented with the funding for training, maintenance and operations necessary for readiness today and to ensure they can continue to provide presence over their expected service life. Figure 2 depicts the presence levels generated by our planned investments in the fiscal year 2014 Future Years Defense Program (FYDP). Figure 2 also includes the number of “non-rotational” ships that are either homeported in the region or are Forward Stationed in the region and manned by rotational crews from CONUS.

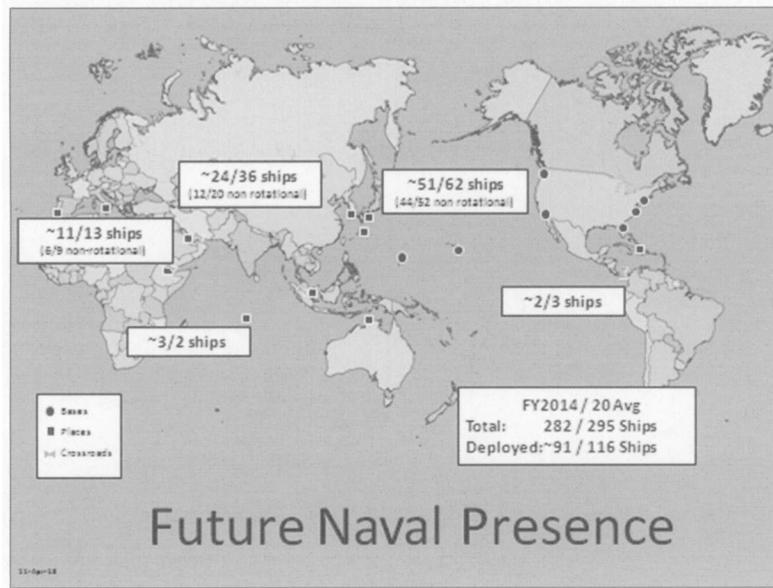


Figure 2

Shipbuilding

We determined the number and type of ships required over the long-term through a comprehensive, analytically-driven Force Structure Assessment (FSA). The FSA determined the day-to-day presence required to execute the DSG, informed by today's GFMAP and the introduction of new ships, systems or payloads, and concepts that deliver presence more efficiently or that better match capabilities to their theater. The FSA resulted in a required number of each type of ship to meet the projected presence requirements. Although presence is the governing factor for Navy force structure requirements, the FSA also ensured Navy's force structure would be sufficient to meet the surge requirements of CCDR operational plans and DOD Defense Planning Scenarios, informed by the DSG direction to reevaluate those plans in view of our resource limitations.

The FSA analysis resulted in a battle force requirement of 306 ships. This requirement is different from our previous 313-ship requirement because of: (1) reduced presence requirements resulting from the DSG's priorities; (2) increased forward basing of ships; (3) introduction of new payload capacity for SSNs (replacing the SSGNs) and; (4) the increased use of ships manned with rotating civilian and military crews which provide more presence per ship.

Our fiscal year 2014 long-term shipbuilding plan is designed and planned to deliver the fleet, by ship type, required per our FSA over the long term. Over the fiscal year 2014–fiscal year 2018 FYDP our program will fund construction of 41 ships. Our investments are not programmed to reach the precise number and mix of ships within this FYDP, but do deliver a fleet of 300 ships by 2019 with increased capability and flexibility compared to the fleet of today. To meet the required force mix and number, however, Navy will need the means to resource, in particular, construction of the next generation nuclear ballistic missile submarine (SSBN). Deputy Secretary of Defense Carter acknowledged this resourcing challenge in his memo of March 2012 that forwarded the Fiscal Year 2013 Shipbuilding Plan to Congress.

Our fiscal year 2014 program continues the construction of ships that employ rotational military or civilian crews to improve their ability to operate and stay forward. Our fiscal year 2014 budget submission funds the final MLP, which will be configured as an AFSB and manned by rotating civilian crews with military detachments, and four LCS that will employ rotational military crews. During fiscal year 2014 we will deploy the first JHSV, USNS *Spearhead*, and continue the first deploy-

ment of USS *Freedom*. We will use these deployments to integrate these new, highly adaptable platforms into the fleet and evaluate the ways we can employ their combination of persistent forward presence and flexible payload capacity.

During fiscal year 2014, seven ships will enter the fleet, including two new classes of ships. The first *Zumwalt*-class DDG will deliver next year, bringing with it an all-electric integrated propulsion system and the Advanced Gun System, able to reach targets with precision up to 60 miles away. The amphibious assault ship USS *America* will join the fleet in fiscal year 2014 and empower new concepts for amphibious operations that take advantage of its expanded aviation capacity. Over the next 5 years, we will deliver 47 ships, including the *Gerald R. Ford*, the first of a new class of CVN that will provide much higher sortie generation with about 500 fewer sailors.

Aviation

Our aviation requirements are tied to requirements for the ships from which they operate, and on our required forward presence of land-based aircraft such as the P-8A Poseidon. Our fiscal year 2014 program invests in aircraft to meet those requirements. To support our carrier air wings and independent deploying ships, our fiscal year 2014 budget submission continues construction of the proven and adaptable MH-60R/S Seahawk and E-2D Hawkeye. We also continue investment in development and low-rate production of the F-35C Lightning II to replace our older F/A-18 Hornet models (A-D).

Readiness

Our funded operations and maintenance in fiscal year 2013 will complete the manning, training, maintenance and other preparations necessary to enable Navy to meet the fiscal year 2014 GFMAP. Our fiscal year 2014 budget submission, combined with anticipated Overseas Contingency Operations (OCO) funding, fully funds our planned ship and aircraft maintenance and the ship and aircraft operations needed to execute the fiscal year 2014 GFMAP.

Our overall fiscal year 2014 readiness is dependent on OCO funding. OCO funding subsidizes about 20 percent of our ship and aircraft maintenance costs in fiscal year 2014, including depot maintenance, as our fleet supports operations in Afghanistan. We are requesting OCO funding for about 20 percent of our planned ship operations to support training and certification for deployment and deployed operations. Our dependence on OCO funding for baseline operations has decreased from \$3.3 billion in fiscal year 2011 to \$2.3 billion fiscal year 2013 as we “migrate OCO to base” funding. A more enduring funding strategy will eventually be required for Navy to maintain its current readiness and level of overseas presence into the future.

The Navy also continues to develop more efficient ways to generate presence. Our fiscal year 2014 budget submission requests investments needed to modify the Fleet Readiness Training Plan (FRTP), which is the means Navy uses to train and maintain ships and aircraft in our CSGs and ARGs in preparation for deployment. This change, called “Enhanced CSG Presence,” will enable increased overseas presence of rotationally-deployed CSGs by: lengthening the overall FRTP cycle; adding time for maintenance and training; and increasing the total deployed time of each CSG per operating cycle. This transition will take about 2 years to complete, but when completed we will have established a more sustainable process for training and maintaining our rotationally deploying ships, aircraft and crews.

Enhanced CSG Presence addresses increased use and increased overseas presence of CSGs over the last decade, since the current FRP was first developed. The current FRTP organizes the training and maintenance of ships and aircraft in the CSG to conduct one deployment (nominally 7 months) per 32-month cycle; the CSG is then available to deploy for contingencies for another 12 months. In the last several years, Requests For Forces (RFF) added to the GFMAP compelled Navy to routinely deploy CSGs twice in each operating cycle. This caused personnel to exceed DOD personnel tempo limits and expended the CVNs nuclear fuel at a higher rate than planned—causing some CVN to be constrained in the amount of operations they can do before they are refueled. Enhanced CSG Presence is designed to deploy CSGs twice each operating cycle while providing the time at home needed to stay within PERSTEMPO limits and maintain ships and aircraft. This model is more efficient because it trains and maintains the CSG once for up to two deployments. It is also a “supply-based” model because it delivers a set amount of overseas CSG presence and does not include “on demand” surge capacity except in most extreme contingencies. Our fiscal year 2014 program includes the near-term investment in personnel and shipyard capacity needed to implement Enhanced CSG Presence, but fu-

ture investment in CVN and aircraft recapitalization may be needed to address increased usage over time.

Our shore establishment is a key contributor to our operational readiness. Sequestration in fiscal year 2013 reduced by more than half our planned facilities sustainment, renovation and modernization (FSRM) projects. This \$1.2 billion reduction in shore investment will be “carried over” into fiscal year 2014 and beyond and will degrade our shore readiness over time. Our fiscal year 2014 budget submission funds FSRM at acceptable levels of risk overall, but this “carryover” will have to be addressed.

One particular area of emphasis in our facilities investment remains unaccompanied sailor housing. In 2001, 21,000 of our junior sailors had to live on their ship even when the ship was in port because there were no quarters ashore for them. Our military construction in fiscal year 2013 will complete our effort to provide every sailor a room ashore by 2016, while our FSRM investments going forward will improve the quality of our sailor’s quarters. These efforts are important to our sailors’ quality of life and personal readiness, but also will improve the safety and security of our on-base housing.

Arctic

Emerging projections assess that the Arctic will become passable for shipping several months out of the year within the next decade—about 10 years earlier than predicted in 2009 when we first published our Arctic Roadmap. This will place new demands on our fleet for presence in the Arctic and capabilities to operate in the Arctic environment. Between now and the start of fiscal year 2014 we will update our Arctic Roadmap, and accelerate many of the actions Navy will take in preparation for a more accessible Arctic. During fiscal year 2014 we will implement this revised roadmap, including developing with the U.S. Coast Guard plans for maintaining presence and search and rescue capability in the Arctic and pursuing exchanges with other Arctic countries to familiarize our sailors with Arctic operations.

2. Fielding near-term capabilities: Mine warfare continues to be a significant emphasis in the near-term. Our fiscal year 2014 program increases investment in the new AQS-20 towed mine hunting sonar and the new unmanned surface vehicle that will tow it, freeing up manned helicopters and ships and further expanding our mine hunting capacity. Our budget submission funds upgrades for our existing helicopter-towed mine hunting sonar and MCM hull-mounted sonar and accelerates fielding of the Mk-18 UUV and Sea Fox mine neutralization system. To support our MCMs and PCs in Bahrain, Navy’s fiscal year 2014 program sustains USS *Ponce* as an AFSB-I in the Arabian Gulf and funds the outfitting of its replacement—the first MLP modified to be an AFSB.

To address the near-term threat from submarines, our fiscal year 2014 program sustains accelerated procurement of Mk-54 torpedoes, improves sustainment and replacement of today’s fixed and mobile undersea sensors and improves our current periscope detection radars on surface ships and aircraft. To counter wake-homing torpedoes we installed a prototype surface ship torpedo defense (SSTD) system on USS *George H.W. Bush* this year and it is being tested. The SSTD system will deploy with *Bush* during fiscal year 2014.

Small boats with explosives or anti-ship missiles remain a potential threat to our forces in the constrained waters of the Arabian Gulf. Our fiscal year 2014 program funds integration of the Advanced Precision Kill Weapon System (APKWS) onto our MH-60R helicopters to counter this threat. We also will test the new Laser Weapons System (LaWS) during fiscal year 2014 in the Arabian Gulf aboard USS *Ponce*. LaWS brings capabilities to defeat small boats and unmanned air vehicles (UAV) for about \$1 a shot compared to thousands or millions of dollars per artillery round or missile. To improve our ability to defeat larger surface combatants, our fiscal year 2014 program invests in development and testing of near-term modifications to existing weapons that would enable them to be used for surface warfare.

3. Developing future capabilities: Our development of future capability is benchmarked to support our rebalance toward the Asia-Pacific and is guided in large part by the Air-Sea Battle concept, which implements the Joint Operational Access Concept. Both these concepts are designed to assure U.S. forces freedom of action and access to support deterrence, assurance of our allies and partners, and the ability to respond to crises. Our investments focus on assuring access in each domain, often by exploiting the asymmetric capability advantages of U.S. forces across domains

Undersea

Navy’s dominance of the undersea domain provides U.S. forces their most significant asymmetric advantage. Our fiscal year 2014 program continues improving our

capability to deny the undersea to adversaries, while exploiting it for our own operations. Our ASW concepts combine U.S. air, space, cyber, surface and subsurface capabilities to prevent adversaries from effectively using the undersea domain. Navy's fiscal year 2014 budget submission sustains and plans production of proven ASW platforms including MH-60R Seahawk helicopters, P-8A Poseidon maritime patrol aircraft, *Arleigh Burke* class destroyers and *Virginia* class nuclear submarines (SSN)—including a second SSN in fiscal year 2014 thanks to congressional support in fiscal year 2013. Our budget submission also funds Advanced Airborne Sensors for the P-8A Poseidon, accelerates torpedo defense systems for our aircraft carriers, transitions the PLUS system to an acquisition program and improves Navy's Integrated Undersea Surveillance System. To tie these manned and unmanned air, surface and undersea systems together in a networked, our fiscal year 2014 budget submission continues development of the Undersea Warfare Decision Support System.

Our submarines and undersea vehicles can exploit their ability to circumvent anti-access challenges to conduct missions such as surveillance, strike, and ASUW into the air and surface domains with near-impunity. In addition to building two *Virginia* class SSNs in fiscal year 2014 our budget submission continues development of the Large Displacement Unmanned Underwater Vehicle and additional payloads for our existing submarines.

Air

Our fiscal year 2014 program continues to improve the capability of our CSGs to project power despite threats to access. In fiscal year 2014 our budget submission funds two squadrons E/A-18G Growler electronic warfare aircraft and the Next Generation Jammer. E/A-18G provides key and critical capabilities to our CVW and expeditionary forces by jamming or deceiving adversary electromagnetic sensors while providing improved capability for sensing of adversary electromagnetic emissions. Our fiscal year 2014 budget submission also continues to invest in the development and low-rate production of the new F-35C Lightning II. We will continue to evaluate how to best integrate F-35C into our CVW from a training, logistics and operational perspective. In particular, we are concerned about the sustainment model and costs for F-35C and how to manage them. While we expect the F-35C to be able to do all the missions of today's F/A-18 E/F, it will also bring improved Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance capabilities that will make possible a number of new operational concepts.

Our fiscal year 2014 program funds the fielding of new "kill chains" that are better able to defeat adversary jamming. One chain uses infrared sensors and weapons to provide air-to-air capability that operates outside the radiofrequency (RF) band and is therefore not susceptible to traditional RF jamming. The other kill chain uses networked sensors and weapons in the Navy Integrated Fire Control-Counter Air (NIFC-CA) system. NIFC-CA uses the Cooperative Engagement Capability (CEC) datalink between Aegis ships and E-2D aircraft and Link-16 between E-2D and F/A-18 aircraft to seamlessly share threat information between Navy ships and aircraft. NIFC-CA enables each platform to engage targets on another platform's data, even if the shooting platform does not even see the target on its own radar due to jamming or extreme range. Since NIFC-CA incorporates Link-16, other Link-16-equipped sensors such as the Army's Joint Land Attack Cruise Missile Elevated Netted Sensor and Airborne Warning and Control System could also participate in the network. We will field the first NIFC-CA equipped CSG in 2015 and will pursue greater Joint and coalition employment of NIFC-CA as part of the Air-Sea Battle Concept.

Enhancements to our manned aircraft are still limited by the range and persistence of manned platforms. Our fiscal year 2014 program continues testing and development of the X-47 Unmanned Combat Air System Demonstrator (UCAS-D) UAV, which completed flight deck trials at sea aboard USS *Harry S Truman*, its first land-based catapult launches, and is slated for its first at-sea catapult launch and recovery in late May. This spring we will finalize the requirements for the follow-on Unmanned Carrier Launched Airborne Strike and Surveillance (UCLASS) system, followed by an initial request for proposals from industry. By fiscal year 2020, UCLASS will enhance the reach and persistence of our CSGs by conducting surveillance and strike missions several hundreds of miles from the carrier and with two to three times the endurance of a manned aircraft. The UCLASS can also be equipped to take on missions such as tanking that today take several F/A-18 E/F out of the tactical missions for which they were designed.

Electromagnetic spectrum (EMS) and cyber

Future conflicts will be fought and won in the electromagnetic spectrum and cyberspace, which are converging to become one continuous environment. This environment is increasingly important to defeating threats to access, since through it we can disrupt adversary sensors, command and control and weapons homing. Our fiscal year 2014 budget submission aggressively supports Navy's efforts to exploit the EMS and cyberspace. In addition to E/A-18G aircraft and Next Generation Jammer, our fiscal year 2014 budget submission funds seven SLQ-32 Surface Electronic Warfare Improvement Program (SEWIP) Block 1 upgrades and fields new deployable decoys to defeat anti-ship missiles. The fiscal year 2014 program also accelerates research and development on SEWIP Block 3, which expands the frequency range of the SLQ-32 electronic warfare system to address emerging missile threats and provides enhanced electronic attack capabilities. To disrupt adversary surveillance and communications, our fiscal year 2014 budget submission continues procurement of improvements to Navy's Ships Signal Exploitation Equipment, which will host a growing number of electronic surveillance and attack payloads.

Improving the defense of our computer networks depends on reducing our "footprint" or the number of different networks; reducing the number of different applications on our networks; improving our day-to-day cyber "hygiene"; and developing an effective cyber workforce. Our fiscal year 2014 program continues fielding the Consolidated Afloat Network and Enterprise Services (CANES) on ships and the Next Generation Network ashore to reduce the number of Navy networks and applications while we continue to expand the inspection of our cyber "hygiene" with improving results. To expand our cyber warfare capabilities, our fiscal year 2014 program funds the manpower and training to man and train a cyber force increase of about 1,000 personnel by fiscal year 2016 in addition to the 800 billets realigned in fiscal year 2013 from other specialties. These cyber specialists will help form 40 computer defense, attack and exploitation teams at U.S. Cyber Command. Navy studied the challenges associated with the EMS and cyber domains in 2012. We are now building on these initial capabilities with a comprehensive plan to improve our ability to exploit the EMS and cyberspace.

Amphibious warfare

Not all threats to access are from enemy missiles or torpedoes. Adversaries will exploit geography and coerce neighbors to not allow our forces to use their facilities. Naval forces also need the flexibility to come ashore in unexpected areas or from less predictable directions to catch the adversary off guard. Amphibious warfare exploits the inherent maneuverability of naval forces to provide an asymmetric advantage against adversary anti-access efforts. Our fiscal year 2014 budget submission funds construction of an 11th "big deck" amphibious assault ship (LHA), LHA-8, which will bring enhanced aviation capacity and a traditional well deck to expand its ability to support the full range of amphibious operations. Our fiscal year 2014 program also extends the life of USS *Peleliu* through fiscal year 2015 and sustains our ship to shore connector capacity through life extensions and recapitalization. We are complementing this investment with revised concepts for marines to operate at sea on a larger number of ships to conduct missions from peacetime security cooperation to wartime amphibious assault.

While developing new Navy-Marine Corps operating concepts, we will address in the near-term the need for improved communications systems on our amphibious ships. Our fiscal year 2014 program continues to install the CANES on *San Antonio*-class Amphibious Transport Dock ships (LPD) and on LHAs and LHDs. This only addresses a part of our shortfall. We are analyzing the need for upgraded communications on our older amphibious ships and will correct those shortfalls in the near-term. We are also developing changes to our command and control organizations to enable our amphibious forces to scale their operations from disaggregated Amphibious Ready Groups (ARG) up to large scale operations involving multiple ARGs and CSGs.

Asia-Pacific Rebalance

Our fiscal year 2014 program continues rebalancing our efforts toward the Asia-Pacific region in four main ways:

- **Increased presence:** As indicated in Figures 1 and 2, our fiscal year 2014 budget submission enables Navy presence in the Asia-Pacific to increase by almost 20 percent between now and 2020. This is in large part a result of more ships operating from forward locations, including an additional SSN homeported in Guam, LCS operating from Singapore and JHSV, MLP and AFSB operating from ports throughout the region. It also reflects additional DDG and amphibious ships rotationally deployed to the Asia-Pacific after

being made available by forward homeporting of DDG in Rota, Spain or because they were replaced by JHSV and LCS in Africa and South America.

- Homeporting: We implemented a plan in fiscal year 2013 to shift 60 percent of our fleet to be homeported on the Pacific by 2020. Our fiscal year 2014 program continues this plan.
- Capabilities: Our capability investments for the Asia-Pacific are guided by the Air-Sea Battle concept and the future capabilities described above will be deployed preferentially and first to the Asia-Pacific region. For example, the P-8A will conduct its first deployment to the Asia-Pacific in 2014, followed by the MQ-4C and F-35 later this decade. Our improved aviation kill chain capabilities will go first to the CVW in Japan and NIFC-CA will be first fielded to the Pacific Fleet once it completes its operational testing.
- Intellectual Capital: Our investments in education, exercises, interoperability and engagement continue to focus on the Asia-Pacific region. We continue to conduct more than 150 exercises annually in the Asia-Pacific and our plan for RIMPAC 14 is to continue growing in sophistication and participation, including China for the first time. We established a permanent squadron staff to support LCS in Singapore and manage Navy security cooperation activities in the South China Sea.

CONCLUSION

Budget uncertainties or reductions may slow progress toward our goals, but the tenets which guide our decisions will remain firm. Along with our primary joint partner the U.S. Marine Corps we will remain America's "force in readiness," prepared to promptly respond to crises overseas. On behalf of the approximately 613,000 Navy sailors and civilians, I appreciate the support that Congress has given us to remain the world's preeminent maritime force. I can assure Congress and the American people that we will be focused on warfighting first, operating forward and being ready.

Chairman LEVIN. Admiral, thank you so much.
General Amos.

STATEMENT OF GEN. JAMES F. AMOS, USMC, COMMANDANT OF THE MARINE CORPS

General AMOS. Chairman Levin, Ranking Member Inhofe, and members of the committee: I'm pleased to appear before you today to outline the 2013 posture of your U.S. Marine Corps. I'm equally pleased to be sitting alongside my Service Secretary, the Honorable Ray Mabus, and my good friend and fellow shipmate, Admiral John Greenert, the Chief of Naval Operations.

For more than 237 years, the Marine Corps has been a people-intense force. We have always known our greatest asset is the single individual marine. That has borne true yet again during 12 years of hard combat. Our unique role as America's principal crisis response force is grounded in the legendary character and warfighting ethos of the U.S. Marine Corps.

Today's marines are ethical warriors, forged by challenging training and made wise through decades of combat. You can take great pride in knowing that as we gather here this morning in this hearing, some 30,000 marines are forward deployed around the world, promoting peace, protecting our Nation's interests, and securing its defense.

Sergeant Major Michael Barrett, Sergeant Major of the Marine Corps, and I recently returned from Afghanistan and can attest to the progress there. Marines have given the Afghan people a vision of success and the possibility of a secure and prosperous society. I'm bullish about the positive assistance we are providing the people of the Helmand Province and I remain optimistic about their

future. Afghan National Security Forces (ANSF) have the lead now in almost every single operation. Our commanders and their marines assess the ANSF as overmatching the Taliban in every way and in every single engagement.

Speaking today as both a Service Chief and as a member of the Joint Chiefs of Staff, the foundation of our Nation's defense and the security of the global economic environment depends upon regional stability and international order. Failing to provide leadership in the collective security of the global order will have significant consequences for the American people. Worse, a lapse in American leadership and forward engagement will create a void in which lasting security threats will be left unaddressed and new security challenges will find room to grow.

The reality of today's security environment reveals the true value of forward-deployed naval presence. Sea-based naval forces support a proactive security strategy, all while treading lightly on our allies' and our partners' sovereign territory. Amphibious forces are a sensible and unmistakable solution in preserving our national security. Naval forces, and the Marine Corps in particular, are our Nation's insurance policy. We are a hedge against an uncertain and unpredictable world. A balanced air-ground logistics team, we respond in hours and days to America's needs, not in weeks and months. This is our *raison d'être*. It has always been that way.

This year's baseline budget submission of \$24.2 billion was framed by our following service-level priorities:

First, we will continue to provide the best-trained and equipped Marine Corps units to Afghanistan;

Second, we will protect the readiness of our forward-deployed and rotational forces;

Third, we will reset and reconstitute our operating forces as our marines and our equipment return from nearly 12 years of combat;

Fourth, as much as is humanly possible we will modernize our force through investing in the individual Marine first by replacing aging combat systems second; and

Fifth and last, we will keep faith with our marines, our sailors, and our families.

We have remained committed to these priorities in fiscal year 2013 despite the loss of \$775 million in O&M funding as a result of sequestration. To guarantee near-term readiness, we have traded long-term infrastructure and nondeployed unit training to bolster the readiness of our next-to-deploy forces. By doing so we are capable of meeting all current GFMAP requirement for the remainder of this fiscal year.

However, we cannot continue to sustain this level of reduction in fiscal year 2014 without impact to our deployed and next-to-deploy forces. Sequestration in 2014 will mean that more than half of our non-forward-deployed ground and aviation units will have readiness ratings of C3 or below.

Ladies and gentlemen, your Marine Corps is well aware of the fiscal realities confronting our Nation. During these times of constrained resources, the Marine Corps remains committed to being responsible stewards of scarce public funds.

In closing, the success of your marines and your Marine Corps is directly linked to the unwavering support of Congress and the

American people. You have my promise that during our economic challenges, the Marine Corps will only ask for what it needs, not for what it wants. We will continue to prioritize and make the hard decisions before we ever come before Congress. We will continue to offer a strategically mobile force, optimized for forward presence and rapid response. Your Marine Corps stands ready to respond whenever the Nation calls and whenever the President may direct.

Once again, I thank this committee for your strong support over the last many years and I look forward to your questions.

[The prepared statement of General Amos follows:]

PREPARED STATEMENT BY GEN. JAMES F. AMOS, USMC

I. MARINES AND THE NATION'S DEFENSE

Our Nation has long recognized the need for a ready expeditionary force, one able to deter those who would do us harm, swiftly intervene when they act to do so, and fight to win where the security interests of our Nation are threatened. I am pleased to report that your marines remain that ready force. Because of the faithfulness and trust of the American people, marines are forward deployed today; on ships at sea, at our diplomatic posts, in key security locations, and alongside our allies. They are poised to respond wherever crisis looms. Thousands of your 21st century marines and sailors remain deployed to Afghanistan where they are putting relentless pressure on a disrupted enemy, while setting the conditions for a transition of security responsibilities to the Afghans themselves. Marines here at home are in the field, training at their bases and stations. Wherever they serve, whatever their mission, your marines are ready, motivated, and eager. Their professionalism and patriotism are undimmed by over a decade of combat. They carry the timeless ethos and deep pride marines have built over 237 years of service to this Nation. You can be proud of their service.

The need for this highly capable and ready force is more pressing now than ever. Today, we see a world marked by conflict, instability and humanitarian disaster. We see the disruptive changes that accompany a rapidly modernizing world; a world in which tyranny is challenged, power is diffused and extremism finds fertile ground in the disenfranchised. While America's continued prosperity and security are found in a stable global order; instability, extremism and conflict create disorder instead. In what has been described as a 'new normal,' extremism, economic disruption, identity politics and social change generate new potential security threats at an accelerating pace. While we desire peace as a nation, threats to our citizens, allies, and national interests compel our response when crisis occurs.

The unpredictable and chaotic security environment in which we find ourselves presents security challenges that are aligned exactly with the core competencies of the Marine Corps. While marines have acquitted themselves well during two long campaigns ashore, our fundamental ethos and character remains that of the Nation's Expeditionary Force in Readiness. The Marine Corps is purpose-built for the very world we see emerging around us . . . purpose-built to intervene in crisis, purpose-built to forge partnerships in collective security, purpose-built to defend our Nation from the wide range of security threats it faces today.

This unique role is grounded in the special nature of the individual marine. America's marines hold to a professional ethos anchored in honor, discipline, fidelity, and sacrifice. Today's marines are ethical warriors, forged in hard training and made wise through years of experience in combat. Courageous in battle and always faithful, marines stand as pillars of just action, compassion, and moral courage. This ethos defines our warfighting philosophy and is the timeless scale upon which we continually measure ourselves . . . it has always been this way.

The Marine Corps remains first and foremost a naval service, operating in close partnership with the U.S. Navy. We share with them a storied heritage that predates the signing of our Constitution. Together, the two naval Services leverage the seas, not only to protect the vast global commons, but also to project our national power and influence ashore where that is required. The world's coastal regions are the home to an increasing majority of the human population, and are thus the scene of frequent conflict and natural disaster. These littoral regions comprise the connective tissues that connect oceanic trade routes with the activities of populations ashore. In an era of heightened sensitivities over sovereignty, and where large foreign military footprints are unwelcome, the seas provide maritime forces with a means of less obtrusive access. Maritime expeditionary forces can be located close

enough to act when crisis threatens and hours matter, without imposing a burden on host nations. Expeditionary maritime forces can operate in the air, at sea, and on land, without the necessity of infrastructure ashore. They can loiter unseen over the horizon, and can move swiftly from one crisis region to another. Importantly, maritime forces also have the ability to rapidly return to the sea when their mission is complete.

This flexibility and strategic agility make Marine forces a key tool for the Joint force in major contingencies. Operating in partnership with the Navy, the Marine air-ground-logistics task force creates the strategic asymmetries that make the joint force so effective on the modern battlefield. Amphibious and expeditionary capabilities contribute to each of the ten mission areas of the joint force, and are directly responsive to the security demands articulated in the President's Defense Strategic Guidance for the 21st Century. By design, marines smoothly integrate with the other elements of the joint force, enable our interagency partners in response to disaster or humanitarian crises, and provide a naturally complementary team when working with Special Operations Forces.

As the Nation prepares for an uncertain future, its expeditionary Marine forces provide a highly-utilitarian capability, effective in a wide range of scenarios. Marines remain a cost-effective hedge against the unexpected, providing a national "insurance policy" against strategic surprise. Thanks to the support of American people, the Marine Corps remains responsive to its congressional mandate to be the "most ready when the Nation is least ready."

2012 Operational Highlights

This past year, marines have been actively engaged in every corner of the global security environment. The Marine Corps continued to meet operational commitments in Afghanistan, while simultaneously working with more than 90 allies and partners to train, to learn, and to build effective security institutions. In addition to forces committed to Operation Enduring Freedom (OEF), our Marine Expeditionary Units (MEUs), in partnership with Navy Amphibious Ready Groups (ARGs), continued to patrol regions of likely crisis. Other task-organized Marine Air Ground Task Forces (MAGTFs), operating from expeditionary locations, supported U.S. national security objectives through forward presence, deterrence, multinational theater security cooperation exercises, and building partner capacity. Marines have been active in every geographical combatant command, serving as a key component of the joint force. Even under fiscal restraint, we will continue to support these strategically important activities to the greatest extent possible.

Afghanistan

Our number one priority remains providing the best-trained and best-equipped Marine units to Afghanistan. As long as we are engaged there, this will not change. Active and Reserve marines continue operations in Helmand Province, comprising approximately 7,000 of the 16,000 Coalition personnel in Regional Command Southwest (RC-SW). By the end of this year, we expect our contribution will be closer to half its current size. Through distributed combat operations conducted with their Afghan counterparts, marines have continued to deny the Taliban safe haven. Your marines, with coalition partners from nine nations and the Afghan National Security Force (ANSF), have restored stability in one of the most critical regions of Afghanistan, creating breathing space for the establishment of effective tools of governance. These combat operations have been marked by the continued bravery and sacrifice of American, coalition, and Afghan servicemembers.

One measure of our battlefield success is the continued progress in implementing the mechanisms of effective governance in Helmand Province. In 2012, citizens of Helmand conducted three successful elections for district community councils, with more than 5,000 participants vying for approximately 45 council seats. There are new district governors in 12 of 14 districts, and new provincial authorities in the capital of Lashkar Gah. Within the provincial judicial system, the numbers of judges, prosecutors and defense counselors are steadily growing.

Provincial social conditions also show marked improvement. Marines have helped open 86 schools, providing a new normal of daily classroom participation by over 121,000 children. This total includes more than 28,000 female students, a 432 percent increase since 2005.

Healthcare is another area of vast improvement. In 2006, only six health clinics served the needs of the population of Helmand province, an area nearly twice the size of Maryland. Six years later, 57 health care facilities provide basic health services to more than half of the population. Infrastructure improvements currently underway include a \$130 million major electrical power system project and additional major road construction projects.

Transitioning from counter-insurgency operations to security force assistance in Afghanistan, we are adjusting our force posture into an advisory role in support of the ANSF. U.S.-led missions have given way to U.S.-Afghan partnered missions; and now are transitioning once again to missions conducted entirely by Afghan forces with only advisory support from U.S. forces. As nearly all Districts in RC-SW have entered the transition process, the next year remains a delicate and extremely important time. Afghan local authorities, supported by the ANSF and their citizens, have welcomed their responsibility to lead and are taking it upon themselves to contribute to the transition process.

I recently returned from visiting your marines in Helmand province, and I can attest to the progress there. Marines have given the people of Helmand a vision for a secure and prosperous society, and the responsibilities that come with that freedom. The marines are proud of what they and their predecessors have accomplished, and want to see this mission through to completion.

That mission is not complete until the massive project of retrograding our equipment from our dispersed operating locations across southern Afghanistan is completed. I am happy to report to you the tremendous progress our marines have made in recovering and redeploying our equipment. Our logisticians have spearheaded a recovery effort that has been proactive, cost-effective, and in keeping with the high stewardship of taxpayer resources for which the Corps is known. Much of our equipment, unneeded in Afghanistan but required for home-station training, has been successfully returned to the United States, where it can be refurbished and re-issued. We are proud to preserve our reputation as the frugal force.

Global Crisis Response

Concomitant with our Afghan commitments, marines have been vigilant around the globe, responding to crises ranging from civil conflict to natural disasters. Crisis response is a core competency of your expeditionary force in readiness. The Marine Corps provides six MEUs operating from the continental United States, and one operating from its bases in Japan. Teamed with Navy ARGs, these expeditionary forces provide a rotational forward presence around the globe. Special-purpose MAGTFs, capable of rapidly responding when conditions deteriorate, augment the MEUs from forward security locations in key regions. The recent deployment of our 24th MEU and the Iwo Jima ARG is instructive. As this Navy-Marine expeditionary team transited the Mediterranean Sea and operated off the horn of Africa, they participated in their normal syllabus of exercises and operations to include African Lion with the Moroccan military, Eager Lion with the Jordanian Navy and the International Mine Countermeasures Exercise that included more than 30 international partners. While forward deployed participating in these partnership initiatives, however, they also provided an essential response capability for our national leadership when U.S. interests or citizens were threatened due to violence in Syria, Gaza, Sudan, Libya, Egypt, and Yemen. These forces planned against a variety of scenarios and were poised to swiftly intervene from the sea in each of these cases. Although past the end of their scheduled deployment, this Navy-Marine team was extended on-station, and maneuvered throughout the region in order to ensure our Nation could respond if crisis necessitated intervention to protect our citizens. If even one of these smoldering situations had ignited into the flames of crisis, our marines would have been quickly on the scene, protecting human life, preserving our interests, and evacuating our citizens. For our diplomats and citizens in these troubled parts of the world, there is no substitute for the capabilities brought by forward deployed marines and their Navy partners. Their ability to quickly respond to a variety of missions gave decisionmakers at all levels time to develop their plans, created options for execution, and provided assurance that there was a force ready to be called-on if needed. This utility, flexibility and forward presence is an essential feature of our Nation's ability to respond to crisis at a moment's notice.

In 2012, our diplomatic posts and embassies remained highly visible symbols of US presence and commitment. In the threat environment posed by the new normal, the protection offered by host states is often threatened by groups and organizations that do not respect the conventions of the state system. Marines are a key component in ensuring the security of these most vulnerable nodes of U.S. presence. Marine Security Guards are currently deployed to 152 embassies and consulates around the world. With congressional guidance, we are seeking to increase this number in close coordination with the State Department. Marine Embassy Security detachments and Fleet Anti-terrorism Security Teams (FAST), alongside their State Department colleagues, also protect our diplomatic missions against a range of threats. During 2012, specialized FAST marines deployed to reinforce U.S. diplomatic missions abroad, providing physical security and force protection. Last year we provided each Geographic Combatant Commander with FAST support to aid in

protecting U.S. interests worldwide. These teams provided immediate relief in Libya following the deadly terrorist attack on the consulate that claimed the lives of the Ambassador and three other Americans. As demonstrations spread across the Middle East and North Africa, marines from an additional FAST platoon deployed to Yemen when violent protests threatened American diplomatic personnel. These specially trained marines remain forward deployed at naval commands around the globe, poised to respond on short notice when our citizens and diplomats are threatened.

Humanitarian Assistance and Disaster Relief

Over the past decade, in the Asia-Pacific Area alone, major natural disasters have claimed the lives of an average of 70,000 people each year. American leadership in response to global natural disaster is a clear and unambiguous demonstration of our strength, our values, and our good intentions. This demonstration gives credibility to our security promises, strengthens the value of our deterrence, and creates goodwill among our potential partners. Although built for war and maintained forward to protect our security interests, the utility of expeditionary Marine forces makes them a natural response option when disaster strikes. Forward deployed marines responded to numerous natural disasters over the past year, smoothly integrating as a contributor to multiagency and multinational relief efforts. As an example, just this last December, marines from the III Marine Expeditionary Force supported a USAID-led response by providing disaster relief in the aftermath of super typhoon Pablo in the Philippines. When hours mattered and the survival of large populations was at stake, marines from their forward bases in Japan quickly organized and executed their participation in the U.S. relief effort. KC-130J Hercules transport planes delivered critical food packages and other supplies to Manila for distribution by the Philippine military. This is but one example of a regular feature of the global security environment, and the utility of your forward-postured marines.

Defense Support to Civil Authorities

In a similar vein, when Hurricane Sandy struck our own nation in October 2012, more than 300 marines and sailors from the 26th Marine Expeditionary Unit provided critical recovery and relief operations in support of Americans in need in New York City and Long Island. Marines were one part of a multiagency response that included ships of the USS *Wasp* ARG and other military assets. Marine aviation conducted disaster relief assessments and provided the necessary airlift for marines to deploy into the hardest-hit areas. On the ground, marines successfully coordinated with local leaders and residents for priority relief requirements, providing critical supplies and assisting with clearing debris and helping restore normalcy to people's lives. The swiftness of the Marine response, and their ability to conduct relief efforts from the sea made them an important contributor, without imposing additional strain on the roads, airfields and infrastructure supporting the broader relief effort.

Security Cooperation

In 2012, marines participated in more than 200 security cooperation engagements, including multilateral and bilateral exercises, training, and military-to-military engagements. Forward-deployed MEUs participated in joint and coalition exercises around the globe from Morocco to the Philippines, strengthening our partnerships with allies such as Kuwait, Oman, Saudi Arabia, United Arab Emirates, Jordan, Thailand, Malaysia, Indonesia, Korea, and Japan.

In Europe, marine trainers deployed to support battalions of the Georgian Army, strengthening a decade-long partnership with that nation. Because of this small investment of marines, Georgian battalions have been effectively fighting alongside U.S. marines in Afghanistan since 2008. Marines continue to provide forces and leadership to activities such as the Black Sea Rotational Force, an annual U.S. European Command initiative with the Romanians, Bulgarians, and other Black Sea regional allies.

In Africa, a Special Purpose MAGTF, tailored to conduct theater security cooperation in support of OEF-Trans Sahara, trained counterterrorism forces and supported coalition forces combating al Qaeda affiliates across the Maghreb region. This MAGTF also trained with forces from the African Union Mission in Somalia (AMISOM), providing well-trained African peacekeeping forces that are currently countering the Al Shabaab terrorist group in Somalia.

In Australia, our new rotational units continued to expand the training and partnership opportunities offered by one of our strongest and oldest allies in the Pacific. This past year, Marine Rotational Force Darwin conducted bilateral training with their hosts on the superb training ranges available in Northern Australia. The partnership of our Australian allies is a cornerstone of our Pacific rebalance. Marines

are natural partners for an Australian military that continues to expand its expeditionary capabilities. As the Australians take delivery of their new big-deck amphibious ships, U.S. marines look forward to more combined training opportunities and reinforced crisis response capabilities. From Darwin, marines embarked aboard USS *Germantown* to participate in the annual Landing Force Cooperation and Readiness Afloat Training (LF CARAT) amphibious patrol of the Southeast Asian neighborhood. Through LF CARAT, marines conducted training exercises with our partners in Thailand, Indonesia and Malaysia.

Maintaining a sound international economic system and a just international order are the foundations of our Nation's Defense Strategic Guidance. Your marines remain forward deployed around the world, projecting U.S. influence, responding to contingencies, and building strong international relationships. By doing so, we significantly enhanced the security and stability of the global commons and contributed to the mechanisms of collective security that underpin the global economy and our own return to prosperity.

II. FISCAL YEAR 2014 BUDGET SUBMISSION HIGHLIGHTS

As we move into fiscal year 2014 and beyond, our budget submission balances our force structure, our readiness and our capability to meet national security commitments. A critical measure of the effectiveness of our Marine Corps is its readiness. Our readiness is preserved through a careful balance of high quality people, well-trained units, modernized equipment, well-maintained installations and a force level sufficient to accomplish our many missions. Failure in any one of these pillars of readiness begins to set the conditions for an eventual hollowing of the force. We will do everything within our power to avoid this outcome, and request your continued support. The linkage between resources and readiness is immediate and visible, and our fiscal restraint has caused us to pay keen attention to our priorities. To guide us as we optimize investments and readiness in our force, our priorities are as follows:

- We will continue to provide the best trained and equipped marine units to Afghanistan
- We will continue to protect the readiness of our forward deployed rotational forces within the means available
- We will reset and reconstitute our operating forces as our marines and equipment return from more than a decade of combat
- We will modernize our force through investments in human capital and by replacing aging combat systems
- We will keep faith with our marines, our sailors, and our families

This year we are seeking \$24.2 billion to fund our baseline operations. This funding allows the Marine Corps to continue to provide forward deployed and engaged forces, rapid crisis response capabilities, and the necessary training to ensure readiness for our forces to fulfill strategic demands. In addition, this funding provides adequate resources for us to reset our combat-worn equipment, rebalance to the Asia-Pacific region, and keep faith with our marines, sailors, and their families.

Two years ago, the Marine Corps initiated a Force Structure Review (FSR) whose mission was to reshape the Marine Corps for a Post-OEF environment. This FSR sought to find ways to meet our national security responsibilities in the most resource-efficient manner possible. Our goal was to provide the most ready, capable, and cost-effective Marine Corps our Nation could afford. Last year, we reported on our approved multi-year plan to draw down the Corps from the end strength of 202,100 in fiscal year 2012 to 182,100 by the end of fiscal year 2016. I am pleased to report that these reductions are being made in a measured and responsible way, maintaining our commitment to provide adequate transition time, effective transition assistance, and family support for our marines who have given so much to our Nation ... we remain committed to doing so.

We will continue to reshape the force, ever mindful of our operational requirements and our responsibility to keep faith with the marines that fulfill them. As the Nation's principal crisis response force, we must maintain a continuous high state of readiness in both our forward deployed and ready forces at home station. Maintaining an expeditionary force in a high state of readiness creates a hedge against the unexpected, giving the Nation the ability to swiftly contain crisis, respond to disaster, and buy time for strategic decision-makers. For us, a hollow force is not an option. This not only enables joint success, but also allows selected follow-on capabilities of the joint force to be maintained at more cost-effective readiness levels. Marines are poised to swiftly fill the temporal gap between crisis initiation and when the joint force is fully prepared to conduct operations; buying time for the

deployment of the larger joint force in major contingencies. Readiness is a key to making this possible.

This high state of readiness is necessary for security of our global interests, but financing near-term readiness has caused us to continually decrement our modernization and infrastructure accounts. To meet strategic guidance during the current period of fiscal austerity, the Marine Corps has funded near-term manpower and readiness accounts at the cost of significantly increased risk in longer-term equipment modernization. Over the long-term, resourcing short-term readiness by borrowing-forward from long-term investment resources is unsustainable, and will eventually degrade unit readiness to an unacceptable level. Full implementation of sequestration and the associated cap reductions in the coming years will require a top to bottom re-examination of priorities, missions and what it will take to continue to be the Nation's Expeditionary Force in Readiness.

The current period of fiscal austerity significantly pressurizes each of our appropriation accounts, especially operations and maintenance, equipment modernization, and military personnel. Our challenge in balancing modernization and end-strength costs is especially acute, as we invest nearly 60 cents of every appropriated dollar on our most vital assets, our personnel. Our ground materiel modernization investment accounts comprise a mere 10 percent of our baseline budget. Because of this significant variance between personnel and ground modernization funding, even proportional cuts across the Services have disproportionate impacts on our already pressurized small investment programs. In the Marine Corps' ground investment portfolio, the top 25 programs consume 60 percent of the available budget, while the remaining 40 percent supports 171 small programs. These small programs are essential to equipping individual marines and providing their qualitative edge. These programs, and the small businesses they support, have limited flexibility to respond to reduced funding, and are increasingly vulnerable as resource shortfalls become more acute.

Sustained combat operations in the harsh environments of Iraq and Afghanistan have also significantly degraded the readiness of our existing ground equipment. Our combat equipment has aged far faster than it would have given normal peacetime utilization rates. Accordingly, we are requesting funding to support the reset and restoration of our equipment to ensure we provide marines the most combat ready equipment needed to respond to future crisis and contingencies around the world.

We are proud of our reputation for frugality, and will always remain good stewards of every defense dollar we are entrusted with. In a period of budget austerity, we offer a strategically mobile force optimized for forward presence and rapid crisis response for a notably small portion of the Department of Defense (DOD) budget. The Marine Corps will remain ready to fulfill its role as the crisis response force of choice for our Nation's leaders.

III. SHARED NAVAL INVESTMENTS

The Department of the Navy's (Navy) investment in amphibious warships, maritime prepositioning ships, ship-to-shore connectors, mine countermeasures, and the Navy Expeditionary Combat Command (NECC) represent critical Navy investments that also support the Marine Corps. Due to current fiscal challenges, we have agreed to take risk in the number of amphibious ships to a fiscally constrained fleet of 33 amphibious warships, producing 30 operationally available ships if readiness levels are significantly improved. Thirty operationally available amphibious warships allow for the employment of two Marine Expeditionary Brigades (MEBs), the minimum capability and capacity necessary to fulfill our combatant commander commitments for sea-based forcible entry. This represents a minimal capacity for a maritime nation with global interests and key dependencies on the stability of the global system. By way of comparison, a two brigade force was necessary to wrest control of the mid-size city of Fallujah from insurgents in 2004. Two brigades of forcible entry capacity are required to create access for the rest of the joint force should defense of our interests make it necessary. There are no acceptable substitutes for this capability within our national defense inventory. This fiscal year, the total amphibious warship inventory will rise to 31 ships with the delivery of LPD-25. Within the next 2 years, the inventory will decline before rising to an average of 33 amphibious warships across the 30 year shipbuilding plan.

The Navy's programs and plans to sustain fleet quantities of landing craft include the Landing Craft, Air Cushion (LCAC) Service Life Extension (SLEP), LCAC Fleet Maintenance Program (FMP), and the Ship-to-Shore Connector (SSC) program which will produce the replacement LCAC-100 class craft to maintain the non-displacement ship-to-shore capability of the fleet. The LCU Sustainment Program is

the single program to maintain the displacement component of the connector fleet. The Surface Connector (X) is Navy's planned program to replace and recapitalize the aging LCU. These Navy programs are important to marines, and are essential for our Nation's ability to project its influence from the sea. Additionally, we support the Navy's idea to extend the life of select LCAC SLEP craft for 10 years to reduce inventory shortfalls in the 2020s. The Marine Corps actively supports and depends upon these programs.

To complement our amphibious capabilities, the Maritime Prepositioning Force (MPF) program is designed to rapidly deploy the combat equipment and logistics required to support Marine Air Ground Task Forces from the sea. The MPF provides the capability to rapidly equip MAGTF personnel, who fly in to marry up with their gear. Although Maritime Prepositioning Ship Squadron One (MPS Squadron One)—homeported in Rota, Spain—was eliminated in 2012, efforts are currently underway to enhance MPS Squadron Two (Diego Garcia) and MPS Squadron Three (Guam) to ensure the two remaining squadrons are optimized for employment across the full range of military operations. The current 12-ship inventory has been re-organized into two Maritime Prepositioning Ship Squadrons that possess new sea basing-enabling capabilities, including at-sea selective offload of equipment and supplies, thereby providing combatant commanders a greater range and depth of sea-based capabilities. An additional two ships will be added during fiscal year 2015, for a total of 14 ships, 7 in each MPS Squadron. Additionally, the Marine Corps Prepositioning Program in Norway (MCPN) is being reorganized to provide combatant commanders with balanced MAGTF equipment set for training and operations. This combination of prepositioned equipment locations, afloat and ashore, greatly enhances our ability to swiftly establish critical combat capabilities in times of major crisis.

IV. INVESTING IN OUR MARINES

The core of our overall readiness and combat effectiveness resides in the individual marine. Recruiting and retaining high quality people is essential to attaining a dedicated and professional Marine Corps. Recruiting provides the lifeblood of our Corps; the foundational step in making marines. To maintain a force comprised of the best and brightest of America's youth, the Marine Corps uses a variety of officer and enlisted recruiting processes that stress high mental, moral, and physical standards. We retain the most qualified marines through a competitive career designation process for officers, and a thorough evaluation process for enlisted marines. Both processes measure, analyze, and evaluate our marines performance and accomplishments for competitive retention.

Our ability to attract young men and women is tied directly to our ability to establish and foster a dialogue with the American people. We do this through an aggressive outreach and advertising campaign that seeks to reach all sectors of American society. We continue to seek qualified young men and women of any race, religion, or cultural background who are willing to commit to our demanding standards.

Marine Reserve Forces continue to serve as a strong force multiplier of the total force, and are a high-payoff investment in capability. Since September 11, 2001, more than 60,000 Marine reservists, from all across the United States, have participated in over 80,000 activations or mobilizations. Our Reserve marines are uniquely well-positioned to seamlessly integrate with the Active component, to reinforce our service priorities, and to provide a reservoir of capacity for future national emergencies. Our Reserve marines are well-equipped and highly-trained professionals, providing an essential shock absorber for the Active component in the uncertain global environment.

Professional Military Education (PME) is designed to produce leaders who are proficient in the thinking skills necessary to face the complexity of conflict we expect in the future. As such, PME represents a key, cost-effective investment in our most valued resource—our marines. Marine Corps University (MCU), a part of Training and Education Command (TECOM), is a regionally accredited, degree-granting institution committed to providing world-class educational opportunities through both resident and distance/outreach programs. Marine Corps University is a globally recognized, world-class PME institution that is designed to advance the study and application of the operational art. Our commitment to improve the quality of our PME programs and advance the PME opportunities for our marines is unwavering. Beginning in fiscal year 2011, military construction projects totaling \$180 million have helped dramatically improve MCU's educational facilities, to include staff non-commissioned officer academies across our installations as well as an expansion of our primary campus in Quantico. In addition, we will continue to improve the quality and quantity of our active duty and civilian faculty.

V. INVESTING IN READY UNITS

The Marine Corps will continue to meet the requirements of strategic guidance while resetting and reconstituting the force in-stride. Our reconstitution efforts will restore our core combat capabilities and will ensure units are ready for operations across the spectrum of conflict. Sustaining combat operations for more than a decade has required the use of a large share of the available assets from our home bases and stations. This has produced ready forces where they have mattered most, but has taken a toll on nondeployed Marine units. Currently, 65 percent of non-deployed units are experiencing degraded readiness due to portions of their equipment being redistributed to support units deploying forward. While necessary in times of crisis, this commitment of our 'seed corn' to current contingencies degrades our ability to train and constitute ready units for their full range of missions over time. Unbalanced readiness across the force increases risk to timely response to unexpected crises or large-scale contingencies. We will continue to emphasize our reset and reconstitution efforts that cost-effectively restore combat equipment and return it to units for training.

Vital to maintaining readiness is the operations and maintenance (O&M) funding to train in our core missions and amphibious forces and maintain our equipment. MAGTF readiness continues to improve with larger scale naval exercises that are maximized to enhance our ability to operate from the sea. Over the next 2 years, we anticipate incremental increases in the core training readiness of units as marines return home from Afghanistan and have time to train to their full range of capabilities. The peacetime availability and readiness of amphibious warships and maritime prepositioning ships are critical dependencies for training readiness, and for supporting expeditionary, amphibious operations around the globe.

The geographic combatant commanders (GCCs) continue to register an increased demand for crisis response and amphibious forces in order to meet requirements across the range of military operations. Forward deployments provide deterrence, reassure our allies, posture our forces for crisis response, and enable rapid contingency response to major conflict. GCCs recognize and appreciate the agility and operational reach of ready expeditionary capabilities. As we construct the forces for the next decade, we will continue to seek cost-effective ways of saying 'yes' to joint commanders on the leading edge of our national security effort, while preserving skills and training necessary for larger contingencies. The multi-purpose nature of Marine forces makes them a cost-effective investment for a wide range of application.

In addition to our traditional crisis response and expeditionary capabilities, the Marine Corps has reinforced its contributions to our Marine Special Operations Command (MARSOC) and Marine Forces Cyber Command. The demand for our expeditionary MARSOC forces remains high as these marines provide critically needed capability and capacity to theater special operations commands supporting both Special Operations Command (SOCOM) and the GCC operational requirements. Marines have excelled as special operators, combining the Marine ethos with the training and skills of the special operations community. Additionally, the Marine Corps continues to expand its capability and capacity for cyberspace operations; including offensive and defensive cyber capabilities. The Marine Corps Information Operations Command (MCIOC) supports deployed MAGTFs, integrating information operations in support of forward deployed forces and joint commanders.

VI. INVESTING IN MODERNIZATION

Across the spectrum of conflict, our adversaries have adapted their tactics to counter our significant technological advantage. Even many 'low-end' threats are now equipped with modern technologies and weapons. Our adversaries oppose us with tools of the information age, including modern communications, intelligence and cyber capabilities. While state-sponsored opponents continue their development of advanced technologies, non-state threats have likewise become increasingly sophisticated and lethal. An increasing number of threats now possess intelligence capabilities, precision munitions, and unmanned systems. This 'rise of the rest' erodes the technological advantage we have enjoyed for decades, making the qualitative advantages of the modern Joint force even more important. This situation creates an imperative for maintaining our investments in new equipment, better technology, research, and development.

Our desire for our marines to maintain a qualitative edge over their opponents applies equally to both our large-scale weapons programs, and the numerous small programs that equip our individual marines with modern capabilities. This modernization mandate is a fundamental pillar of a ready force, shared by all of the Services. With the smallest modernization budget in the Department of Defense, the

Marine Corps continually seeks to leverage the investments of other Services, carefully meting-out our modernization resources to those investment areas which are the most fiscally prudent and those which promise the most operationally effective payoffs.

Innovative warfighting approaches and can-do leadership are hallmarks of the Corps, but these cannot overcome the vulnerabilities created by our rapidly aging fleet of vehicles, systems and aircraft. Long-term shortfalls in modernization will have an immediate impact on readiness and will ultimately cost lives on the battlefield. At some point, sustaining fleets of severely worn vehicles becomes inefficient and no longer cost-effective. This inefficiency reduces available modernization resources from an already small account, degrading our ability to effectively operate in today's complex security environment. Our modernization investment requires a balanced approach across the Air-Ground-Logistics Team.

Aviation Combat Element Modernization

On average, more than 40 percent of our aviation force is deployed at any time, with an additional 25 percent preparing to deploy. All told, this means two-thirds of Marine Aviation forces are currently deployed or preparing to deploy. This creates an increasing cost burden as we work to sustain our heavily used and rapidly aging fleet of aircraft.

Accordingly, even as we invest in new aircraft as a part of our aviation modernization, we must take every opportunity to drive down operations and sustainment (O&S) costs while ensuring the continued safety, reliability, and operational relevance of our "legacy" and recently fielded platforms. The F/A-18A-D, originally designed for a 6,000-hour service life, has reached an average usage of 6,800 hours. Ongoing upgrades and analysis have extended service life to 8,000 hours, but this buys only limited time. A service life extension program to increase service life to 10,000 hours would rely heavily on depot capacity, rapid engineering assessment, and adequate funding. Our aging AV-8B fleet depends on careful stewardship of its supply chain and targeted capability enhancements to keep it relevant through the mid twenties. Similar oversight and investment in the CH-53E, UH-1N, and AH-1W will keep our helicopter fleet operating while the next generation is fielded. On a positive note, the MV-22 program has continued to excel in combat and crisis environments, even as it has reduced flight hour costs by 18 percent over the past 2 years. We intend to find similar savings throughout Marine aviation.

To do so, we will use our Aviation Plan—a phased, multi-year approach to modernization that encompasses aircraft transitions, readiness, aircraft inventory shortfalls, manpower challenges, safety and fiscal requirements. The following programs form the backbone of our aviation modernization effort:

F-35B:

As we modernize Marine fixed-wing aviation assets for the future, the continued development and fielding of the short take-off and vertical landing (STOVL) F-35B Joint Strike Fighter remains the centerpiece of our effort. The capability inherent in a STOVL jet allows the Marine Corps to operate in harsh conditions and from remote locations where few airfields are available for conventional aircraft. It is also specifically designed to operate from amphibious ships—a capability that no other tactical fifth-generation aircraft possesses. The ability to employ a fifth-generation aircraft from 11 big-deck amphibious ships doubles the number of "aircraft carriers" from which the United States can employ this game-changing capability. The expanded flexibility of STOVL capabilities operating both at-sea and from austere land bases is essential, especially in the Pacific. Once fully fielded, the F-35B will replace three legacy aircraft—F/A-18, EA-6B, and AV-8B. Training continues for our F-35B pilots. In 2012, we flew more than 500 hours and trained 15 pilots. Just recently, in November 2012, we established our first operational squadron, VMFA-121, at MCAS Yuma. Continued funding and support from Congress for this program is of utmost importance for the Marine Corps as we continue with a plan to "sundown" three different legacy platforms.

MV-22B:

The MV-22B Osprey has performed exceedingly well for the Corps and the Joint Force. This revolutionary tiltrotor aircraft has changed the way marines operate on the battlefield, giving American and coalition forces a maneuver advantage and an operational reach unmatched by any other tactical aircraft. The MV-22B has successfully conducted multiple combat deployments to Iraq, six deployments with MEUs at sea, and is currently on its seventh deployment to Afghanistan. In the Pacific, we have fielded our first permanent forward-deployed Osprey squadron, VMM-265, in Okinawa. Our squadron fielding plan continues apace as we replace the last of our Vietnam-era CH-46 helicopters. The MV-22B's proven combat capability re-

inforces the necessity that we continue to procure the full program of record quantities. The record of performance and safety this aircraft brings in support of marines and the joint force on today's battlefields has more than proven its value to the Nation.

CH-53K:

The CH-53K is a new-build heavy lift helicopter that improves on the legacy CH-53E design to increase operational capability, reliability, maintainability, and survivability; while reducing cost. The CH-53K will transport 27,000 pounds of external cargo under high altitude/hot conditions out to 110 nautical miles, nearly three times the lift capacity of the legacy CH-53E. It is the only naval rotorcraft able to lift all Marine Corps air-transportable equipment from amphibious warships and the Maritime Prepositioned Force. Our Force Structure Review has validated the need for a CH-53K program of record of eight CH-53K squadrons.

UH-1/AH-1:

The H-1 program, composed of the UH-1Y utility and the AH-1Z attack helicopters, is a single acquisition program that leverages 85 percent commonality of major components between the two platforms. This commonality enhances deployability and maintainability while reducing training requirements and logistical footprints. Both aircraft are in full rate production. The H-1 procurement objective is 160 UH-1Ys and 189 AH-1Zs for a total of 349 aircraft. Currently, 181 H-1 aircraft are on contract, with 72 UH-1Ys and 30 AH-1Zs delivered to date. The UH-1Y has supported sustained combat operations in OEF since November 2009. The AH-1Z completed its first deployment alongside the UH-1Y in June 2012 as part of the 11th MEU. The AH-1Z performed extremely well on its initial MEU deployment. These aircraft had high mission capable (MC) readiness rates while deployed (89.9 percent MC for AH-1Z, 94.4 percent MC for UH-1Y). All subsequent West Coast MEUs are sourced with UH-1Y and AH-1Z aircraft. The continued procurement and rapid transition to these two platforms from legacy UH-1N and AH-1W assets in our rotary-wing squadrons remains a priority.

KC-130J:

The new KC-130J Hercules has been fielded throughout our Active component, bringing increased capability, performance and survivability with lower operating and sustainment costs to the Marine Air Ground Task Force. Using the Harvest HAWK weapon mission kit, the KC-130J is providing extended endurance Close Air Support to our marines in harm's way. Currently, we have procured 48 KC-130Js of the stated program of record requirement totaling 79 aircraft. Continued procurement of the program of record will allow us to fully integrate our active and Reserve Force with this unique, multi-mission assault support platform.

Unmanned Aerial Systems (UAS):

Marine Corps operations rely heavily on a layer of small UAS systems that complement the larger systems provided by the joint force. These smaller systems provide direct support for forces operating from sea-based platforms, and enable critical low-altitude and immediate responsiveness that enable small units on the ground. The RQ-7B Shadow unmanned aircraft system has provided excellent intelligence, surveillance, reconnaissance, and battlefield management capabilities in Afghanistan. The RQ-21A Small Tactical Unmanned Aircraft System is uniquely capable of operating from ship or shore, is transportable by High Mobility Multi-Purpose Wheeled Vehicles (HMMWV), and will be an integral part of the future MAGTF. We remain committed to these two critical programs.

Ground/Air Task Oriented Radar (G/ATOR):

The TPS-80 G/ATOR system is the three dimensional short/medium range radar designed to detect low observable/low radar cross section targets such as cruise missiles, UAS, aircraft, rockets, mortars, and artillery shells. G/ATOR replaces five legacy radar systems and supports air surveillance, fire finding, and air traffic control missions. G/ATOR provides fire quality data that supports the integrated fire control concept and the extension of defensive and strike capabilities from the sea to landward in the littorals.

Ground Combat Element Modernization

Age and operational tempo have taken a toll on our Ground Combat Element's (GCE) equipment, creating a requirement to recapitalize and modernize key components. Essential to modernizing the GCE is a comprehensive technologically advanced vehicle portfolio. Two key initiatives to modernize the GCE are the Amphibious Combat Vehicle (ACV) and the Joint Light Tactical Vehicle (JLTV). These sys-

tems, coupled with the recapitalization of our family of Light Armored Vehicles (LAV), a refurbishment of a portion of our legacy HMMWV fleet, and improvements in advanced simulations systems, are critical to sustaining individual and unit combat readiness while ensuring core capabilities of the GCE.

Amphibious operations are a core mission of the Marine Corps. Amphibious operations is a category which includes a broad range of missions including reinforcing diplomatic facilities from sea-based platforms, conducting strikes and raids against terrorism targets, delivering aid in the case of humanitarian disaster, and conducting forcible entry where our forces are not invited. The future security environment dictates that we maintain a robust capability to operate from the sea, placing special demands on our equipment. When operating in a maritime environment, Marine systems are exposed to the effects of salt water and extreme weather. Our operational concepts depend on rapid maneuver in littoral waters by which we avoid threat strengths and exploit weaknesses. Thus, our combat systems must bridge the gap between sea and land. Our tactics exploit swift action by marines ashore, mandating a seamless transition from maneuver at sea to maneuver on land. In every operating environment we must provide a modicum of protection for our marines while preserving all-terrain mobility and minimizing weight. The specialized craft utilized by marines support the unique missions of the sea-based crisis response force, and are essential for swift maneuver and forcible entry across a range of environments.

Amphibious Combat Vehicle:

Many of our systems show the signs of age, but none more than the current Amphibious Assault Vehicle (AAV) which has been in Service since 1972. The legacy AAV has served the Corps well for over 40 years, but faces multiple component obsolescence issues that affect readiness, sustainment costs, safety, and our ability to respond from the sea. The ACV is needed to replace this aging fleet. To meet the demands of both amphibious crisis response and forcible entry, the ACV program will develop and field an advanced generation, fully amphibious, armored personnel carrier to Marine Corps expeditionary forces. The ACV will provide the ability to maneuver from the sea and to conduct amphibious operations and combat operations ashore by providing the capability to self-deploy from amphibious ships and to seamlessly transition between sea and land domains. The ACV will enable the efficient, tactical mobility of infantry combat forces from ships to inland objectives across beach landing zones under uncertain, non-permissive, or hostile conditions in order to facilitate the rapid buildup of combat power ashore. Bridging this sea-land gap with surface vehicles is a necessary complement to the maneuver capabilities brought by our MV-22 aircraft. Our objective in the ACV acquisition program is to provide a sufficient quantity of vehicles to ensure we can meet the requirement of the surface assault force for forcible entry and sustain MAGTF operations.

During the interval in which we design, build and field the ACV, we must ensure the continued safety, reliability, and operational capability of our "legacy" AAV. The current AAV platform faces significant maintenance challenges and obsolescence issues. Accordingly, AAV sustainment efforts, to include the AAV Upgrade program, remain a top Marine Corps recapitalization effort priority until fielding of the ACV.

Joint Light Tactical Vehicle:

The JLTV will provide the Marine Corps with modern expeditionary light combat and tactical mobility while increasing the protection afforded our marines in the light utility vehicle fleet. Working closely with the Army as the lead Service, the Marine Corps is a partner in developing this key system for the tactical-wheeled vehicle fleet of the Joint Force. A relatively light system is necessary to retain our expeditionary capabilities aboard amphibious warships, and to support transport by rotary wing aircraft. The program also seeks to provide a level of protection that is an improvement over the HMMWV. As a reflection of a constrained fiscal environment, our initial planned purchase is 5,500 vehicles, only enough to meet critical needs in the most dangerous combat mission profiles of the light vehicle fleet. The JLTV development will benefit from early user and life cycle cost analysis to ensure its long-term cost-effectiveness. The Marine Corps also seeks funding to refurbish the balance of the HMMWV fleet that will be retained. This is a cost-effective strategy to use these older vehicles in mission profiles where a lack of the advanced capabilities of the JLTV can be mitigated.

Light Armored Vehicle:

The family of LAVs enables combined arms reconnaissance and security missions in support of the GCE. This family of vehicles has proven itself over more than 2 decades of combat, and is an essential element of the combat power of the MAGTF. Heavily utilized in crisis response, conventional combat, irregular environments,

and stability operations, this fleet now requires robust recapitalization and modernization in order to sustain its capabilities. Additionally, obsolescence issues with several critical components threaten the sustainability of the LAVs through the expected end of service. Funding is requested to maintain the operational availability of these platforms and provide upgrades to adapt to the current and anticipated operating environments.

Ground Training Simulation Systems:

Modernization efforts in ground training simulation systems have capitalized on advancements in technology developed over a decade of preparing marines for combat deployments in Iraq and Afghanistan. Leveraging our success with these programs, we will further enhance combat training to maintain our readiness for the current and future security environments. These critical simulation systems develop combat unit proficiency in core skills such as command and control, leadership decisionmaking, and combined arms coordination. They develop proficiency in individual skills through combat convoy vehicle operator training, advanced gunnery training, and individual marksmanship. These systems complement necessary live ammunition and range training, but allow the fundamentals of these capabilities to be practiced in a much more cost-effective manner. Training simulation systems conserve training and maintenance funds, reduce ammunition expenditures, and mitigate limited availability of training ranges.

Joint Nonlethal Weapons Program:

As DOD's Executive Agent for the Joint Nonlethal Weapons Program, the Marine Corps also continues its efforts, in concert with the other Services, to advance nonlethal technologies, and to provide capabilities in support of operational commanders and our allies to minimize collateral damage and unnecessary loss of life. These capabilities are becoming increasingly relevant in the security environment of the new normal of instability, non-state actors, and a desire to minimize collateral damage.

Logistics Combat Element Modernization

Our logistics modernization efforts include the Global Combat Support System-Marine Corps (GCSS-MC) as the Information Technology enabler for logistics supply chain management throughout the Marine Corps. When fully developed, GCSS-MC will provide an unprecedented capability for inventory accountability, providing accurate logistics data to commanders and logisticians in near real-time at any location in the world.

The past decade's operational tempo and the continuing evolution of warfare have also emphasized the importance of engineer equipment modernization. Explosive Ordnance Disposal (EOD) capability has become increasingly important with the rise of the improvised explosive device as the enemy's weapon of choice. Development of the Advanced EOD Robotics System and Route Reconnaissance and Clearance Sets have proven themselves in combat, saving lives and preempting casualties.

Energy Modernization

Expeditionary Energy is a multi-year initiative integrated with our approach to amphibious and expeditionary operations. Over the last decade of combat, marines have increased their lethality and situational awareness, but at the expense of increased requirements for fuel and batteries. These dependencies increase the logistics footprint and combat weight of our force, impairing our expeditionary responsiveness. The Marine Corps takes seriously the necessity to increase energy efficiency, deploy renewable energy technology where it makes sense, and train marines to employ resources more efficiently. We have made tremendous strides in weaning ourselves from external energy dependencies, and we remain committed to continue our investments in expeditionary energy. For expeditionary marines operating in austere environments, these energy efficiency measures represent a significant increase in combat effectiveness.

VII. INVESTING IN INSTALLATIONS AND INFRASTRUCTURE

Infrastructure Sustainment

Marine Corps Installations are a foundational support element to our Air-Ground-Logistics teams. Our bases and stations serve as launch platforms for our combat deployments, and are host to the realistic training and facilities that make our marines successful on the battlefield. Our installations also provide for the safety and support of our military families, our combat equipment, and our civilian workforce. The quality of life for our marines, sailors, and families is measurably impacted by

the condition of our facilities. Our installation commanders are required to be good stewards of their properties, to respect natural and cultural resources and to operate in a manner that sustains the environment and their mission. We will continue to ensure that Marine Corps facilities are well planned, built, and maintained, and that they cost-effectively support Marine Corps readiness. To maintain our physical infrastructure and the complementary ability to train and deploy highly ready forces, we must adequately resource the sustainment and readiness of our bases and stations.

In fiscal year 2014, the Marine Corps Facilities Investment strategy ensures that our infrastructure can adequately support Marine Corps' needs. The proposed fiscal year 2014 budget provides \$653 million for facilities sustainment of Marine Corps facilities and infrastructure, maintaining funding at 90 percent of the sustainment model requirement. Our budget request adequately supports environmental compliance, family housing improvements and the replacement of inadequate and obsolete facilities across our installations. The fiscal year 2014 budget request provides proper stewardship of Marine Corps infrastructure. Sequestration necessitates significant cuts in facilities investments and subsequent degradation in infrastructure conditions and readiness.

With over \$800 million requested in fiscal year 2014 for required Military Construction projects, we are prioritizing funding to support new mission and new platform requirements, force structure repositioning, replacement of aging infrastructure, and support to enduring missions. Our efforts to improve force protection, safety, and physical security requirements are continuous.

The fiscal year 2014 budget provides \$69 million for military construction and \$31 million for operations and maintenance funding to continue improvements in our installations energy posture. This funding will target energy efficiency goals established by the Energy Independence and Security Act of 2007 aimed at reducing consumption by 30 percent from a 2003 baseline. Additional efficiencies will be gained by decentralizing older, inefficient steam heating plants and by improving our energy management and control systems. Overall, our planned investments are intended to increase energy security on our installations while reducing the cost of purchased utilities. Lean and efficient basing infrastructure allows us to put every precious dollar to use making marines and deploying them where they are needed most.

To enable essential changes in training requirements as well as new weapon systems, we are seeking Congressional support to expand the Combat Center at Twentynine Palms, CA, extend the existing withdrawal of land for the Chocolate Mountain Aerial Gunnery Range, CA, as well as purchase private property to expand the Townsend Bombing Range in Georgia. At Twentynine Palms, we are requesting the withdrawal of approximately 150,000 acres from the public domain as well as the purchase of approximately 2,500 acres of California State Land and 10,000 acres of privately held land enabling it to support training and exercises for a Marine Expeditionary Brigade size force. The Marine Corps is also requesting to extend the existing withdrawal of land for the Chocolate Mountain Aerial Gunnery Range in southern California. The current withdrawal expires in 2014 and requires renewal by Congress so that this vital range can continue its use for air and ground training. Finally, the current 5,000 acre Townsend Bombing Range, adjacent to Savannah, is not large enough to meet the required safety or space requirements for use of precision guided munitions. We are seeking to purchase privately held land to increase this facility as well, allowing us to drop a wider range of ordnance in training. This is a critically important Marine Corps aviation training requirement that would be safely supported with the proposed expansion by approximately 28,000 acres. For decades, Townsend Range has been used by the joint aviation community as a centrally located and preferred Air-to-Ground training facility on the east coast; the fielding of the F-35 Joint Strike Fighter to all three Services makes the expansion of Townsend Range even more critical.

VIII. ORIENTING TO THE FUTURE

Rebalancing Toward the Pacific

As the world's leading democracy and largest economy, the United States is a global nation with economic and security interests inextricably linked to the Asia-Pacific. The arc extending from the chain of our own Alaskan islands down the Asian continent follows a vast littoral and archipelagic swath that is home to close allies, emerging partners and potential threats. It contains vast resources, vibrant populations, and great cities. It continues through the narrow straits of Southeast Asia and extends all the way into the Indian Ocean. Our return to prosperity as a nation (and thus achieve our lasting security) depends on the restoration of global

growth. No engine of growth is more powerful than the Asia-Pacific. Rebalancing to the Pacific theater is a central element of strategy. Geographically, culturally, economically, even by name, the “Pacific” is a maritime theater. The vast stretches of ocean, the thousands of small islands that dot its map, and the vast inland waterways that shape its demography are all artifacts of this maritime character, and have implications for the types of forces required to achieve our security there. The tyranny of distance underscores the value of forward deployed maritime forces in the Pacific region. The Navy-Marine Corps team is uniquely suited to operate in this vast blue water and littoral environment. Marines have a long legacy of serving in the Pacific; it is where the Marine Corps ‘came of age.’ We are proud of our heritage in that theater through a world war and the many smaller conflicts, crises and contingencies that have followed. Strategic imperatives demand that our Nation continues to build on the presence of sailors and marines who operate daily throughout this region.

As we draw down our presence in Afghanistan we will reset in stride, resuming our Unit Deployment Program in Okinawa and re-establishing our force posture in the Pacific. The Marine Corps has developed a comprehensive campaign for a future force lay down in the Pacific that retains the ability to contribute a stabilizing presence, continues to contribute to deterrence and regional stability in Northeast Asia, revitalizes our traditional partnerships while developing new ones, and postures forces to take advantage of key partnership opportunities in Southeast Asia. Our desired end state through this rebalance is four geographically distributed and operationally resilient Marine Air Ground Task Forces (MAGTFs) trained and prepared to conduct combined arms and amphibious operations in support of the global requirements of the joint force.

In the Pacific, forward presence is a key necessity for timely response to crisis. Where hours matter, a response measured in weeks or months wanes in relevance. Expeditionary Marine forces operating in the Western Pacific can trim 2 weeks off the response time of units coming from the continental United States. Forward naval presence and training with our Pacific allies demonstrates our commitment to the region, and builds trust that cannot be surged during times of crisis.

Innovation and Experimentation

The Marine Corps has remained at the forefront of innovation, especially during the last decade. Through experimentation and realistic training, the Marine Corps has adapted to the challenges of the modern operating environment, and has developed new concepts, tactics, techniques and procedures to ensure marines are prepared to meet the challenges of the future. Two key components of our training innovation are our Marine Corps’ Tactics and Operations Group (MCTOG) and our Marine Corps Logistics Operations Group (MCLOG). These organizations represent the collective wisdom of years of combat operations rapidly turned directly into our training curricula. Combined with the Marine Aviation Weapons and Tactics Squadron One (MAWTS-1), we are implementing a professionalization syllabus and certification process for our mid-level combat leaders.

Through a rigorous process of wargaming, technological assessment, and experimentation, the Marine Corps Warfighting Laboratory (MCWL), works closely with the Office of Naval Research and other partners to produce material and non-material solutions for our operating forces. This mix of combat veterans, technical experts and forward thinkers conducts timely innovation to meet current needs and emerging threats. We intend to build on this ability to adapt and innovate through MCWL and the Marine Corps University. Leveraging the human capital represented in a combat-proven generation of marines is essential for our future force.

LARGE SCALE EXERCISES

Nations around the world, many of whom are our allies, are purchasing and constructing amphibious capabilities at an increasing rate. Even as total fleet numbers decline, the number and tonnage of amphibious fleets is on the rise, and the growth of expeditionary maritime capabilities is similarly resurgent. Our allies and partners, especially in the Pacific, continue to improve amphibious arsenals and realize the importance for this capability, as do our competitors and potential adversaries. The forward deployed Navy-Marine Corps amphibious team continues to be a significant power projection capability and a compelling model for other countries to emulate. Our ability to train with and mentor this global force development is essential.

In 2012, the Navy-Marine team conducted a number of large-scale amphibious exercises to revitalize, refine, and strengthen our core amphibious competencies. Exercises such as Bold Alligator on the U.S. East Coast, Cobra Gold in Thailand, and Ssang Yong in South Korea each draw significant international participation. Our

allies have seen the broad utility of expeditionary forces in achieving national security objectives, and are investing to achieve these capabilities themselves. These large exercise series, and others like them, leverage the explosive growth of amphibious capabilities among our allies and partners. They contribute not only to the training readiness of our own forces, but also achieve combined training objectives with our allies. They demonstrate our collective ability to provide the mechanisms of collective security in the global commons. The investment of operating funds to conduct these large-scale exercises not only trains forces, but also builds strong security relationships.

IX. KEEPING FAITH WITH OUR MARINES, SAILORS, AND FAMILIES

Family Readiness

The Marine Corps remains acutely aware of the critical relationship between quality of life and Marine Corps combat readiness. The strong support of Congress in providing quality of life funding continues to yield needed enhancements in family support programs. Our Marine Corps Family Team Building (MCFTB) trainers and Family Readiness Officers support the Unit, Personal and Family Readiness Program to ensure marines and their families maintain a high level of family readiness. Over the last year, we have made significant strides in making our entire syllabus of MCFTB training available online via computer based training modules. As of 1 March, families are now able to register for an account and utilize computer based training on our Marine-Net training website. With over 227,000 subscribers and growing, our online family readiness website, e-Marine, continues to be a valuable and innovative tool to securely and safely share family readiness information while improving lines of communication within individual commands. Marines, family members, and unit commanders can access documents, view photos and videos, participate in forums, and receive important information about their marine's unit from anywhere in the world.

Wounded Warriors

The Marine Corps' Wounded Warrior Regiment (WWR) is a fundamental component of the Marine Corps' pledge to "keep faith" with those who have served. The WWR supports marines wounded in combat, those who fall severely ill, and those injured in the line of duty. The WWR administers the Marine Corps' Recovery Care Coordination Program that ensures medical and non-medical needs fully integrate with programs such as the Warrior Athlete Reconditioning Program. Facilities such as our new Warrior Hope and Care Centers provide necessary specialized facilities that allow us to support our wounded warriors and their families.

Key to this care is ensuring marines execute recovery plans that enable their successful return to duty or reintegration to their civilian communities. Around the country, we have established District Injured Support Cell Coordinators who assist marines transitioning from active duty to veteran status. Our WWR Medical Staff provides medical subject matter expertise, advocacy, and liaison to the medical community. The Sergeant Merlin German Wounded Warrior Call Center conducts an average of 7,000 outreach calls per month and receives calls for assistance 24 hours a day from both active duty and veteran marines. Our contact centers conduct outreach to marines who remain with their parent command ensuring their needs are met. Depending upon the individual marine's requirements, these programs and services are coordinated for optimal care delivery, proving that Wounded Warrior care is not a process, but a persistent relationship between the Marine Corps and our marines.

One of my greatest concerns is the long-term care and support for our wounded veterans. Many of our young men and women have sustained injuries that will necessitate support for the remainder of their lives. Given the youthfulness of this wounded population, this represents a debt to our Nation's warriors that will have to be paid for several decades. Our Wounded Warrior capabilities are an enduring measure of our commitment to keep faith with our young men and women, and we expect this capability will continue well beyond our return from Afghanistan.

Resiliency

We continue to invest, treat and care for our marines with Post-Traumatic Stress (PTS) and Traumatic Brain Injury (TBI). We are working to ensure that marines understand that, "it's OK to not be OK." Our efforts will continue to ensure that marines seek help and are provided effective care when they need it. We stress that all marines and sailors have a responsibility to look out for one another and to assist anyone who might be struggling.

PTS and TBI are invisible enemies we cannot ignore. We are thoroughly screening all marines and sailors prior to deployment, enhancing the delivery of care in the-

ater and identifying and testing all at-risk personnel as they return from deployment. Enhanced resilience, achieved through training and improved physical, spiritual and psychological fitness, can decrease post-traumatic stress, decrease incidents of undesirable and destructive behaviors, and lead to greater likelihood for future good health. Most servicemembers who seek and receive psychological health support improve, and are eligible to remain on active duty.

Since January 2010, we have been building Operational Stress Control and Readiness (OSCAR) teams at the unit level. These teams consist of selected unit marines, leaders, medical and religious personnel, and mental health professionals who work together to provide a network of support. This model empowers marines with leadership skills to break stigma and act as sensors for the commander by noticing small changes in behavior and taking action early. OSCAR teams strengthen marines, mitigate stress, identify those at risk and treat those who need support, with the goal of swiftly re-integrating marines back into the force. This investment comes at a cost, and places increased demand on an already stressed Navy medical capacity.

In fiscal year 2013, we will continue to advance our Marine Total Fitness concept to develop marines of exemplary physical, psychological, spiritual, and social character. Marine Total Fitness infuses fitness-based information and concepts into all aspects of a marine's training and readiness and prepares marines to successfully operate in and respond to the rigors, demands, and stressors of both combat and garrison.

Sexual Assault Prevention and Response

Sexual assault is a crime. Like other serious crimes, it is incompatible with our core values, negatively impacts individual marines, and directly undermines readiness, unit cohesion, and morale. Protecting our marines and eradicating sexual assault from our ranks are top priorities for me and our Corps. I believe we are making real and tangible progress. Over the last year, we have taken deliberate and substantive steps toward dramatic changes in our sexual assault prevention and response capabilities. The focus of effort has been on changing our culture—specifically, changing the behavior of those who might commit sexual assault and the actions of those who respond to it. We believe that all marines are part of the solution, from small unit leaders to peer and bystander intervention, to legal professionals, to unit commanders. In April 2012, I handpicked a two-star general to lead an Operational Planning Team (OPT) comprised of our Corps' most credible officers and senior enlisted marines. They were tasked with defining the sexual assault problem in our Corps and providing me recommendations on how we could eliminate it from within our ranks. This study led to our Sexual Assault Prevention and Response (SAPR) Campaign Plan. While recognizing that there is no single solution to preventing and responding to sexual assault, this plan makes every marine accountable in our fight against it. We reconfigured the entire SAPR program at the Headquarters level, assigning oversight to a General Officer and a newly established team of experts. In an unprecedented move, we pulled one of our very best colonels from his operational command to implement the initiatives outlined in the Campaign Plan. We brought back all of our general officers to Quantico in July for 2 days of training and cross-leveling of their responsibilities in turning this crime around. On the heels of that effort, the Sergeant Major of the Marine Corps brought all of his top senior enlisted leaders back to DC in August to deliver the same message.

The campaign's first phase consisted of 42 tasks, including new large-scale training initiatives at all levels. It was comprised of Command Team Training for senior leaders, bystander intervention training for noncommissioned officers, and all hands training for every single marine. In these training sessions, we employed ethical decision games and interactive discussions to engage all marines in this difficult topic. To achieve long-term cultural change, this training will be sustained through enhancing the training curricula in all of our professional schools, customizing the training based on the rank and experience of the individual marine.

Protection of the victims of sexual assault, even while cases make their way through the legal system, is an immediate and enduring requirement which we take very seriously. Regarding response to sexual assault, we professionalized our victim advocate community by revising our advocacy training and implementing credentialing requirements for SAPR personnel. Additionally, we have added 47 full-time Sexual Assault Response Coordinator and Victim Advocate billets for fiscal year 2013. We have completely reorganized our legal community to improve our ability to successfully prosecute these complex cases after they have been investigated. The centerpiece of this new model is the Regional Complex Trial Team, which ensures we have the right prosecutor on the right case. Our complex trial

teams are staffed with experienced military prosecutors and augmented by civilian—Highly Qualified Experts—giving us a wealth of experience to prosecute complex sexual assault cases. These teams will not only be able to prosecute “special victims” type cases, but all types of complex cases.

This effort complements our Campaign Plan’s central Phase II initiative: the establishment of Sexual Assault Response Teams (SARTs). SARTs will be established regionally to prevent a fragmented approach to victim care. This requires continued collaboration with various entities, such as the US Navy Bureau of Medicine and Surgery and Naval Criminal Investigative Service (NCIS), adding to the enhanced training and surge capability that NCIS has already implemented to expedite assault investigations.

Perhaps counter-intuitively, one potential manifestation of our intensified institutional response will likely be an increase in unrestricted reported cases. If this represents an increase in the bonds of trust between our junior marines and their chain of command, I will consider that a successful step on the path to eliminating this issue in the Marine Corps. Eliminating sexual assault in our ranks is our ultimate goal, and I will stay personally and actively engaged in leading this campaign.

Suicide Prevention

During 2012, the Marine Corps experienced a rise in suicides and suicide attempts after 2 encouraging years of declining numbers. During calendar year 2010 and 2011, 37 and 32 marines, respectively, died by suicide. For calendar year 2012, the number of suicides increased to 48. We remain committed to preventing this great tragedy. Suicide is an issue that belies simple or quick solutions; it is an important issue that demands our continual attention. We have learned that the most effective methodology for us to prevent suicides is vigilant and persistently engaged leadership at every level. Proactive leaders are alert to those at risk for suicide and take action to help marines optimize their physical, psychological, social and spiritual aspects of their lives. To counter suicide, affirming and restoring the indomitable spirit of marines is an enduring mission.

Our primary challenge remains teaching marines to engage our many services early, before problems worsen to the point where they contemplate or attempt suicide. Last year we signed the first formal policy and procedural guidance for the Marine Corps Suicide Prevention Program. Never Leave a Marine Behind suicide prevention training focuses on how marines can help one another, and how they can seek help early before a situation becomes a crisis. In 2012, we also expanded our successful—DSTRESS—Line worldwide, which provides anonymous 24/7 counseling services to any marine, sailor, or family member. Additionally, we have trained and implemented Suicide Prevention Program Officers for every battalion and squadron. We will continue focusing our efforts on preserving the health of our greatest and most cherished resource, our marines, sailors, and their families.

Civilian Marine Workforce

Civilian marines exemplify our core values. They embrace esprit de corps, teamwork, and pride in belonging to our Nation’s Corps of Marines. The 95 percent of our civilian workforce that is employed outside the Headquarters element in the Pentagon, are located at our installations, bases, and stations; they are the Guards at our gates, the clerks who pay our bills, the therapists who treat our wounded, the experts who repair our equipment, our information technology support, and the teachers who instruct our children. Sixty-eight percent of our civilian marines are veterans who have chosen to continue to serve our Nation. Of those, a full 13 percent have a certified disability. Still, our civilian workforce is very small in comparison with similar organizations. The Marine Corps maintains a very frugal ratio of one civilian to every 10 Active Duty marines. Our civilian non-appropriated funded workforce continues to steadfastly provide vital support to our marines, Reserve marines, their families, and our wounded, ill, and injured. Since 2009, the Marine Corps has taken proactive measures to prioritize civilian requirements and realign resources to retain an affordable and efficient workforce directly linked to our mission. In our effort to restrain growth, we implemented a hiring freeze from December 2010 through December 2011 to achieve our appropriated funded civilian end strength commensurate with a goal of 17,501. We started into this era of budgetary uncertainty not fully recovered from the hiring freeze and we have no chance of recovering in fiscal year 2013. In pursuit of the leanest possible institution, the Marine Corps’ 2013 budget restrains growth in our civilian marine workforce; our 2014 and beyond budget plans are based on a stabilized workforce. Further civilian reductions will severely jeopardize our ability to meet mission requirements.

Women in Service Restriction Review

The Marine Corps continues its efforts to review the laws, policies, and regulations that restrict the service of female marines. As our policies evolve, we must ensure the effectiveness of our combat units, the long-term physical well-being of all of our marines, and the broadest possible career opportunities for all. To that end, I initiated a measured, deliberate, and responsible research effort to provide the meaningful data necessary to make fact-based recommendations to the senior leadership of the Department of Defense and Congress. Our research efforts will continue as we implement the 24 January 2013 Secretary of Defense decision to rescind the 1994 Direct Ground Combat Definition and Assignment Rule. Additionally, in order for us to collect performance data in our most demanding and rigorous ground combat skills training environment, female graduates of our Basic Officer Course at The Basic School are afforded the opportunity to volunteer to attend our Infantry Officers Course. That effort is ongoing and will continue into 2016 as we collect the necessary data.

During this past year, we requested and received approval for an exception to the 1994 Ground Combat Exclusion Rule. Under this Exception to Policy (ETP), the Marine Corps opened 371 Marine and 60 Navy positions in combat arms units previously closed to females. These 19 previously closed operational units include artillery, tanks, assault amphibians, combat engineers, and low altitude air defense communities. The assessments and feedback from these units to date has been encouraging.

Following the Secretary of Defense's required notification to Congress later this spring, we intend to further expand the ETP beyond these original 19 battalions to include opening Military Occupational Specialties (MOSs) within Air-Naval Gunfire Liaison Company units and the 0203 Ground Intelligence Officer MOS. During 2013, ETP participants and Commanders will continue to provide assessments which will afford our leadership the opportunity to address issues such as optimum cohort size, mentorship and career development. Currently, 90 percent of our military occupational specialties are open to females.

Additionally this year, the Marine Corps will continue our measured, deliberate and responsible research effort by completing our review and validation of standards for those MOSs with the greatest physical demands. Once complete, our goal is to correlate and norm these proposed physical standards with our already established Physical Fitness Test (PFT)/Combat Fitness Test (CFT). The goal is to develop a safe, predictive mechanism to use during the MOS assignment process for all marines, both male and female, to ensure they are assigned where they have the greatest likelihood to excel to their fullest potential.

Returning Quality Citizens

It is vital that we meet the needs of our marines who transition from service. In March 2012, we implemented the new Transition Readiness Seminar (TRS) to maximize the transition-readiness of all servicemembers. In accordance with the Veterans Opportunity to Work (VOW) to Hire Heroes Act, TRS revolutionized our approach to meet the individual goals of each marine as he or she transitions to the next phase in their life. The seminar is a week long program which includes a mandatory standardized core curriculum and also provides four well defined military-civilian pathways: (1) College/Education/University; (2) Career/Technical Training; (3) Employment; or (4) Entrepreneurial. Each pathway has associated resources and additional tools to better prepare our veteran marines. An essential feature of the TRS is that it allows marines to choose and receive transition information and education in line with each marine's future goals and objectives.

X. SUMMARY

Even in challenging times, our great Nation remains the world's largest economy and an indispensable leader in the global community of nations. Our interests span the globe, and our prosperity and security are to be found in the protection of a just international order. That order is threatened daily by the instabilities of a modernizing world, putting our citizens, our interests, and our allies at risk. While we seek peace as a nation, the headlines remind us that those who would do us harm continue to bring conflict to our doorstep. The Marine Corps remains the Nation's ready hedge against unpredictable crises, an insurance policy that buys time when hours matter. In special partnership with the Navy, and on the ready leading edge of the larger Joint Force, your marines provide the capability to respond to today's crisis, with today's force . . . TODAY. The American people can rest assured that their marines are poised around the globe, ready to respond swiftly when danger, difficulty or disaster strikes.

I pledge that your Marine Corps will continue to work with Congress and the Department to provide the Nation's ready expeditionary force with economy, frugality and good stewardship. Through Congress, the American people entrust us with their most-precious capital: their sons, their daughters, and their hard-earned resources. With your continued support, we will carefully invest this capital to provide young marines with the ethos, training, and equipment that have made them successful for over 2 centuries. We will uphold high standards of training, leadership and discipline. We will keep faith with our Wounded Warriors. We will care for our families. Most importantly, we will ensure that your marines are ready when the Nation needs us the most. We will do this all with dignity, humility, and a keen sensitivity to the sacred trust the American people have placed in us. Thank you for your continued faith in us. We remain ... Semper Fidelis.

Chairman LEVIN. Thank you so much, General Amos.

Let's have a 6-minute round. We hope to get everybody in in time. If there's a few minutes left, then we can see if there's additional questions.

Mr. Secretary, General Amos just talked about what the effect of continuing sequestration would be if the assumption which is made in the budgets that we have adopted, both the President's budget and the House and Senate budgets, prove not to be true, if, as you point out, the assumption that sequestration will not continue in 2014 proves to be a false assumption. Can you tell us what the effect would be if sequestration occurs in the next fiscal year, the one that we're considering right now?

Mr. MABUS. Mr. Chairman, the effect would be wide-reaching, deep, and incredibly damaging. For the Navy, we have met all our deployments for this year following the passage of the appropriations bill. We are training to meet all our deployments for next year. However, the risk that we are taking is that we are maintaining ships and aircraft in lesser amounts. We are maintaining our bases at very low levels. Except for emergency repairs, we're essentially not doing repairs on those bases.

In terms of investments for ships, there is a term "cost to complete" and it's things like documentation, all the government-furnished equipment being put on the ships, things like that. We have moved those further out so that they're not required to be paid for today. But that bill will come due and it will be very difficult for us to complete ships or to get to the level of shipbuilding that we need to.

For the Marine Corps, as the Commandant said, they have put their money into readiness today because they have to be our first-to-deploy, always ready force. They have to be ready every day. If sequestration continues, the degradation to training would not only occur in units at home, it would begin to occur in the units next to deploy.

The harm of sequestration is number one in its amount, but number two is in the fact that it allows us no planning time, no ramp time to get ready; and number three, that it does not allow money to be matched against strategy. It's a fairly mindless way of cutting funds.

So while the effects are very real in 2013, the effects will be far more damaging and far-reaching should it continue into 2014.

Chairman LEVIN. Thank you.

Do you know how much the Overseas Contingency Operations (OCO) funding is going to be, the request for OCO for fiscal year 2014 yet? Has that number been established?

Mr. MABUS. No.

Chairman LEVIN. In the past, witnesses have told our committee that the Navy and the Marine Corps will require at least 2 to 3 years of additional OCO funding after the end of combat operations just to bring equipment and personnel back to an acceptable state of readiness. Is that your position as well?

Mr. MABUS. That is, and I'd like for both Admiral Greenert and General Amos to answer this, but the Department of the Navy has been moving funds previously expended under OCO back into our base budget very aggressively. But we have OCO-related expenses for both the Navy and Marine Corps, particularly in terms of reset for the Marine Corps, but also in terms of maintenance for our ships, which is the Navy's version of reset.

Chairman LEVIN. Admiral?

Admiral GREENERT. As the Secretary said, reset is the key term to cover 3 years following the completion of operations in the Middle East. For us it's the depot work that didn't get done while we spent the extra time supporting operations in the Middle East. We've captured that amount and quantified it. It's relatively modest compared to the Marine Corps's numbers, which I'll turn over to the Commandant.

But as the Secretary said, in my opinion, Mr. Chairman, we need a strategy in order to move ahead. Supplementals have been around for years and years. Decades we've had supplementals for various and sundry reasons, and I believe it would be a good idea if we could work through a strategy as we move from this OCO to determine what's an appropriate way to deal with emergent costs for emergent operations.

Chairman LEVIN. General?

General AMOS. Mr. Chairman, 2 to 3 years is a good marker on the table. It's a function of physically being able to get all the equipment, the remaining equipment, out of Afghanistan and actually getting it through the depots and back reset to the fleet. If sequestration continues—and we're planning on it—that's going to be in the long run a 75 percent reduction in our depot capacity because it's going to reduce civilian manpower, contractors, and everything else reduce. So it's going to have an impact. That 2 to 3 years could go to the right.

But for us it's 2 to 3 years, about \$3.2 billion, to reset the Marine Corps and get all our equipment out.

Chairman LEVIN. Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

I have two areas that I want to address in this brief period of time. One is, a couple of days ago, during one of our hearings, I cited, having to do with the Article 60 of the Uniform Code of Military Justice (UCMJ) the incidents where a convening authority overturned a particular conviction and I covered all four Services, and mistakenly there was an article saying I didn't think that sexual assaults were a reality. That was wrong. That was corrected after that.

However, as far as the Marine Corps and the Navy are concerned, from 2010 to 2012 in the Marine Corps, as you and I talked about, General Amos, there were 1,768 courts-martial resulting in findings of guilty. In seven out of those—that's 0.4 percent—they

were overturned by the convening authority. In the Navy, it's a little bit more—a little stronger case in terms of how things are working. Over a decade, 2002 to 2012—16,056 special and general court-martial cases resulting in findings of guilty. There are only two in the Navy. I state that because I think we need to put it into perspective.

So I am sending each of you a letter and a letter actually to the Chiefs, and Mr. Chairman, I want to have this made part of the record at this point.

Chairman LEVIN. It will be made part of the record.
[The information referred to follows:]

CARL LEVIN, MICHIGAN (Democrat)
 JACQUEE ANGLADE
 TERRY BOGGS, FLORIDA
 CLARE M. CASPER, MISSOURI
 MARK UDALL, COLORADO
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United States Senate
 COMMITTEE ON ARMED SERVICES
 WASHINGTON, DC 20510-6050

May 3, 2013

General James F. Amos
 Commandant of the Marine Corps
 Room 4E734
 3000 Marine Corps Pentagon
 Washington DC 20350-3000

Dear General Amos:

It is my understanding you recently concurred with Secretary of Defense Hagel's decision to direct the DoD General Counsel to prepare a legislative proposal to revise Article 60, Uniform Code of Military Justice (UCMJ). I have also been informed if this proposal becomes law it will restrict the authority of military commanders to exercise discretion in disposing of military justice matters and require a formal written justification. However, the testimony at the Personnel Subcommittee hearing on March 13, 2013 confirmed that commanders rarely exercise their lawful discretion to set aside findings of courts-martial. And yet, we have already heard Members of Congress criticize those rare actions and, in some cases, call for the commanders to be relieved from their duties for taking that action. Therefore, I request your personal, professional views concerning the following matters which may result from this proposed change to Article 60:

- I am concerned the new requirement to provide a written statement explaining the commander's decision to exercise lawful discretion under Article 60 could create a basis for the defense to challenge, and successfully appeal an otherwise lawful court-martial conviction. No doubt, a zealous defense attorney representing a person convicted by a court-martial will now challenge the legality of a commander's written statement if it does not provide their client the relief they expect. Therefore, under this proposed change, the potential for such appeals will greatly increase if rules defining the commander's statement are not carefully studied and clearly spelled out in the UCMJ or in the Manual for Courts-Martial.
- Some in Congress and in the public have already demanded that senior officers, who have lawfully exercised authority under Article 60, should be relieved from duty or, at least, denied confirmation by the Senate for future promotion. In this highly charged environment there is an increased risk

commanders might not take action they might otherwise believe to be lawful and correct because of the potential public reaction to their decision. Some commanders have already been subjected to public criticism which unfairly calls their character and judgment into question. If this climate of distrust for commanders is allowed to continue, I fear we may lose the services of some outstanding commanders who may decide the professional risks and personal sacrifices are simply too great to continue to serve.

- When Secretary Hagel announced his intention to modify Article 60 there was not a consensus on how to define a "minor offense." This is a key concept which must be clearly established. Under Secretary Hagel's proposed approach commanders will only be able to set aside a conviction for a "minor offense". Significantly, those who oppose a commander's lawful exercise of discretion under Article 60 are silent on whether a commander should be authorized discretion to determine if an offense is "minor". I believe these critics' silence is, in part, due to their opposition to any continued exercise of discretion by the commander in the military justice process. They will not rest until they achieve their objective to establish an independent prosecutor outside the chain of command.

- In addition, there appears to be a shift in military justice policy from a well-established, balanced approach to a well-intentioned, but short-sighted effort. Specifically, the Secretary's proposal will undermine the longstanding foundations of the military justice system; a system which strives to protect the rights of the most vulnerable junior enlisted person accused of an offense from the awesome power of a military service, where authority is held by senior officers. Therefore, this proposal threatens to disrupt the carefully crafted protections built into the UCMJ and could result in potential harm based on disparate power and the risk of unlawful command influence.

- Chairman Levin's questions to Mr. Robert Taylor, Acting DoD General Counsel, at the recent Subcommittee hearing on sexual assault in the military elicited a response which suggested persons convicted in military courts-martial have "robust appellate procedures." However, while ever court-martial receives post-trial review, not every person convicted by a court-martial is eligible for review by an appellate court. For example, a service member loses the right to appeal to a military appellate court if their sentence does not include a punitive discharge and/or a year or more of confinement. It is also important to remember servicemembers convicted by courts-martial do not have a guaranteed right to Supreme Court review of their case. Therefore, a member of our military can be convicted at a contested court-martial and as a result be required, without the right

of appeal to an appellate court, to register as a sex offender, be prohibited from owning firearms, and lose the right to vote. In short, there is a mistaken impression that all military defendants are afforded equal access to the full appellate process when, for some, the only real avenue for relief is during the convening authority's post-trial review under Article 60.

- Post-trial advocacy is a robust and essential role for defense attorneys in military justice practice. The commander's discretion to affect findings and to reduce or suspend sentences is a valuable form of clemency, particularly for those persons described above who have no other avenue of post-trial appellate review. It would be unacceptable if a precipitous decision to appease ill-informed critics of the military justice system were allowed to undermine an opportunity for clemency in the military justice.

I am also concerned some strident voices who have called for these changes to Article 60 will be emboldened to make further changes if there is not a robust response by the service chiefs. This may include an effort to entirely remove the authority of military commanders to dispose of military offenses and to substitute the judgment of someone outside the chain of command. Several problems could arise, if this were to occur:

- Military leaders will be deprived of a fundamental readiness tool. Specifically, by losing the independent discretion to determine the best means to dispose of disciplinary offenses our commanders will be deprived of the opportunity to exercise leadership and improve military performance and personal behavior. If a commander is not permitted this vital role their ability to organize, train and equip their troops will be severely degraded. While we are currently blessed by a highly motivated and well trained all volunteer force it is likely some marginal performers will determine the commander's authority has diminished and could exploit that systemic vulnerability, undermining military readiness.
- Removing the authority from commanders to make timely, informed decisions on military justice matters and transferring that authority outside the command will inevitably result in a change in the behavior of the military organization. Troops may not trust some remote official they do not know. In addition, the cause of justice may be subverted since outside authorities may not be aware of the particular circumstances and stresses placed upon the service member or unit. There is simply no substitute for the commander's informed judgment on her command climate.

- Finally, I am concerned about the most damaging message this hastily conceived policy will send to commanders and the troops they lead. Specifically, can troops trust their commanders to lead them into battle if the service Chiefs cannot trust those same commanders to exercise proper military authority?

I have no doubt you and your fellow service Chiefs are willing to consider all reasonable options to effectively eliminate sexual assault in the United States military. But I am concerned the proposal currently being developed could undermine the authority of military commanders to establish a combat-ready force as it reduces the role of commanders in the military justice system. I am concerned those who are calling for an independent convening authority have not assessed the efficacy of recent changes in the law to help the armed services eliminate sexual assault. Specifically, the Independent Panel Congress established in Section 576 of the FY'13 NDAA will examine the UCMJ and to permit experts from the civilian sector to carefully and fully evaluate the relative strengths and weaknesses of the military and civilian judicial systems. I believe the Independent Panel's review will address the issue of sexual assault in a way that is fair and just, and empower our commanders to prepare our men and women to fight and win our nation's wars.

As you know, during the confirmation to your current position, you promised to give your personal views when asked, even if those views differ from the Administration. I have no doubt, given the serious nature of these proposed changes to the UCMJ, you will provide your candid assessment of the issues.

Thank you for your consideration.

Sincerely,



James M. Inhofe
Ranking Member

Cc: The Honorable Ray Mabus, Secretary of the Navy

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United States Senate
 COMMITTEE ON ARMED SERVICES
 WASHINGTON, DC 20510-6050

May 3, 2013

Admiral Jonathan Greenert
 Chief of Naval Operations
 Room 4E662
 2000 Navy Pentagon
 Washington DC 20350-2000

Dear Admiral Greenert:

It is my understanding you recently concurred with Secretary of Defense Hagel's decision to direct the DoD General Counsel to prepare a legislative proposal to revise Article 60, Uniform Code of Military Justice (UCMJ). I have also been informed if this proposal becomes law it will restrict the authority of military commanders to exercise discretion in disposing of military justice matters and require a formal written justification. However, the testimony at the Personnel Subcommittee hearing on March 13, 2013 confirmed that commanders rarely exercise their lawful discretion to set aside findings of courts-martial. And yet, we have already heard Members of Congress criticize those rare actions and, in some cases, call for the commanders to be relieved from their duties for taking that action. Therefore, I request your personal, professional views concerning the following matters which may result from this proposed change to Article 60:

- I am concerned the new requirement to provide a written statement explaining the commander's decision to exercise lawful discretion under Article 60 could create a basis for the defense to challenge, and successfully appeal an otherwise lawful court-martial conviction. No doubt, a zealous defense attorney representing a person convicted by a court-martial will now challenge the legality of a commander's written statement if it does not provide their client the relief they expect. Therefore, under this proposed change, the potential for such appeals will greatly increase if rules defining the commander's statement are not carefully studied and clearly spelled out in the UCMJ or in the Manual for Courts-Martial.
- Some in Congress and in the public have already demanded that senior officers, who have lawfully exercised authority under Article 60, should be relieved from duty or, at least, denied confirmation by the Senate for future promotion. In this highly charged environment there is an increased risk

commanders might not take action they might otherwise believe to be lawful and correct because of the potential public reaction to their decision. Some commanders have already been subjected to public criticism which unfairly calls their character and judgment into question. If this climate of distrust for commanders is allowed to continue, I fear we may lose the services of some outstanding commanders who may decide the professional risks and personal sacrifices are simply too great to continue to serve.

- When Secretary Hagel announced his intention to modify Article 60 there was not a consensus on how to define a "minor offense." This is a key concept which must be clearly established. Under Secretary Hagel's proposed approach commanders will only be able to set aside a conviction for a "minor offense". Significantly, those who oppose a commander's lawful exercise of discretion under Article 60 are silent on whether a commander should be authorized discretion to determine if an offense is "minor". I believe these critics' silence is, in part, due to their opposition to any continued exercise of discretion by the commander in the military justice process. They will not rest until they achieve their objective to establish an independent prosecutor outside the chain of command.
- In addition, there appears to be a shift in military justice policy from a well-established, balanced approach to a well-intentioned, but short-sighted effort. Specifically, the Secretary's proposal will undermine the longstanding foundations of the military justice system; a system which strives to protect the rights of the most vulnerable junior enlisted person accused of an offense from the awesome power of a military service, where authority is held by senior officers. Therefore, this proposal threatens to disrupt the carefully crafted protections built into the UCMJ and could result in potential harm based on disparate power and the risk of unlawful command influence.
- Chairman Levin's questions to Mr. Robert Taylor, Acting DoD General Counsel, at the recent Subcommittee hearing on sexual assault in the military elicited a response which suggested persons convicted in military courts-martial have "robust appellate procedures." However, it is incorrect to state access to the full appellate process is available to every person convicted by a court-martial. For example, a service member loses the right to appeal to a military appellate court if their sentence does not include a punitive discharge and/or a year or more of confinement. It is also important to remember servicemembers convicted by courts-martial do not have a guaranteed right to Supreme Court review of their case. Therefore, a member of our military can be convicted at a contested court-martial and, as a result, be required, without the right of appeal, to register as a sex

offender, be prohibited from owning firearms, and lose the right to vote. In short, there is a mistaken impression that all military defendants are afforded equal access to the full appellate process when, for some, the only real avenue for relief is during the convening authority's post-trial review under Article 60.

- Post-trial advocacy is a robust and essential role for defense attorneys in military justice practice. The commander's discretion to affect findings and to reduce or suspend sentences is a valuable form of clemency, particularly for those persons described above who have no other avenue of post-trial appellate review. It would be unacceptable if a precipitous decision to appease ill-informed critics of the military justice system were allowed to undermine an opportunity for clemency in the military justice.

I am also concerned some strident voices who have called for these changes to Article 60 will be emboldened to make further changes if there is not a robust response by the service chiefs. This may include an effort to entirely remove the authority of military commanders to dispose of military offenses and to substitute the judgment of someone outside the chain of command. Several problems could arise, if this were to occur:

- Military leaders will be deprived of a fundamental readiness tool. Specifically, by losing the independent discretion to determine the best means to dispose of disciplinary offenses our commanders will be deprived of the opportunity to exercise leadership and improve military performance and personal behavior. If a commander is not permitted this vital role their ability to organize, train and equip their troops will be severely degraded. While we are currently blessed by a highly motivated and well trained all volunteer force it is likely some marginal performers will determine the commander's authority has diminished and could exploit that systemic vulnerability, undermining military readiness.
- Removing the authority from commanders to make timely, informed decisions on military justice matters and transferring that authority outside the command will inevitably result in a change in the behavior of the military organization. Troops may not trust some remote official they do not know. In addition, the cause of justice may be subverted since outside authorities may not be aware of the particular circumstances and stresses placed upon the service member or unit. There is simply no substitute for the commander's informed judgment on her command climate.

- Finally, I am concerned about the most damaging message this hastily conceived policy will send to commanders and the troops they lead. Specifically, can troops trust their commanders to lead them into battle if the service Chiefs cannot trust those same commanders to exercise proper military authority?

I have no doubt you and your fellow service Chiefs are willing to consider all reasonable options to effectively eliminate sexual assault in the United States military. But I am concerned the proposal currently being developed could undermine the authority of military commanders to establish a combat-ready force as it reduces the role of commanders in the military justice system. I am concerned those who are calling for an independent convening authority have not assessed the efficacy of recent changes in the law to help the armed services eliminate sexual assault. Specifically, the Independent Panel Congress established in Section 576 of the FY'13 NDAA will examine the UCMJ and to permit experts from the civilian sector to carefully and fully evaluate the relative strengths and weaknesses of the military and civilian judicial systems. I believe the Independent Panel's review will address the issue of sexual assault in a way that is fair and just, and empower our commanders to prepare our men and women to fight and win our nation's wars.

As you know, during the confirmation to your current position, you promised to give your personal views when asked, even if those views differ from the Administration. I have no doubt, given the serious nature of these proposed changes to the UCMJ, you will provide your candid assessment of the issues.

Thank you for your consideration.

Sincerely,



James M. Inhofe
Ranking Member

Cc: The Honorable Ray Mabus, Secretary of the Navy

Senator INHOFE. Then I think we can come down to a couple of ideas or conclusions that I feel strongly about. First of all, Secretary Hagel came out with a solution—it was a suggestion, I guess it was, and I thought it was very generous. He was wanting to change the convening authority's jurisdiction on post-conviction trials, and I thought that that was giving up more than I thought should be given up, when you consider these commanders have the responsibility of sending our kids in where their lives could be lost and certainly that's something that is very significant. That's an authority that they have and they should keep.

So I would like to ask each one of you in terms of the suggestion that Secretary Hagel had on just addressing the post-sentencing authority.

Then also, there's a review that's going on, that's going to be convening this summer. Wouldn't it be better to address this after we get the results of this hearing and the study that's taking place this summer? Those are the two questions I would ask each one, starting with you, Secretary Mabus.

Mr. MABUS. Thank you, Senator. The legislative proposal that's being done under the direction of Secretary Hagel is to take away the power of a convening authority to change the findings of a court-martial, which is a very narrow exception. I support this, as do all the Judge Advocates General of all the Services. I think it's representative of how our military justice system has matured over the past 50 or 60 years. You now have professional prosecutors, defense attorneys, judges, and a very strong appeals process.

I know that General Amos and Admiral Greenert are concerned about this and will talk more specifically about it, what it does not do is take away any authority in terms of convening, in terms of post-trial sentence relief or clemency. It seems to be a very directed and very fair and prudent change to make.

Finally, in regard to the panel that was set up by the National Defense Authorization Act (NDAA), while it's true that it will begin meeting this summer, I believe the results will not be out for about 18 months, and this seems to be an area, because of the attention that it's gotten, that needs to be acted on sooner than that. But it will be a congressional decision and not a DOD decision.

Senator INHOFE. I would say, you generally agree with Secretary Mabus? I'm almost out of time here.

Admiral GREENERT. I do agree.

Senator INHOFE. Okay.

General AMOS. Sir, I'm probably just a little bit out of sync here, because I think we need to proceed cautiously. I support Secretary Hagel's panel that he's setting up. I think that's exactly the right way to go. I just think we need to be cautious of what it is we're trying to fix, what the problem is we're trying to fix.

Senator INHOFE. I appreciate that and I do, I'm in more agreement with you on this.

Secretary Mabus, I've been critical for quite some time about the over 400,000 gallons of fuel and all this stuff in terms of how much money it costs. This comes out of the budget, the warfighting budget. The Department of Energy, which was started in 1977, was set up for this very reason, and I'm going to put into the record the mission statement of that today, which shows that, in my opinion

as I look at it, they are the ones who need to be making these determinations.

[The information referred to follows:]

The mission of the Energy Department is to ensure America's security and prosperity by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions.

Senator INHOFE. If our concern is to do away with our reliance upon foreign countries, we can do that quite easily just by developing the resources that we have right now. You've heard me say this. I'm sure you're tired of hearing it. But the one thing that I had learned during our conversation, Mr. Secretary, was that DOD will not make bulk purchases—I'm reading now—"of alternative drop-in replacement fuels unless they are cost-competitive with petroleum products."

Is that the commitment that you would make at this time?

Mr. MABUS. It's a commitment I have made. I made it to this committee last year at this very hearing. But, Senator, in terms of needing alternative sources, I applaud the fact that our resources are going up in terms of fossil fuels and we should certainly continue that. However, oil is the ultimate global commodity and the prices are not set here. They are set around the world.

In the last 3 years, the Department of the Navy has been hit with additional fuel bills over and above what we had budgeted for of \$1.5 billion to pay for unexpected oil price shocks. That amount of money comes directly from our operations accounts, maintenance accounts, and if the bill gets too big it will come from platforms. I simply think that that is unacceptable and I think it's irresponsible for us not to address this sort of military vulnerability.

I am confident, I am absolutely positively confident, that by the time we begin buying bulk amounts of biofuels, which is one important but fairly small part of this whole effort, is that it will be competitive with petroleum products.

Senator INHOFE. Yes, but we have the language in there to be sure that that will be the case. I'm old-fashioned enough to still believe in supply and demand, and once we open up our resources here, I think that's going to positively affect the costs that we have to bear. Thank you.

Mr. MABUS. You and I, Senator, agree very enthusiastically on the free market, and I simply think that relying on one type of fuel which is a monopoly today is not a prudent thing to do.

Senator INHOFE. I think the safeguard you have is satisfactory. Thank you.

Mr. MABUS. Thank you.

Chairman LEVIN. Thank you very much, Senator Inhofe.

By the way, on the 18-month provision that you referred to for the first report on the powers of the convening authority, it says no more than 18 months. I hope it won't take anywhere near that amount.

Second, in terms of proposed changes in the legislation that follow that, there's another panel that we've created I hope will review that. It's much too long a process, I think unnecessary, because there's a growing, I think, if not a consensus, there's a growing understanding that we have to do something at the end of the process relative to reversing the findings. They've been rare, as I

think Senator Inhofe has pointed out, and that means this would not be disruptive, to just focus on that one narrow part of the process. I hope we'll do that in this year's defense authorization bill.

Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

Secretary Mabus, Admiral Greenert, and of course General Amos, I thank you all for your service and also for the quality of men and women that serve in the Navy and in the Marine Corps.

I know a lot of people wouldn't know it, but in West Virginia geography-wise, we're not maybe at the largest body of water, but we do have a real close tie to the Navy and we cherish that. Sugar Grove Naval Base in Pendleton County is a strategic position and it's been a strategic asset for a long time for the Navy, and we know that might be changing and we look forward to working with you as the changes come about to make sure that we're able to serve this country in a continued future.

We also have the Navy Rocket Center at the Allegheny Ballistics Laboratory, which I think you just designated as the Navy Enterprise Data Center, which is extremely important. We appreciate that and we're proud of that designation and when it continues that partnering with you.

Let me ask this to Secretary Mabus, if I may. I know we talked about sequester and sequestering is now starting to hit and we're seeing the effects of it. I think it was very draconian how it's been implemented across-the-board. None of us run our lives that way. So we've talked about flexibility. I know there's an awful lot of politics in this whole flexibility.

But I think when you look at the security of our Nation—are we too far down the road with sequestration, since there's a \$42.5 billion cut between now and September 30 or October 1, and in between that time we have to come up with a budget or we continue, the way the legislation is written?

If we were able to vote as a body to give you the flexibility, to DOD, to pick and choose where the \$42.5 billion in cuts would come from, are you too far down the road to make a difference, or could you change quickly enough to stop some of the draconian things that are happening?

Mr. MABUS. I think the short answer is no, we're not too far down the road. The flexibility in terms of whether it's under the traditional reprogramming or something else would certainly be welcome. What I don't want to imply is that that would solve anything for 2014.

Senator MANCHIN. Sure, we know that. I'm just trying to get you through this fiscal year to October 1.

Mr. MABUS. I appreciate that.

Senator MANCHIN. To me it just makes sense, sir, as a former governor—and we have a few former governors on this committee. We understand that it's tough sometimes, but sometimes you can work through these things, and we're just hoping that you're still in that position, if we can make something happen for you.

Mr. MABUS. Thank you.

Senator MANCHIN. The other thing I would ask is on Sugar Grove Naval Base, which we just talked about. I think we've been asking you for your assistance on that—anyone can comment on

that—to try to help us. Maybe, Admiral, you might have more input on that.

Admiral GREENERT. I'll give you a better written answer, but my fleet cyber command commander, Admiral Rogers, and I are talking about that, how do we make that adjustment, directed by Cyber Command, that makes sense so we use the civilian cyber warriors we have properly and make the best of an activity which has been around for quite some time supporting us. I'll give you a better written answer.

[The information referred to follows:]

U.S. Fleet Cyber Command has examined all aspects of potential reuse of the Sugar Grove facility including potential use by civilian cyber warriors. Based on the anticipated small number of civilian cyber warriors and the specialized mission needs for these people to be co-located with other cyber personnel and cyber mission functions, Fleet Cyber Command has concluded they have no requirement for use of the Sugar Grove facility beyond 2015.

Navy officials have visited the site, in conjunction with other Service and National Guard representatives, to meet with local Pendleton County community leaders. Despite our efforts to identify potential reuse alternatives within the Department of the Navy, no requirement for the site has been identified to date.

In compliance with 10 U.S.C. 2696, the Navy will continue to work with appropriate organizations to identify potential use of the property elsewhere within the Department of Defense (DOD). If no DOD use is identified, we will work with the General Services Administration to transfer the property to another Federal Government agency, local government, or to the public. The Department of the Navy will continue to provide monthly updates to you, Senator Manchin, and to Senator Rockefeller, throughout this process.

Senator MANCHIN. If you could do that. Also, if I could ask—and I know with your schedules—but if there's a time that we could meet there, myself and Senator Rockefeller would love to meet with you there. If you haven't had a chance to visit there, the assets that the Navy has there is unbelievable and we'd like to be able to work with you.

Admiral GREENERT. Yes, sir.

Senator MANCHIN. Maybe we'll schedule that with your staff.

Mr. Secretary, I think this might come back to you and really to General Amos and to the Admiral also. I know, General Amos, the Marine Corps is reducing by 20,000 marines and there are civilian furloughs that have been looming and hiring freezes in place for many of the DOD civilian positions. Sir, I think you know my position on contracting. It's not real favorable.

Do you know how many contractors we will still have and are we downsizing our contracting fleet in proportion to our military fleet?

Mr. MABUS. You ask a question that I asked exactly: How many do we have? The best answer that I have is for the Department of the Navy we have a little over 170,000 contractors or contracts out there. We are moving—

Senator MANCHIN. That's just the Navy, right?

Mr. MABUS. That's the Department of the Navy.

Senator MANCHIN. Department of the Navy, I have it, yes, sir.

Mr. MABUS. We're moving pretty aggressively to go into these things, and we've set up something called contract courts. It has a more formal name, but that's what we call it. It makes every contracting officer come in every year and say: Here are the contracts I have, here's why I need them, here's the best price I can get, this sort of thing. We're moving toward becoming more aggressive on that, which is, instead of saying here are the contracts I have, tell

the contracting authorities to come in at zero and say, here's what I need, because I think that there are still some areas that we can make a difference here. It's too opaque right now. It's too hard to get into.

Senator MANCHIN. Let me ask just real quickly. My time is running out. But on auditing, you know that myself and Senator Coburn have put in legislation to have DOD audited. Does that cause a problem with Navy, to meet this auditing that we've been talking about?

Mr. MABUS. Senator, I started my elective career as State Auditor of Mississippi.

Senator MANCHIN. Yes, sir.

Mr. MABUS. I'm a big fan of auditing. I'm going to brag on the Navy and Marine Corps right now. The Marine Corps audit is under way right now and we're expecting an opinion soon.

Senator MANCHIN. Thank you, General.

Mr. MABUS. The Navy's audit will be ready to go, we think by the end of this year.

Senator MANCHIN. So that doesn't create—the audit does not create a hardship for you? The Navy can meet that auditing requirement?

Mr. MABUS. We are meeting it. I don't know about adding layer on there, but we're meeting it on current things.

Senator MANCHIN. Thank you, sir. I appreciate it.

Chairman LEVIN. Thank you, Senator Manchin.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank the witnesses. Admiral Greenert, due to sequester the Navy is faced with the prospect that two-thirds of the fleet will not be fully mission-capable by the end of the year; is that correct?

Admiral GREENERT. Yes, sir, those that are not on deployment. So if you're not on deployment or just ready to go, two-thirds will be what we call C3, and that's a capability rating or less.

Senator MCCAIN. So they will not be ready to replace those rotating back out?

Admiral GREENERT. Typically, we have about half the fleet at C3 or C4. They're in the progress of getting ready to deploy. That will increase to two-thirds from one-half.

Senator MCCAIN. General Amos, you said recently: "By the end of this year more than 50 percent of my combat units will be below minimal acceptable level of readiness for deployment to combat." Is that still the case?

General AMOS. Yes, Senator, it is.

Senator MCCAIN. If the sequester is not fixed, Admiral Greenert, are you ready to identify where you would have to cut your budget?

Admiral GREENERT. I can't give you specific program and budget lines now, but we are working on that right now. We're working within the Department and we're working with DOD staff. It's called a strategic concepts management review.

Senator MCCAIN. But you are working on the eventuality of actions that need to be taken, budgetary actions that need to be taken in case sequester is not repealed?

Admiral GREENERT. We are working that within the Department, yes, sir.

Senator MCCAIN. General?

General AMOS. Senator, we absolutely are. We're under the assumption that sequester will stand. It's law. The pain of that will be a Marine Corps that's going to be below 182,000. So the immediate impacts will be a drastic reduction, probably reductions-in-force in the Marine Corps, to some number below that once the strategic forces has leveled out and gives us the amount of money we have. But it'll be civilians, it'll be military, it'll be programmatic, and the cuts will be severe.

Senator MCCAIN. One of our problems is that the budget that has been submitted to Congress does not take into account the effects of sequestration, assuming that sequester will be repealed. So I'm glad to hear that, at least at your level, you are planning on actions that need to be taken if sequester is not repealed.

General Amos, earlier this week General Odierno testified that sequester will produce a hollow Army. Will it have the same effect on the Marine Corps?

General AMOS. Absolutely, Senator.

Senator MCCAIN. General Amos and Admiral Greenert, from talking to a lot of young officers, this is having a significant effect on the morale and willingness to retain high-quality NCOs as well as commissioned officers; is that correct? Is that a correct impression that I have from conversations with our senior NCOs and captains and majors and lieutenant commanders and lieutenants?

General AMOS. Senator, we're not seeing that right now. In fact, the retention both of our enlisted ranks and our officer corps is very high. But I will say that with an air of caution, because as we go through sequestration, the full impacts take place, and we come back from 12 years of combat, there's going to be a sea change in the Marine Corps and it wouldn't surprise me at all to find that the retention will become challenging.

Admiral GREENERT. It's the word, the simple word, "predictability." They ask us, "so what's the predictability? How can I plan my future?" That's the case, Senator. My retention right now is good, but there are some signs here and there. I attribute it to increased operations right now based on the skill set, the Navy enlisted classification code, pilots, nukes, that nature, right now. But it's about predictability, Senator.

Senator MCCAIN. Secretary Mabus, the repositioning or, unfortunate word, pivot that was used to Asia-Pacific, how much credibility do we have when we consider, when we continue to have our Navy shipbuilding plan continue to decline now to 270 ships in fiscal year 2015?

Mr. MABUS. Actually, Senator, I think that our credibility remains high. If you look at our shipbuilding plan, it takes the fleet up to 300 ships by the end of 2019, and the fact that we are forward deploying four LCS in Singapore—the first one is there on its maiden deployment today—the fact that we are putting our new builds, our most capable ships, into the Pacific, and the fact that 60 percent of our fleet will be in the Pacific by the end of the decade.

Senator MCCAIN. So you are planning on by what year?

Mr. MABUS. To have 300 ships in the fleet.

Senator MCCAIN. We will remember those, that testimony, Secretary Mabus, because it isn't going to happen.

Admiral Greenert, the 30-year shipbuilding plan reflects the reduction of the fleet to 270 ships in 2015. How many ships with the right capabilities do you think the Navy needs?

Admiral GREENERT. I need 306 ships with the right capabilities to do the jobs assigned to me in accordance with the DSG we have today.

Senator MCCAIN. You need 306 and we're going to be down to 270 by 2015, and you believe that we're going to add 30 more ships plus those that need to be replaced by 2019?

Admiral GREENERT. Based on the ships we have under construction today, yes, sir. We have 47 ships under contract or in construction today.

Senator MCCAIN. I'd like to see those numbers for the record, please.

[The information referred to follows:]

The Navy will have 300 ships in 2019. Between 2013 and 2019, 66 ships will be delivered and 56 ships will be decommissioned. Of the 66 ships to be delivered, 47 (listed in the table below) were under contract on April 25, 2013. As of June 3, 2013, 55 were under contract.

The list below does not include AGOR-27, AGOR-28, and T-AGS-66 which are also under construction, but are not included in the Navy battle force count.

CVN 78	LCS	LPD
78 GERALD R. FORD	4 CORONADO	25 SOMERSET
	5 MILWAUKEE	26 JOHN P. MURTHA
DDG 1000	6 JACKSON	27 PORTLAND
1000 ZUMWALT	7 DETROIT	
1001 MICHAEL MONSOOR	8 MONTGOMERY	MLP
1002 LYNDON B. JOHNSON	9 LITTLE ROCK	1 MONTFORD POINT
	10 GABRIELLE GIFFORDS	2 JOHN GLENN
DDG 51	11 SIOUX CITY	3 LEWIS B. PULLER
113 JOHN FINN	12 OMAHA	
114 RALPH JOHNSON	13 WICHITA	SSN 774
115 RAFAEL PERALTA	14 MANCHESTER	783 MINNESOTA
116 THOMAS HUDNER	15 BILLINGS	784 NORTH DAKOTA
	16 TULSA	785 JOHN WARNER
JHSV		786 ILLINOIS
2 CHOCTAW COUNTY	LHA 6	787 WASHINGTON
3 MILLINOCKET	6 AMERICA	788 COLORADO
4 FALL RIVER	7 TRIPOLI	789 INDIANA
5 TRENTON		790 SOUTH DAKOTA
6 BRUNSWICK		791 DELAWARE
7 CARSON CITY		
8 YUMA		
9 BISMARCK		
10 BURLINGTON		

Senator MCCAIN. I thank the witnesses. It's interesting that we are now in a panic mode because the Federal Aviation Administration is delaying flights. We don't seem to be concerned about the testimony that you and other uniformed leaders have given to Congress about the devastating effect on our national security of sequestration. It's one of the more embarrassing moments for me in the many years that I have had the honor of serving here in this body.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Senator KING.

Senator KING. Thank you, Mr. Chairman.

Thank you all, gentlemen, for being here this morning and for your service.

Admiral, I'd like to begin by a comment about the Navy. My home town is Brunswick, ME, and for about 60 years, we were the home of the Brunswick Naval Air Station. Losing that station was a tremendous blow to our community, but it was a blow in a way—it was certainly economic with business and the economic effect.

But as a resident of that community with kids in the schools, the loss of the Navy personnel was a tremendous loss for us because of what they contributed to the community, teaching in Sunday school, coaching in the Little League, kids in the schools. The Navy added so much to our community, and this is just a way of complimenting you on the quality of people that you have because they were our friends and neighbors for so many years.

The economic loss we can calculate, but the loss to the community of the Navy personnel, was incalculable. I just want to convey that to you. We regret that decision.

Secretary Mabus and Admiral, talk to me about how you envision the future of the Navy's destroyer force. We continue to retire frigates. The decision several years ago not to procure the next generation cruiser—it seems like destroyers will fill multiple roles in the Navy. Can you give me, Admiral, an idea of how you see the destroyer, the future of the destroyer fleet?

Admiral GREENERT. We need 88—we call them large surface combatants and that's cruisers and destroyers. So as we phase out the cruisers that we have, destroyers will, if you will, replace them.

The destroyer of today, the ones built, for example, in Bath, ME, is very high-end ship, in fact, much higher end, if you will, capability-wise, it has more capability than a cruiser. It's multi-mission. It's a fantastic vessel right now.

So the future is we need 88. We have 84. We're growing and will continue to grow through this decade, and we need to sustain that. To do that into the 2020s, we need to build about 2½-a-year on average of these destroyers or a ship like them.

Now, I'd add to this. In 2016 we will add a capability, the Advanced Missile Defense Radar, which will make the current *Arleigh Burke* even more capable, missile defense-capable, in addition to anti-air capable. We call it integrated air missile defense.

Senator KING. How do you intend to leverage the technology that's been developed for the DDG-1000? That's an amazing ship as well.

Admiral GREENERT. We get a lot of engineering technology from that ship, its fuel efficiency as well as the reduced manning. So we'll take that capability as well as the stealthiness that the ship provides. There's a good element of anti-submarine warfare, the hull-mounted sonar and the towed array sonar, that we would want to backfit as much as feasible into destroyers.

Mr. MABUS. We are putting the dual-band radar that came out of the DDG-1000 on our aircraft carriers now.

Senator KING. So that technology is being used in other areas?

Mr. MABUS. Yes.

Senator KING. I think it was the Admiral who used a phrase that I never want to hear these three words in the same sentence, "Reducing nuclear maintenance." Talk to me about the impact on maintenance from the sequester, which we've talked about today? To me, not doing maintenance isn't a savings. It's simply deferring the cost to a later date and it will probably be more expensive at that point. Your thoughts?

Admiral GREENERT. Senator, if you're talking those numbers, which the one I was referring to was \$23 billion, it's a balance of sustaining the force of today, and that would be the maintenance and the readiness of it, the force structure today, the number of ships and aircraft, and building the future fleet. So we need to do this in a balanced manner.

If we ensure we do all the nuclear maintenance that needs to get done, we bring all of the non-nuclear maintenance to kind of parade rest, to very little. I can't do that. We have to have a balance towards that. Those numbers at that level make it difficult for me to see how we would preclude needing to reduce the number of shipyard workers we have, that capacity, and therefore the amount of ship maintenance that would go on.

Senator KING. Gentlemen, I've been going to these hearings now for a couple of months and every single uniformed and civilian official in Defense and also—I'm on the Intelligence Committee—the Intelligence Community has told me that they have never seen a more dangerous, volatile, and complex period of threats to the United States. Yet at the same time, we are going through the sequester and hollowing out our Services, which has been testified.

What are we doing to ourselves? I just don't understand it. I think Senator McCain made the point that everybody knows about the delays at the airports. What's happening to you? We're putting not only our soldiers and sailors at risk, but our people at risk. Am I overstating this problem?

General AMOS. Senator, I don't think you are at all. I had a little bit of an advantage a couple of years ago. I spent almost a year with a very elite team working on trying to determine what the future security environment would look like. It was an international team, to include corporate America. I think your sense for the world we're in is accurate. I see no indication that the world is getting any nicer. I think all you have to do is look at the Washington Post on Sunday and you can start from the front and go all the way to the back and you can see that.

So from my perspective, it is every bit as dangerous and perhaps because it will be spread out, it could be considerably more dangerous in the future. From my perspective as a service chief, I think that dictates—it's a predicate for us to remain engaged in the world. We're the only global superpower on this planet. We have people that count on us for leadership. They expect us to be leaders.

So that's part of why I said what I said in my opening statement. We are global leaders. We have a responsibility globally, international and quite honestly, very selfishly and myopically. That's really what the Navy and Marine Corps team is able to do, is be

out there engaging and representing the interests of the United States of America.

Senator KING. Thank you, gentlemen.

Chairman LEVIN. Thank you very much, Senator King.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

Admiral, thank you. Mr. Secretary, thank you. General, thank you.

Our State of Indiana is proud to be a key center for naval operations at the Naval Surface Warfare Center (NSWC) Crane. The dedicated people there work night and day to keep our servicemembers safe, and we want you to know we are proud to be your inland Navy.

In regards to China, Admiral, when you look at the threats that are out there, can you give us an update on their development of anti-ship ballistic missiles and what the intention of that program is? Do you consider that a game changer in regards to our aircraft carrier reliance?

Admiral GREENERT. My assessment would be China wants to be able to influence what we call within the first island chain, roughly 1,000 miles and in, the first island being—if you're familiar with that, the Philippine Islands.

Senator DONNELLY. Yes.

Admiral GREENERT. They want to be able to influence that area to a great degree. It's a defensive measure for the mainland. They look to that area as, they call it their "Near Sea." They want to have the ability to defend it, if you will, as they need to.

Is it a game changer? It certainly could be. It depends. But in a perhaps more classified setting I could describe to you, we haven't been standing around wringing our hands. There is a series of events that has to take place for something like that. You have to have the right detection, you have to classify it, you have to be able to target, you have to know when to launch it, you have to have confidence in that launch. It has to go through its launch sequence. Then do you shoot it down? Do you deceive it, do you jam it? Then lastly, do you shoot a bullet with a bullet?

All of these things go through what we call the kill chain, and we study that very closely.

Senator DONNELLY. That was going to be my next question, was the current capability in regards to countering that. But as you said, perhaps a more classified setting would be more appropriate for that.

In regards to the balance of power in submarines, you hear of the Chinese bringing a submarine on and the discussion of other nations seeing how important this is. In regards to where we are today in helping to control the seas and the strength of our submarine program, has our premier position changed at all in the last year? If so, how? What do you see 5 years from now?

Admiral GREENERT. Senator, simplistically, I say we own the undersea domain, and we still do and I have empirical data that convinces me of that, and I watch it very closely. It is our job to keep that asymmetric advantage in the future. I believe it is our asymmetric advantage, one of our asymmetric advantages, and it's our job, my job, to come to you and show you how we can sustain that.

Senator DONNELLY. Okay.

General, your marines have done an extraordinary job in Afghanistan. As we look toward the next year or 2 ahead, for instance Helmand Province, do we have the confidence of the people in Helmand Province as we move forward in this process that they have some confidence level that they'll be able to be protected, that they'll be able to have a life that they can protect their children and have a decent life?

General AMOS. Senator, they do. The chemistry has changed dramatically over the last 4½ years. It's leadership. It's leadership by the provincial governor, Governor Naim, the district governors, mayors, and the ANSF.

The Taliban have—I'm not saying they're not there. They're there, but they have been marginalized to the point where the ANSF have become strong enough where they can handle this themselves. So we are today turning over—I've already said major operations belong to the ANSF. We don't write operation plans any more. We just write supporting plans. So we're there as a backup.

But the actual kind of control of the districts, the Afghans have it. So in Helmand the answer is yes. The key will be the continued stable support of the central government, the ability for the central government to continue to put resources down in these various provinces, to include the Helmand Province. If that stays, the confidence of the people will remain. If that goes, then it will evaporate quickly.

Senator DONNELLY. Do you think that the continued presence of—we don't know the exact number, but 8,000 to 10,000 or whatever that number is at the end of 2014, the continued presence of those marines, soldiers, sailors, or airmen, do you think that the Afghan people—that the presence of those military people makes them sleep better at night?

General AMOS. Senator, without a doubt. You talk to them personally face-to-face, whether it be in Kabul or whether it be in Helmand or anyplace else, and they are very worried. The normal Afghan civilian is extremely nervous that we will just completely come out, as we did in Iraq.

Senator DONNELLY. Are our servicemembers viewed by the Afghan people as we move forward in those much smaller numbers, as the glue that will help hold things together?

General AMOS. Sir, I think so. At the very senior levels of government and the military and whatever, we will help be that connecting tissue with thought and resources that perhaps they wouldn't otherwise have.

Senator DONNELLY. Thank you very much. To all of you, thank you for your service.

Chairman LEVIN. Thank you, Senator Donnelly.

Senator KAINE.

Senator KAINE. Thank you, Mr. Chairman.

Thanks to all of you for your service and your testimony today.

Secretary Mabus, your written testimony really talked about something I'm very focused on, which is that the challenges of the future require flexible force more than a fixed force, and the combined operations that you represent here in this hearing give the Nation a great flexible force capacity to deal with challenges when-

ever and wherever they arise. That's why this is such an important hearing.

I stepped out for a few minutes to attend a Senate Foreign Relations Committee meeting on embassy security. So I think I may just start, General Amos, with you on that topic. I visited the Marine Security Guard Program at Quantico, VA, within the last month or so and was very impressed. But certainly there's a significant need in the aftermath of Baghdad. One of the recommendations from the review board was upgrading Marine Security Guard and the foreign affairs security training, and it looks like you have a pretty significant both capital expansion at Quantico as well as an upgrading of about an additional thousand Marine Security Guards to help our missions around the world.

I'd love to just know how the current budgetary challenges or sequester if it continues will affect our ability to beef up the needed Marine Security Guard presence and training.

General AMOS. Senator, none of that is funded. It was all done in good faith, for all the right reasons, 6, 8 months ago. The original intent, my understanding is, is that once the NDAA authorized the 1,000-marine plus-up to the already, I think our number is at 1,449 marines we currently have in that field, so it will be another thousand on top of that to perform the missions that you talked about, that the funding of that would follow basically on top of whatever funding I would normally get.

We're on our way down to 182,100, as Secretary Mabus said. So to add another 1,000-marine requirement on top of that pulls those combat forces out of the 182,000 and makes me a 181,000-size force. So I'm still hoping that we're able to sort through the funding of that. But right now it's not funded.

We are pressing ahead, just so that you know. We're not sitting back. In agreement with the State Department, we will stand up three new Marine Security Guard Detachments between now and June. We'll stand up another 7 by the end of this year, and then over the next several years we'll stand up another 26.

So we're proceeding as if we're going to have the money, because the need is there. So our intent is honest. We just would appreciate the funding.

Senator KAINE. I think we have to be consistent in our message. I'm on the Budget Committee, too, and we end up hearing a lot about the need to cut, cut, cut, and then at the other side, on the foreign relations side, we're telling you that we need a dramatic expansion of security presence at our embassies, and the Marine Corps' own part of that space. So we have to be consistent in the message we deliver.

You have a sizable price tag for the retrograding of equipment back from Afghanistan. I think the testimony I heard earlier, not today but earlier, was about \$3 billion or so just to retrograde equipment back for the marines. Then that equipment has to be retrofitted and improved, et cetera, before it's ready for additional use. So the budgetary environment and sequester affects both the retrograding and the upfitting of that equipment to make it available for its next use in the field.

General AMOS. Senator, you're 100 percent correct. In fact, within our Corps as a result of the sequester we've gone back and said,

okay, what's good enough? What is it we currently own? What is it we've been driving and using for the last 5, 10 years? Whereas otherwise we might have moved on to something new, we're actually taking that back through the depots right now.

We have 60 percent of the equipment that we had on the ground in Afghanistan out as of today. I'm pretty pleased about that. 38,000 principal end items are working their way through the depots, all really important to reset the Marine Corps, and the bill is about \$3.2 billion to complete the mission and reset it.

Just to give you a sense for how we've done, though, it wasn't about 4 or 5 years ago the bill was about \$15 billion. So Congress has been very good, helped us out. We've been faithful stewards to get our equipment through, and now we're in the final stages of that to get the equipment out once we finish the mission and to reset the Corps.

Senator Kaine. Excellent.

For Secretary Mabus and Admiral Greenert, one of the things I noticed in the 2014 submission was that you're funding 80 percent of ship depot maintenance, but I believe it looks like it's 100 percent funding on both carrier and submarines. So this is surface ships, I gather. Is there an intent to put in an additional budgetary request through OCO for the remaining ship maintenance? Or how will you manage lesser maintenance on the surface ships?

Mr. Mabus. That's correct. We would get from 80 percent to close to 100 percent based on our OCO submission. That's based on the fact that, unlike the Marine Corps, who pull equipment out, send it through a depot and reset, the Navy tends to reset every day through maintenance, through maintaining our ships. So that OCO request—and as I said earlier, we are aggressively moving OCO into base. But this is—that 20 percent of maintenance is still very much related to the operations tempo in CENTCOM right now.

Senator Kaine. How about just generally the sequester environment and future shipbuilding costs and scheduling? If we don't find that solution that is assumed in the budget that the President has submitted, that you're testifying to today, what will be the long-term effect on the costs and scheduling on the shipbuilding side?

Mr. Mabus. One of the things that we have done based on the bill passed here in 2009 on acquisition reform, WSARA of 2009 is we've pushed things like multi-year contracts, which save a great deal of money. We've pushed things like competition. Sequester would have a bad effect on all those things. Again, as the CNO said, we're working through exactly what that effect would be.

We have, for example, the *Virginia*-class submarine program now under multi-year, the DDG-51 under a multi-year, the Marine Corps MV-22 aircraft under a multi-year, the Hawkeye electronic surveillance aircraft for the Navy under a multi-year.

If we cannot continue those multi-years or if we can't execute them as multi-years, the cost goes dramatically higher for fewer ships and aircraft.

Senator Kaine. Thank you.

Thank you, Mr. Chairman.

Chairman Levin. Thank you very much, Senator Kaine.

Senator Shaheen.

Senator Shaheen. Thank you, Mr. Chairman.

Gentlemen, thank you all very much for being here this morning and for your service.

I want to begin by saying I share Senator McCain's frustration and outrage that this Congress hasn't yet addressed sequestration and very much appreciate the challenges that we have given to all of you as you try and deal with a budget that has so much uncertainty.

One of the things that I do every week is to host a coffee for my constituents from New Hampshire who are here. Several weeks ago I had a woman at the coffee who approached me close to tears because her husband works at the Portsmouth Naval Shipyard and she said: We don't know what we're going to do about our personal budget because of the furloughs that he is expecting.

I know the Navy has been working on this issue, trying to address the furlough question. Clearly it's one of the things that has an impact on morale, which all of you have mentioned this morning. So I wonder if you can give us any insights into whether you are going to be able to address the furlough and how you might do that?

Mr. MABUS. Thank you, Senator. That decision has not been made yet. It's being made at a DOD-wide level and they're looking at the health of the whole force. But as you point out, we have civilian workers—shipyard workers is a great example—that have a direct operational impact on the Navy. The CNO and I have both talked about this publicly, about how that will impact the ships that go through these depots, how it will impact the sailing schedules, the steaming schedules, and our operational schedules.

That's part of the input that we've been given. As Secretary Hagel said, if we can do better we will do better. I think everybody recognizes just how crucial these civilians are. General Amos says that he considers them civilian marines. We consider them civilian sailors. They are absolutely crucial to the fleet and to the Marine Corps.

Senator SHAHEEN. Thank you very much, Mr. Secretary. I know that the shipyard workers at Portsmouth and throughout the country appreciate the efforts that are being made to try and address their situation.

I want to switch to energy, because one of the best things I've done since I've been in the Senate was to join with you in the hearing on the USS *Kearsarge* about the efforts that are being made by the Navy to address energy use. I certainly agree that we have to reduce our what has been almost a total dependence on oil in recent years.

I know that biofuels is something that you've been working very hard on and I very much appreciate that. But I wonder if you could also address some of the other efficiencies that you're trying to achieve in order to address energy usage throughout the Navy and the Marine Corps?

Mr. MABUS. I appreciate the opportunity to talk about it. You're right, we're proceeding down two tracks. One is to change the type of energy we use, but the other is to do the same amount with less energy. In the Navy we're doing things like different hull coatings, stern flaps, different kinds of lighting on ships, voyage planning tools, this sort of thing, to use less energy.

All these things have a tremendous impact on the amount that we use. We have the USS *Macon Island*, the first hybrid ship, that has an electric drive for under 12 knots. They made a deployment to CENTCOM and to PACOM. We sent them out with a \$33 million fuel budget and they brought \$15 million back that they did not use, which is able to put back into operations.

The Marines, through their Experimental Forward Operating Base that they have twice a year, once at Quantico, once at Twentynine Palms, and get whatever industry is doing. So marines are lightening their loads by using fewer batteries and by charging their radios and global positioning systems with solar power. They're doing insulation. They're using wind power, they're using hybrid generators at their bases.

So we are bringing down the amount of energy that we use and not cutting our operations at all. In fact, we're increasing the amount we can do on the same amount of energy. I think we have to keep proceeding down these two tracks because, as I said in answer to a previous question, in the last 3 years just from the spike in oil prices the Department of the Navy has had to pay an additional \$1.5 billion in fuel bills that we didn't have budgeted. That money could have gone to operations or to platforms.

Senator SHAHEEN. Particularly in these challenging economic times, I think it's prudent for you to continue proceeding down this path, and hope that we can provide you as much support in the Senate as possible.

General Amos, I'm almost out of time, but I wanted to go back to your comments about sexual assault and about the convening authority, because I certainly appreciate your concern about proceeding with caution in this area, but the fact is that there are over 3,000 reported sexual assaults in the military. The estimate is that it's more than 19,000.

You've indicated that you're going to lead a cultural change within the Marine Corps regarding sexual assault. How do you do that? Do we not have to look at how the system addresses sexual assault in order to make that cultural change?

General AMOS. Senator, I don't want to confuse you here. I'm working my way through the convening authority Article 60 mentally as it relates to sexual assault, because I don't want anybody to think for a second that this isn't important to me. If that's what it takes, if that becomes part of the solution set, then I fully support it. So I just want you to know that.

To your question, though, about our institution, the U.S. Marine Corps, this has to be a culture change. We began last, probably around the May timeframe, began with a general officer symposium. I brought every general in the Marine Corps back to Quantico for 2 straight days and talked nothing but where we were. It was a cold dose of reality, where we are in the Marine Corps, because quite frankly—and it's like the Gregg Zoroya article that popped in USA Today 2 days ago. The numbers are shameful. It's more than being embarrassed. I'm ashamed of this thing.

But that's not where we're headed and that's not where we are right now. We have the entire senior leadership of the Marine Corps after this—I'm talking about officers and staff NCOs. We've just really been after it since probably about the mid-summer. We

started in the spring, but all the campaign plan, three phases of it—and there's a host of things we've done.

I know we're out of time. I'd be honored to come by and talk to you about it. But I don't want anybody to think for a minute that this culture change is going to be easy. But we are dedicated, my generals are and my sergeant majors are, and we're going to succeed. It's going to be hard, but we are going to succeed at this, because it's the right thing to do.

Senator SHAHEEN. Thank you, General. I appreciate that. I have other questions, but I'm sure my colleagues on the committee will follow up.

Thank you.

Chairman LEVIN. Thank you very much, Senator Shaheen.

Senator REED.

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

Thank you, gentlemen.

Just a quick follow-up question because both Admiral Greenert and General Amos indicated that they are looking at units that will be C3 towards the end of the year. As I understand it, that has several different components in terms of the rating, personnel, the equipment, et cetera.

Can you go just one step down? What's the problem? Is it personnel readiness, availability of sailors? Is it equipment? Just to give us some texture for the rating.

Admiral GREENERT. The fact that a unit is C3, Senator, unto itself shouldn't be that alarming. It is not unusual. In other words, we have units that just before they're ready to deploy they are fully manned, trained, equipped. They need to get their ammo on board. They pick it up and they go. So for the record, they remain C3 until that point.

The point is it's a trend and it's a quantification of how those that are ready to deploy, they are C1 and C2, those that are in the surge are drifting further from that C1-C2. It's like a Slinky dog that goes further behind. It takes that much more to get it ready to deploy.

So what is the issue? It tends to be training. They don't have as many skill sets as they need to have when they're ready to deploy. If they're called to surge, we have to have a longer conversation to say, okay, here's what your unit will have. It could be an air wing, it could be a destroyer, but we have to have a more in-depth conversation, whereas if they're where we want them to be and where they are typical in our fleet response plan, then that is automatic, that is the covenant that we already have.

Senator REED. Thank you.

General Amos, your comments about the Marine Corps?

General AMOS. Senator, the reality is it's equipment available—we talk what C3 is. The exact definition of C3 is units trained to undertake many but not all wartime missions. We don't typically deploy units that are C3. We deploy them C1 and C2, and that's what the combatant commanders, that's what they expect.

Would we deploy a C3 unit? Absolutely, yes. If war broke out, I'd deploy a C4 or a C5 unit. So I want to be clear about that.

But what's happening is the equipment readiness as a result of things going through depot—I've said, when sequestration fully

hits in 2014 and 2015, 75 percent of our depot capacity is going to be affected in one way or the other. That's going to have an effect on the equipment availability. It's training ranges, it's O&M, it's fuel, it's ammunition. It's the ability to be able to take a unit and fly it out to or move it out to Twentynine Palms to do its final integrated training exercise. It's all of that.

Finally, the last I guess kind of litmus test is, because the depot maintenance and aviation has had an impact as a result of O&M, we're going to have—and I'll give you the exact numbers. Today I have 102 of 257 F-18s that are out of reporting status, which means they're not flyable. They need depot maintenance of some kind. 23 F-18s are not going to be inducted in the third and fourth quarter of this year.

So the net result will be this, I'll have 125 out of 257 Marine Corps F-18s out of reporting status. If you take all the squadrons that I have forward deployed, which will have the full complement of airplanes, the ones on carriers, the ones that I have in the Persian Gulf, they're my first priority. The remaining squadrons back home by January 2014 will have 6 of 12 F-18s sitting on the flight line.

Senator REED. Thank you, sir.

Let me do one follow-up question, too, because this was brought up previously. As you retrograde equipment out of Afghanistan, some of that equipment I presume, because it was specifically, particularly some of the Mine-Resistant Ambush-Protected (MRAP) vehicles and some of the vehicles, were designed for the conflict in Afghanistan—do you have the flexibility to bring them out, but then deferring maintenance, as a way to husband resources without affecting the ability of a MEU to operate and conduct?

General AMOS. We do, Senator. For instance, we have well over 2,500 MRAP vehicles right now. Our long-term plan is to keep roughly about 1,200 of them. We're going to bring them all back.

Senator REED. Right.

General AMOS. We'll start parsing out those that need it and those that don't, to be able to husband resources.

Senator REED. Understand.

Admiral Greenert, I was particularly impressed with the brilliance of Senator Donnelly's questioning about submarines, and also the threat to surface ships. I think it raises an interesting question. As you know and Admiral Locklear testified, there are a number of countries, particularly in Asia—China, Australia, Singapore, Indonesia, Malaysia, Vietnam, the Republic of Korea—who are developing new submarines, much more capable submarines. Indeed, I'm also indicated that Russia and China are expected to soon field new ballistic missile submarines, which adds another dimension.

Then you can join that with the surface-to-surface precision long-range weapons, particularly with the Chinese, which threaten the surface fleet, which raises I think not only the necessity, but the criticality of the submarine fleet. Is that a view that you support or take?

Admiral GREENERT. I absolutely support that. As I testified last year, that 2014 submarine was our number one priority.

Senator REED. Thank you very much.

Thank you all, gentlemen, for your service and your thoughtful testimony today.

Thank you.

Chairman LEVIN. Thank you, Senator Reed.

Senator McCaskill.

Senator McCASKILL. Thank you, Mr. Chairman.

Thank you all for being here very much.

General Amos, I know that you had expressed to my colleague that you want to get at this culture change and it's very important to you as to sexual assault. But let me just say the quickest way to change the culture is to put these cowards in prison. The people who commit these crimes are sullyng your ranks and they are diminishing what you are as a powerful force in this country.

I think the challenge around that is getting the victims to come forward. This has to be one of the problems that is foremost in your mind: How do we create an environment of professionalism and justice that gives victims the confidence that they can help you weed out these cowards and get them out of our wonderful military that I know you are so proud and it is your life, and you want nothing more than the Marine Corps to be seen for the wonderful men and women they are.

So when you have a convening authority that picks five colonels and lieutenant colonels to sit on a jury and they do the thing that you always do in these cases, and it is one thing you do as a jury, you decide who's telling the truth, because all this case was about was who was telling the truth—was it the fighter pilot and his wife or was it the victim? These five colonels and lieutenant colonels decided the victim was telling the truth, and with one stroke of a pen that convening authority said to every victim out there that he's confident if they come forward they're either not going to be believed or they're not going to be supported or nothing is going to happen to the guy.

You know what he did when he did that? He told all of them they were exactly right to hide in the shadows. That is more damaging to our military in the area of sexual assault than anything that could happen. All the training in the world will not fix this problem if you don't give these victims confidence.

Frankly, when he wrote the letter explaining how he did it and the first point in his letter is that she hadn't taken a ride home from the party? Are you kidding me? You know what every victim said? Oh my gosh, no matter what happens at the trial, no matter if they believe me, some general is going to decide that I'm a slut because I didn't take a ride home.

That is the problem. Until you guys at the top levels of the military get that, we're not going to fix it. I firmly believe that. I'm so proud that the Joint Chiefs made the recommendation to the Secretary of Defense to change Article 60 of the UCMJ.

I'm going to work as hard as I can to change Article 60. I don't want to throw it all out. I get that the convening authority has a role in terms of the good of the order. I get that. But the idea that they can overturn a factual determination by a jury they hand-picked, that's ridiculous.

So I feel better.

Now, on to F/A-18s. I think it's really an issue here that we're taking a real risk with our strike fighter inventory when it comes to JSF. I know that we now have a problem with them landing on the carriers, with the tailhooks, that they're all going to have to be modified. This is a huge issue. We now know another \$8.5 billion just to fix the tailhook problem.

The F/A-18 line is going to end domestic production after the final procurement this year. Doesn't the F/A-18 line mitigate the risk of this shortfall going forward? We're now not to full production until 2019 on the JSF. I would like Admiral or Secretary Mabus or any of you to speak to this issue.

We can talk about how expensive it is. We can talk about how it's not doing what it should have done. We can talk about the capability being diminished. But at the end of the day, what about the inventory?

Mr. MABUS. On the F/A-18 line, in our budget we're requesting 21 more Growlers, F/A-18Gs, be built in fiscal year 2014, which would keep the line going through 2016. We do think that it's important to have that capability there.

I'll let Admiral Greenert talk about the issues with the F-35 and the tailhook and the inventory.

Admiral GREENERT. Simply, Senator, I need a tailhook, a helmet, and I need a program that will deliver weapons equivalent to a Super Hornet, so that the F-35 comes into the air wing. The air wing can't turn around the F-35. I've been pretty clear on that. My air wing of the future has to be Hornets, Growlers, and a fifth generation. So I do need the capability, and in my view unmanned; there's an unmanned element to that.

Does it mitigate? Yes, it definitely would mitigate the need for the capability. So it all fits together into an air wing of the future that has to be able to deliver ordnance as well as jam and handle the electromagnetic spectrum, which is huge, in the future.

Senator MCCASKILL. In terms of extending the flight hours, I know that the report came back from GAO saying that maybe we need an independent assessment about what the cost is going to be on extending the flight hours on existing Super Hornets. Can you speak to that? Based on experience, we've not always gotten the right number when it's been an interior assessment as opposed to an independent assessment.

Admiral GREENERT. Let me get you a written answer, but here's what my Naval Air systems commander is telling me, that the extension on the Super Hornet looks very good, that the Super Hornet's performing very well and its fatigue factors and those areas look well. So that he was confident that we could get an extension.

I'll just give you something in writing that is deliberate.

[The information referred to follows:]

The cost and schedule to extend the service life of the Super Hornet is not fully known at this time. A Service Life Assessment Program (SLAP) is in progress to provide detailed analysis of fleet usage compared to structural test data. At this time, indications are that life extension will be achievable through modifications and inspections similar to the ongoing F/A-18C Hornet Service Life Extension Program (SLEP). Compared to the previous F/A-18A-D SLAP, the Super Hornet SLAP has the advantage of having three lifetime test cycles completed on certain test articles, which provides additional data and insight into fatigue issues that will need to be addressed if extending service life beyond 6,000 flight hours is required. As the

Super Hornet SLAP results are delivered, we will be able to develop SLEP cost estimates, plans, and milestones.

Senator McCASKILL. That would be great.

Thank you all very much. General Amos, I know your heart wants to get this fixed, and we'll work together and get it done. I know all of the military wants to do this. As you can tell, this one hits close to home for me because of the years I spent doing this.

Thank you very much.

Chairman LEVIN. Thank you very much, Senator McCaskill.

Senator Blunt.

Senator BLUNT. Thank you, Mr. Chairman.

Admiral Greenert and Secretary Mabus, I was here yesterday at the Defense Appropriations Committee hearing. I didn't get a chance to ask the questions I wanted to ask then. I think maybe my colleague Senator McCaskill has opened that door and asked some of them already.

Admiral, you're the last in line of the Services to get the F-35s, is that right?

Admiral GREENERT. Yes, sir, that's right.

Senator BLUNT. The same things you mentioned today I heard you mention yesterday, that you have to have some things happen before those are really useable planes.

Mr. Secretary, you mentioned you've ordered the Growlers. You've asked for them in the budget, rather. You haven't ordered them; you've asked for them in the budget. I guess one of my questions is, I know your tactical aircraft, you're 29 or 30 short of what you think you need and what's the risk of not moving forward, asking for more of the Super Hornets at the same time? Or is there just not a shortage in the Super Hornet part of the tactical aircraft (TACAIR) mix?

Mr. MABUS. Senator, the TACAIR shortfall which the chairman mentioned in his opening statement has gotten significantly better. It's down to less than 20 aircraft in about 2,023 now. This is a result of a lot of things. Part of it is what Admiral Greenert said. As we're doing the high flight hour inspections of the Hornets and Super Hornets, these inspections are turning out better than we had anticipated. The wear is less, the repairs will be less. We are currently planning to do the service life extension on 150 aircraft to get us there.

The other thing is we're transitioning quicker to the Super Hornets from the legacy Hornets, which are giving us more capability and more flight hours.

So I think that, just in terms of numbers of TACAIR risk, the risk is relatively low as we're going forward. We're buying the extra F/A-18Gs or requesting that we buy 21 additional Gs because of the electronic attack mission. The Marine Corps is retiring their EA-6s and this would be required to make sure that we maintain that important capability of electronic attack in an expeditionary way, so that we can have enough expeditionary squadrons to support electronic attack, not just for the Navy and Marine Corps, but across the joint force.

Senator BLUNT. I'm hearing right that you think that your shortfall is now less than the Navy might have thought it was going to

be a couple of years ago, because these planes are more serviceable and lasting better than anticipated?

Mr. MABUS. Yes.

Senator BLUNT. Admiral?

Admiral GREENERT. There's also, when we did the numbers that you referred to, the higher numbers as to what the shortfall might be, a big factor was the use, how many cycles are the aircraft being used. That number has come down as we've operated in the Gulf. So 2 years ago the use of the Super Hornet and the legacy Hornets, if you will, was much higher than it is now.

So as we do the measurements we're finding, hey, they're not as fatigued as we originally thought. The assumptions have changed in the analysis.

Senator BLUNT. I think there was a fairly significant request for maintenance and parts, maybe beyond what I would have thought. But General Amos, do you have anything to say on this topic of your transition on planes?

General AMOS. No, sir. I'm in complete agreement with my Secretary and the CNO on this. The management of the shortfall has been mitigated by a large degree as a result of actually managing each bureau number aircraft. Every single airplane, the number of carrier landings, the number of arrested landings, catapults, Gs on the airplane. So the naval aviation enterprise is actually managing each one of those aircraft by bureau number to mitigate the long-term effects of a lot of flying hours.

So we're actually managing the fleet and that's what's helping us out.

Senator BLUNT. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Blunt.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

Gentlemen, thank you so much for your service. Thank you for being here. Thank you for what you do for our country.

Before I get into my questions, I did want to make one comment and it's echoing Senator Shaheen and Senator McCaskill. It's about sexual assault. General Amos, I really appreciate what you're doing, but you made a comment saying that it is not going to be easy to change this culture. I think if you look at the training, you look at the convictions, you look at the punishments, we shouldn't be saying it's not going to be easy.

This is something that has, as you said, has the attention. You brought the generals together. You've discussed this.

I guess one question is, how many of those generals are women percent-wise?

General AMOS. I can't tell you percent-wise, but we have a slice of our general officers, 80-plus general officers, that are females.

Senator HAGAN. I just think it is imperative that we understand that sexual assault, sexual harassment, has absolutely no place in our military, and that it is something that is really affecting the culture, especially of our women who are in Service. I just echo the other comments, how important this is. I appreciate what you're doing.

General Amos, I did also appreciate the time that you've taken to discuss with me a lot recently on the issue of notifying those af-

ected by water contamination at Camp Lejeune. The Agency for Toxic Substances and Disease Registry's (ATSDR) recently released water model did find that the levels for some contaminants were as high a 150 times now what is considered safe. So it's very important to me that the marines, the civilians, and family members who were exposed to these contaminants are kept informed as key information is released. I appreciate our discussion and our commitment to do so.

Can you update the committee on what the Marine Corps has done since we talked to notify those affected by this tragedy of recent and future findings?

General AMOS. Senator, I can. I'll be happy to. Thank you for the opportunity.

As you said, the ATSDR released what they call a chapter 8 water model and it became public, and that was an official report. That's one of five phases of reports, and it talks about the contamination started as early possibly as 1953 instead of 1957. So as a result of that, we've advertised in USA Today, national publications, full-page ads talking about the report, and with a link on there that you can link to get the report.

We've notified 104,000 email addressees that we currently have in our registry. We've sent them emails. We also mailed out 188,000 letters here just this month. All this has been done this month, to notify everybody that we are in contact with that have come forward, that are part of the registry, about the results of the report.

I'll also say, Senator, we intend to do exactly that same type of mass notification and awareness for all the other reports as they come out in the future over the next year or 2. So we're dedicated to this. We want to do it right—we are going to do it the right way.

Senator HAGAN. Thank you. I appreciate us working together on that, I really do.

The Department of the Navy's investment in amphibious warships represents a critical investment that also supports a key Marine Corps mission. Citing fiscal constraints, you've decided to reduce the number of amphibious ships to a fleet of 33, with only 30 available at any given time due to maintenance requirements. My understanding is that 30 ships is the bare minimum required for sea-based forcible entry.

Secretary Mabus, do you consider it an acceptable risk to rely on the exact minimum number of ships needed to execute such a mission should the need arise? Then what is plan B if there are not enough ships operationally available?

Mr. MABUS. Senator, in the shipbuilding plan that we've sent the tables to Congress we're building toward that 33 level. The Commandant has said repeatedly that if he could have 50 he would. So would I. But given the fiscal constraints, I think 33 is a reasonable number with a reasonable amount of risk.

The other thing that is in there is that in terms of operations concepts there perhaps are other ways we can transport things beside just amphibious ships. The afloat forward staging bases that we're building two of today and two more to be configured as—the last two will be afloat forward staging bases. The first two are mobile landing platforms that can transport huge amounts of equip-

ment into an amphibious assault area. The Joint High Speed Vessel that can move people and equipment around very quickly.

So the Marines I know are looking at the concept of operations, but also we find that these amphibious ships, the three-ship amphibious ready groups with the big-deck amphib, the landing platform dock, and the landing ship dock, are some of our most flexible and important forces, and we think that these, the Gator Navy, the amphibs, are some of the most important things that we have.

Finally, we're exercising that as well, the exercise Bold Alligator that happened off the coast of North Carolina last year and will be repeated next year, to make sure that the Marines have gone back to the amphibious roots and have the training and the doctrine to be able to perform the way that we know Marines do perform.

Senator HAGAN. We definitely know that.

Thank you all for being here today and your testimony.

Thank you.

Chairman LEVIN. Thank you, Senator Hagan.

Senator AYOTTE.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank the witnesses for their service during challenging times and for all of those that serve underneath you, we're grateful.

I wanted to ask Admiral Greenert and certainly Secretary Mabus about the fleet size. I know that you've testified about the fleet size and I believe you began with that if you look back to September 11 our fleet size was 316 and now we're at 283. We know from your recent reporting to us that what you believe you need is 306 to meet all of our needs.

As I look at the schedule, the schedule that you have put forward that would put us dropping down to a fleet of 270 in 2015, did I understand that correctly? Is that a schedule that is based upon the President's proposed budget? In other words, this 270 by 2015 does not account for sequestration, does it?

Mr. MABUS. That's correct. The reason that you have the dip is that there were a lot of smaller surface combatants, particularly frigates, built in the 1980s during the big Cold War buildup and they are reaching the end of their service life. Now, they're being replaced, as you can see from those charts, and we're going to go back to 300 ships by the end of this decade, by far more capable, far more flexible ships in the fleet.

One of the things—and I was the one that said, that gave the numbers—is that we today have 47 ships under contract and 43 of those ships have been put under contract since I got here.

Senator AYOTTE. But just to understand, we don't meet 306, which is what we've said we'd need, until 2037, is that right? That is with what we believe to be more robust, appropriate levels of funding.

Mr. MABUS. I believe that is correct, Senator.

Senator AYOTTE. So that's according to the P-14 Battle Force Inventory. That's where I got that number.

So as I look where we are, we have pretty great challenges of getting to where we need to be for our naval fleet now, even if we keep funding where you've proposed it to be without sequestration.

So what happens to us if we go forward with sequestration in terms of fleet number and capacity?

Mr. MABUS. I'd like Admiral Greenert to also comment on this. But sequestration looms over everything and it will have impacts on things like multi-year programs that we're building submarines and destroyers under. It will have obviously an impact on the number of ships we can build.

But the President's budget, the Senate budget resolution, the House budget resolution, all went forward saying that sequestration was not a good idea—

Senator AYOTTE. Mr. Secretary, I'm looking around here and I don't see, unfortunately, people doing what needs to be done to resolve sequestration. So I want to make sure that everyone here understands if we go forward with sequestration for our military, for our Navy, what size does our fleet end up being? Because we right now are at 283. We know we need 306. As far as I can see—and I'm sure you would agree with me—the world's not getting any safer with Iran marching toward a nuclear weapon, with what's happening in the Persian Gulf, with our shift to the Asia-Pacific region, all of which needs naval capacity. Numbers obviously matter in terms of what we can cover around the world.

So, Admiral Greenert, I don't know if you can share with me, what happens to our fleet?

Admiral GREENERT. If we just apply sequestration, the number is \$50 billion a year through there, and they are pro-rated, you pro-rate it to the shipbuilding plan, and then I have to reduce force structure, again it's a straight linear extrapolation: 30 less ships, roughly, by 2020. So you're looking at, instead of 295, somewhere around 265. You keep taking that out to a 2-year posture, we could be down as low as 235 ships.

Senator AYOTTE. 235 ships. Would you agree with me that that would take on tremendous risk, given the challenges we face around the world? What would that do to our shift to the Asia-Pacific region?

Admiral GREENERT. Number one, yes, I agree with you it would be tremendous risk. The shift to the Asia-Pacific, it would slow it down, truncate it by a lot.

A point I'd like to make: Ships are definitely important. Ships forward are most important. So we have to sustain our forward-deployed naval force, the Singapore Initiative, making sure we take care of lift for the Marines to Darwin. That is something I think would be most important to work out, so that we do the best we can to be forward.

Senator AYOTTE. I appreciate it.

I wanted to ask—I know it was touched upon before, Secretary Mabus and Admiral Greenert, on the Navy's proposed—as I understand it, you submitted a proposal to OSD that would allow you to forego furloughs for 2013. Do you know when that decision will be made from OSD as to whether we can forego civilian furloughs? Because obviously one of the concerns that I have heard that seems to me to be a sensible concern is that we will get behind on the maintenance schedule, which will further exacerbate the difficulties and the strain put on our fleet.

Mr. MABUS. Secretary Hagel said, I believe last week, that the decision had not been made, would not be made for a few weeks. One of the things that both the Commandant, the CNO, and I have said during these discussions is that, exactly as you pointed out, some of these civilian workers that we have, like our shipyard workers, have a direct operational impact in terms of maintenance and in terms of getting ships back out to sea.

Senator AYOTTE. Thank you.

I appreciate all of you being here. I know that it's a challenging time to serve. Sequestration is something that I think is particularly foolish with regard to our national security, and I think it's been clear from your testimony and the other Service Chiefs that if we continue with this we're going to really diminish the strongest military in the world.

So I thank you all for being here.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Nelson.

Senator NELSON. If we get out of our ideological stances here on both sides of Capitol Hill, we can get rid of the sequestration going forward. But it's baked into the cake between now and October 1st.

Admiral and General, since you're not going to have as many flying hours, can you use simulators to try to keep your crews tuned up?

Admiral GREENERT. We can, and in fact during this phase we went through with the Continuing Resolution and the sequestration we turned to simulators to help keep our folks as current as feasible. There are some skill sets that you can't replicate in a simulator.

Some are getting better. The P-8 you're well aware of down there in Jacksonville. That's an excellent simulator and does magnificent things. But you can do some, but it's very limited.

General AMOS. Senator, exactly. We revamped the training and readiness manual for our aviation squadrons some time ago to incorporate more simulation as pressurization on flight hours increased. So we are and we obviously are going to have to continue to do even more.

Senator NELSON. Mr. Secretary, I want to thank you for your service. It has been extraordinary.

As evidenced by the female Senators that have spoken so emotionally, I want to point out that 6 and 7 years ago in another committee I chaired hearings about the rapes that were occurring in Iraq among contractors. I did that through the means of the Senate Foreign Relations Committee. What we had was the dramatic testimony of a number of female contractors, and they came to the committee and told about how everything was swept under the rug, that in some cases—now, this is only 6 or 7 years ago—that they could not get medical attention, and of course they had to rely, not just on the contractor medical attention, but they were in the war zone, the U.S. military—and in addition, that once they got home they couldn't get the U.S. attorneys to prosecute because all of the evidence had been swept under the rug. It was so bad that they could not get rape kits.

Can you bring me up-to-date on what is the standard procedure not only of this raw issue that has been brought out here with re-

gard to Active Duty military, but with regard to the contractors as well under the supervision of the military?

Mr. MABUS. Senator, just as an overall thing I want to say that—and this is the way I put it—that, asked if I'm concerned about sexual assault in the military, I've said—and I know I speak for General Amos and Admiral Greenert here—we're angry. It's an attack. It's a crime. It's not anything else. If somebody was walking around and taking shots at random at our Service, we would fix it, and this is the same thing. This is an attack. This is an attack from the inside.

We have made a lot of progress, I think. We're beginning to learn what works.

In answer to your specific question, we now have trained sexual assault responders, victim advocates. We've trained our medical personnel in sexual assault and rape. There is a requirement to keep evidence for very long periods of time and not discard it after a certain amount of time.

We have other things to encourage people to come forward, that if they feel in danger we will transfer someone immediately to get them out of even that feeling of danger.

We are finding that we're beginning to figure out what works in a lot of these cases. I think we're doing a good job in terms of just training like NCIS investigators in this specific thing, training prosecutors in this specific thing, training defense attorneys in this specific thing.

There's a lot more that can be done, but I do think that we have to make it clear from the seaman recruit to the four-star that we won't put up with this, this is unacceptable.

Senator NELSON. Is this being applied now to the contractor personnel as well as the military?

Mr. MABUS. Senator, as far as I know, in terms of the contractor personnel that the military supports in medical care and things like that, it is. On the broader question, I simply will have to get back to you.

Senator NELSON. Okay. That was the situation that we examined in the committee years ago. In some cases some of the rapes were perpetrated by contractor personnel on contractor personnel, in some cases Active Duty military on contractor personnel.

Admiral GREENERT. Excuse me, Senator.

Senator NELSON. Yes, Admiral?

Admiral GREENERT. If I may, just a tidbit.

Senator NELSON. Please.

Admiral GREENERT. Contractors, we can't compel them and order them to come to training. We're doing training. But the feedback is they are attending the training and they're quite interested in what we're doing. They're embedded in our people and those that are embedded are coming to the training and interfacing. Just thought you'd want to know that.

Senator NELSON. I appreciate that, and I'm sure they are, because it all affects morale and so forth.

But in your execution of a contract with them, I wish you would look into the fact that your contract could compel contractor training.

Don't forget those women.

Thank you.

Chairman LEVIN. Admiral, will you get back to us about that last point of Senator Nelson, about whether contracts can be amended to require the training which you've referred to?

Admiral GREENERT. Yes, sir, I will.

[The information referred to follows:]

Navy will pursue the establishment of a requirement that contractors attend sexual assault training into our contracts. I will work with the Secretary of the Navy and the Under Secretary of Defense (Acquisition, Technology, and Logistics) on this issue.

A requirement for Sexual Assault Prevention and Response (SAPR) training does not typically fall within the specifications or statement of work (SOW) section of Navy contracts. To mandate that SAPR training be included in contracts, Navy would have to establish a policy requiring contracting officers to do so. Pursuant to the Defense Federal Acquisition Regulation Supplement (DFARS) 201.304(1)(i), "Approval of the USD(AT&L) is required before including in a department/agency or component supplement, or any other contracting regulation document such as a policy letter or clause book, any policy, procedure, clause, or form that: (A) Has a significant effect beyond the internal operating procedures of the agency; or (B) Has a significant cost or administrative impact on contractors or offerors".

This type of contractor training has been held by USD(AT&L) to fall within both categories (A) and (B) above; therefore we must seek USD(AT&L)'s approval before implementing such a requirement.

Chairman LEVIN. Thank you.

Thanks, Senator Nelson.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank each of you for your service and most especially the service of the extraordinary men and women under your command. I'm grateful to you for being here today and proud of your service to our Nation.

Let me begin, Admiral Greenert, you were very kind to come to visit the sub base in New London. Mr. Secretary, you've been there as well. I assume that you continue to be of the view that that submarine base is important, indeed essential, to our national security?

Admiral GREENERT. Yes, sir, I do, both the piers and the support to the submarines, as well as the submarine training—actually, the Submarine Learning Center, excuse me.

Senator BLUMENTHAL. Are you satisfied, Admiral, that the President's budget has sufficient funding to continue the submarine building program, *Virginia*-class program, at the present pace of two submarines a year for 2014 and beyond?

Admiral GREENERT. Yes, it does. We have a submittal and a funding mechanism in place that we proposed to Congress. With that, I'm comfortable.

Senator BLUMENTHAL. I've noticed that mechanism, which I fully support because I think the submarine program, as you and the Secretary observed, is absolutely essential to our continued undersea superiority, which in turn is vital to our national security.

Are you satisfied, Mr. Secretary, that there's enough funding for the *Ohio*-class program?

Mr. MABUS. I am, Senator. At the place we're in, which is early design, continuing to do some R&D, we have the funding in place and we are on track to not only begin construction on the timeline that we have laid out, but also working with our British partners

on the common missile compartment, we're on schedule for their successor class as well.

The one caveat that I would put in there is sequestration has the potential to change that answer considerably.

Senator BLUMENTHAL. My hope is that sequestration has no effect on the submarine program, because I think it ought to be clearly excepted from any of those cuts that could be contemplated in light of all the considerations that you and others have stated so powerfully and eloquently. So I'm hopeful that we can avoid those effects.

Also, with all due respect, I know that you may not be able to comment on this point in detail, but the proposal for another Base Realignment and Closure (BRAC) I think is probably destined to be doomed or, as it's been put, dead on arrival here in Congress. But I would certainly believe there are better ways to save money. Indeed, the BRAC process has shown itself to be cost-ineffective rather than a means of saving money. So I'm hopeful that we can avoid that mistake as well.

I know that you may not be in a position to comment on it, but I just want to state for the record that I'm hoping that the President will reconsider that point of view.

Let me say to you that I take with complete trust and confidence the position that you have stated, all three of you, with great passion and commitment to eliminating sexual assault. I think that one of the aspects of this that deserves greater scrutiny is the reporting, which has to be encouraged. I noted that the report released on Monday—I believe it was on Monday—the 2011 health survey, stated that the percentage of reporting or responding to that survey in the Marine Corps was only about 22 percent, or in other words 78 percent of troops declined to participate.

Now, that was before the legal reorganization, I suppose. So perhaps the reporting rates would be higher now.

General Amos, I wonder if you could comment on what more can be done to encourage reporting?

General AMOS. Senator, I want to make sure I'm clear here. When I think of reporting, it's not so much a survey as it is the actual victims coming forward and saying something bad happened. It could be male or female.

With the advent of this surge effort, this more than surge, this sustained long-term effort that the Marine Corps has taken on since the mid-summer of last year, we've said all along that we expect the numbers of restricted and unrestricted reports to go up. That would be an indication to me that my marines actually have confidence in the battalion commanders, the squadron commanders, the senior enlisted leadership, that they will not be revictimized, that they will not be humiliated, that they will be treated with dignity and respect and they'll be protected.

That's what's happening. Our reports are going up. So there's a side of me that you go: Oh, I hate to see that. But that's the reality. As I travel around, as my Sergeant Major travels around, the feedback we get, the anecdotal feedback we get from predominantly our females is that: Okay, we're more comfortable; we have more confidence in the leadership now.

A large percentage of the reports in this—and I can't tell you how many, sir, because the information is convoluted—are reports from 2 years ago. In other words, my marines have come forward and they've said: Okay, this happened to me 2 years ago. That's an indication that there is more confidence in the leadership's ability to be able to take this seriously.

So that's the reporting I'm looking at, Senator.

Senator BLUMENTHAL. Your point is very well taken that there are two kinds of reporting and the reporting of actual crimes is what really probably is most important. I would just suggest in closing, because my time has expired, that the way to get more reporting, the way to make this system more effective, the way to give confidence to the men and women under your command, is to increase the conviction rates. I say that with all due respect as a prosecutor and not as a career military person as you are. But the best deterrence is—and I would just second Senator McCaskill—putting people away, putting them in prison, giving harsh, significant, but fair punishment. I know that you're committed to that policy.

General AMOS. Senator, if I could, I realize time is of the essence. That's a very good point. As a result of NCIS's help and the result of reorganization of what we pull together are complex trial teams, where we actually have the pros from Dover doing this now, from 2011 to 2012 we more than doubled the amount of prosecutions and we've more than doubled the amount of convictions.

So we're headed in the right direction.

Senator BLUMENTHAL. Thank you.

Thank you very much, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Blumenthal.

I'm going to leave. I think that Senator Inhofe will be leaving. We have that meeting of all Senators.

Before I call on Senator Hirono, I would ask that when she's completed, if she's the last Senator here, which I think she will be, if she could then adjourn the hearing.

Thank you very much for your testimony, gentlemen, and I call on Senator Hirono.

Senator HIRONO [presiding]. Thank you, Mr. Chairman.

Gentlemen, thank you for your service.

I echo the sentiments of a number of my colleagues on this committee to focus on the need to do everything you can to end sexual assault in your Service and of course all the other Services.

Admiral Greenert, you gave a response to Senator Ayotte regarding the number of ships, and I believe that you said that the reduction in the number of ships will slow our rebalance to the Asia-Pacific. This is not a question. It's simply to say that I share those concerns with you and this is yet—your response is yet another reason that we need to end sequestration and focus on going forward come October 1.

Secretary Mabus, I want to thank you for your noting that you are doing everything you can to use some other method than furloughing the thousands and thousands of civilian employees at our various shipyards and other places in order to meet your budget cuts. So the thousands of our civilian employees at Pearl Harbor

Naval Shipyard and I commend you for those efforts and please continue them.

Yesterday the National Security Adviser, Tom Donilon, spoke of the critical link between energy security and national security. He stated, "Energy matters profoundly to U.S. national security and foreign policy." I could not agree more. I know that this is something that you, Mr. Secretary, have long recognized. I want to commend your work as Secretary in aggressively pursuing a strategy of diversifying the Navy's fuel sources and using energy more efficiently so that we would be saving significant amounts of money that can go for other defense priorities.

So as you note in your testimony, the Navy has historically been a leader in energy innovation. Given the successes you are seeing within the Navy and Marine Corps, what in your estimate would be the impact on the Navy's long-term capabilities if we were to reduce our investments and initiatives in energy security?

Mr. MABUS. Senator, this is a military vulnerability, the amount of fuel we use, the types of fuel we use, the vulnerability we have not only to supply shocks, but also to price shocks. I think that if we were to lessen that commitment to diversifying our sources, to becoming more efficient, that we would simply be making a military vulnerability worse; and that one of the things that leaders of military Services are required to do and certainly should do is identify, you have a series of adversaries' or potential adversaries' vulnerabilities, but also your own, and to work to lessen those. That's what we've been trying to do, and we very much appreciate the support of you and of your colleagues toward this goal.

It's a wide range of things. It's the efficiencies that we talked about, but it's also putting some competition in trying to develop sources of energy that are not influenced by world events, by somebody threatening to close a strait here or there and making the price of oil spike.

For every dollar that oil increases per barrel, it costs the Department of the Navy \$30 million in additional fuel costs. So for fiscal year 2011, fiscal year 2012, and then the proposed increase for fiscal year 2013, that's \$1.5 billion to the Navy. Those sorts of impacts have impacts on our operations, they have impacts on our people, they have impacts on our ability to do what our missions are.

So I would be very happy to—because I literally could go on about this all day, but to get you some of the figures that we have worked through in terms of the benefits of this, in terms of where this will take us, and, as you point out, the fact that the Navy in particular, but also the military in general, has led in this and other technology changes.

Senator HIRONO. Mr. Secretary, I could not agree with you more that we need to continue to make the investments in energy security, and you correctly identify this as a security vulnerability if we don't do that.

General Amos, it's good to see you again. The Marine Corps obviously plays a major role in the Pacific and are a significant part of the rebalance to the Asia-Pacific area. Can you talk a little bit about the latest with regards to relocating Marine Corps forces throughout the Pacific?

General AMOS. Senator, thank you. Yes, I can. We actually began this about a year and a half ago. If you take a look at the amount of monies over the Future Years Defense Program, there's about \$3.5 billion all totaled money being focused on the reorientation of the marines in the Pacific. So that just gives you a sense for how committed we are.

We deployed our first rotating battalion back onto the island of Okinawa last year. One of the companies of that battalion went down to Darwin, Australia, and began the Darwin detachment down there, which has just been reconstituted again this month.

So that's going to begin an effort between our Nation and Australia, gradually eventually growing to about 2,500 marines there.

We started again this year with another installment of another Marine battalion from Hawaii to Okinawa. So today we not only have the kind of typical battalion that's affiliated with Okinawa; we now have two rotating battalions on the ground on Okinawa in support of the rotational forces.

This fall we're going to do that again. We'll triple down on that, so we'll have three rotating battalions plus one on the ground. We'll move more aviation assets into the Western Pacific.

So we're committed on that. There's already this footprint increasing in the Western Pacific for the shift to the Pacific.

Senator HIRONO. Thank you very much for that explanation.

As I am the last remaining person on the committee here, I want to once again, on behalf of our committee, thank you all for your service and for being here with your testimony.

The committee stands adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

MAYPORT AND STRATEGIC DISPERSAL

1. Senator NELSON. Secretary Mabus and Admiral Greenert, dispersing our capital ships is in our best national security interest and specifically, dispersing the east coast carrier fleet is a national security priority. The 2010 Quadrennial Defense Review (QDR) clearly states, "To mitigate the risk of a terrorist attack, accident, or natural disaster, the U.S. Navy will homeport an east coast carrier in Mayport, FL." The Navy has stated military construction costs to prepare Mayport to homeport a carrier would be approximately \$500 million, while the Government Accountability Office (GAO), estimates the number to be \$250 to \$300 million. However, the Navy recently completed a Controlled Industrial Area (CIA) at the Naval Shipyard in Portsmouth, VA, for \$33 million. Can you discuss how the Navy can provide such a drastically different quote for a similar facility?

Mr. MABUS and Admiral GREENERT. Several factors contribute to the disparity in cost between the Norfolk Naval Shipyard Controlled (NNSY) Controlled Industrial Facility (CIF) and Mayport: project scope, timing, and location. First, a direct one-for-one comparison of the NNSY CIF to Mayport cannot be made as several structures critical to operating a CIF already exist in Norfolk, whereas they would have to be included in constructing a similar facility in Mayport.

Second, the downturn in the economy after 2008 has led to a more favorable bidding climate nationwide. The award amount of \$26.3 million for the NNSY CIF reflects a winning bid in the current economic climate. In contrast, cost estimates for Mayport were prepared to inform the selection of a Preferred Alternative from among many different ship homeporting options as part of the 2008 Environmental Impact Statement. Estimates for all the Mayport options were very conservative, as they were based on preliminary data and took into consideration the post-Katrina cost escalations prevalent in Florida and the other Gulf Coast States at the time.

Third, the Mayport CIF design is more robust to accommodate the increased potential for higher storm surges due to its location adjacent to the coast of Florida.

In closing, should the CIF be programmed in a future year, the estimate would be refined to reflect current economic conditions and lessons learned from constructing the CIF in Norfolk.

2. Senator NELSON. Secretary Mabus and Admiral Greenert, will you ensure strategic dispersal is again added as an objective in the 2014 QDR?

Mr. MABUS and Admiral GREENERT. The Navy is committed to strategic dispersal of its forces. Strategic dispersal ensures that ships and aircraft, their crews, supporting maintenance, and training-critical infrastructure are located in more than one facility or region whenever possible. To that end, strategic dispersal of our assets will have great emphasis in the development of the 2014 QDR.

QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN III

CONTRACTORS

3. Senator MANCHIN. Secretary Mabus, what is the approximate number of contractors the Navy presently has in its inventory and whether this figure has gone up or down since last year?

Mr. MABUS. For fiscal year 2011, the Department of the Navy Inventory of Contracts for Services (ICS) reported 182,126 Contractor Full-Time Equivalents (FTEs) based on Navy contracted actions with \$33.1 billion obligated. For fiscal year 2012 the Navy ICS reported 178,679 contractor FTEs based on Navy contracted actions with \$28.5 billion obligated. Using this common reporting baseline, the Navy ICS figures have gone down.

Additionally, for fiscal year 2012 an improved model for gathering ICS data was implemented to include additional separate categories for actions contracted by defense agencies (not Navy) and by non-defense agencies using Navy funds. The table below includes the baseline Navy contracted figures for fiscal years 2011 and 2012; and, includes the fiscal year 2012 Navy ICS reported data for these two additional categories.

Department of the Navy fiscal year 2011 and fiscal year 2012 Inventory of Contracts for Services (ICS) Report	Obligated Dollars	Full-Time Equivalent Count
From fiscal year 2011 ICS		
Navy Contracted	\$33,120,323,148	182,126
From fiscal year 2012 ICS		
Navy Contracted	28,478,906,028	178,679
Defense Agency Contracted (Not Navy)	1,765,038,233	9,844
Non-Defense Contracted	496,141,609	3,812
Total	\$30,740,085,870	192,335

FURLOUGHS

4. Senator MANCHIN. Secretary Mabus, I'm told the Navy proposed an alternative to the 14-day furlough for its 201,000 civilian workers. According to Foreign Policy's Situation Report Newsletter, Navy leaders believe the ultimate cost of disrupting operations via a Department-wide furlough would negate the \$300 million in projected savings. However, this request was disapproved by the Department of Defense (DOD). Would you implement an alternative to the civilian furlough if you were given the discretion to do so?

Mr. MABUS. The Navy provided input to the Secretary of Defense regarding possible ways to deal with the current budget crisis caused by sequestration. After consideration of the Navy's and the other Services' proposed options and alternatives, the Secretary of Defense on May 14, 2013, announced the decision to furlough DOD civilian employees, with a limited number of approved exemptions, as part of the solution to solve the budgetary shortfall across the DOD for fiscal year 2013. The Navy is implementing that decision. We continue to work with the Secretary of Defense to find ways to mitigate against the negative implications of sequestration on the Navy's mission.

5. Senator MANCHIN. Secretary Mabus, is the furlough going to create more bills than it will pay?

Mr. MABUS. Sequestration reduced the DOD's budget by \$37 billion in fiscal year 2013, and of that amount, the Department of Navy was reduced by nearly \$11 billion across various appropriations. It was these budget reductions that resulted in the Secretary of Defense's decision to furlough civilian personnel (with some exceptions).

Current estimates of projected savings for the 11-day furlough announced by the Secretary of Defense on May 14, 2013, are approximately \$130 million in the Operation and Maintenance, Navy Appropriation and \$2 million in the Operation and Maintenance, Navy Reserve appropriation. For those personnel funded by the Navy Working Capital Fund (NWCF), while the personnel will be paid less, the furlough will slow completion of orders and result in the lost recovery of overhead, which may actually increase costs in future years.

TUITION ASSISTANCE

6. Senator MANCHIN. Admiral Greenert, the Navy is the only Service to provide uninterrupted tuition assistance to its servicemembers. I find this to be a remarkable commitment to both the personal and professional growth of Navy servicemembers. Can you discuss why you feel tuition assistance is so vital to the Navy?

Admiral GREENERT. In addition to the readiness advantages offered by education, there is an implied commitment between sailors and the Navy they serve. One way that Navy honors this commitment is by preserving a Tuition Assistance program that assists sailors in achieving their education goals. This enables sailors to develop themselves both personally and professionally into leaders who can think critically, translate their thoughts into actions, and make effective, educated decisions. This is important both in the Navy, and if sailors choose to return to civilian life.

MARINE CORPS END STRENGTH

7. Senator MANCHIN. General Amos, you are in the midst of reducing the size of the Marine Corps from roughly 200,000 to 182,000 by 2017. Recently, the Army alluded to cutting an additional 100,000 soldiers if the sequestration's caps remain in place. If sequestration remains in place, would the Marine Corps have to make additional end strength cuts?

General AMOS. We will not have a definitive answer to this question until DOD completes its Strategic Choices and Management Review (SCMR) of our current National Defense Strategy and analysis of a range of potential budget cuts. Depending upon where the Department weights its effort, 182,100 may or may not be sustainable. We continue to believe that the Nation needs a ready crises response force that is forward deployed and forward engaged. The President's current National Defense Strategy which rebalances our forces towards the Asia-Pacific theater is suited to the capabilities and strengths of your Marine Corps. If the Marine Corps' budget is further reduced below current Budget Control Act levels, we will have to look at reducing forces below 182,100. Determining how much below 182,100 will again depend on how much the Marine Corps is required to reduce their budget based on decisions that result from the SCMR.

NAVY CREW SWAPS

8. Senator MANCHIN. Admiral Greenert, the respected defense expert, Michael O'Hanlon, suggested that the Navy could save about \$2 billion per year by employing crew swaps. He stated, "by keeping a given ship abroad for roughly 2 years and having two or three crews share that vessel overseas, the Navy can do more with less. In fact, it can accomplish with about 3.5 ships, on average, what previously might have required 5." What do you think about using crew rotation as a means to do more with less?

Admiral GREENERT. I agree that using crew rotation can help us achieve more forward presence more efficiently. The Navy and Marine Corps are our Nation's "away team" and history demonstrates the Navy is at its best when we are forward and ready to respond where it matters, when it matters.

In order to maximize forward presence within resource constraints, we have explored the use of different manning (rotational crews and active duty/civilian mariner mixed crews) and basing (Forward Deployed and Forward Stationed Naval Forces) models.

When part of the Forward Deployed Naval Forces (FDNF), ships, aircraft, crews, and their families all reside in the host nation, such as Japan, South Korea, Spain, or Italy. As your question referenced, it typically requires at least four ships from

the continental United States (CONUS) to keep one forward: one ship is deployed, one is returning, one is on its way forward and one is in deep maintenance. For example, today we designate about 10 *Arleigh Burke*-class destroyers deploying from Norfolk and Mayport to provide two in the Eastern Mediterranean for missile defense to our European allies. In a few years, we will cover the same mission with four destroyers based in Rota, Spain, and, therefore, free up six destroyers to deploy to other regions of the world. This is much more efficient than rotationally deploying ships and aircraft from the CONUS. Similarly, we will soon homeport another submarine Guam, providing the same presence as four deploying from the West Coast. In addition, we will also transition Minecounter Measure (MCM) and Patrol Coastal (PC) ships to the FDNF in Bahrain.

Forward stationing and rotational crewing together provide more than twice the forward presence as traditional models. We also deploy Forward Operating Military Sealift Command (MSC) ships such as Mobile Landing Platforms, Joint High Speed Vessels, Combat Logistics Forces and Afloat Forward Staging Bases. These Forward Operating ships remain forward overseas almost continuously and employ rotating crews of civilian mariners augmented by rotating military detachments.

Each of these models that keep ships and aircraft forward enable Navy to maximize the presence delivered by the fleet. Each ship kept forward using one of these models provides the same presence of about four ships rotationally deploying from CONUS. These models all depend on U.S. bases overseas (such as in Hawaii and Guam) as well as places overseas, which are allied and partner nation facilities such as Singapore, Japan, and Rota, Spain, that are available for the use of our deployed forces. Bases and places enable our deployed forces to rest, repair, resupply, and refuel overseas and reduce the need for rotational deployments from CONUS.

ALLEGANY BALLISTICS LABORATORY

9. Senator MANCHIN. Secretary Mabus, I want to commend the Navy for being responsive to my colleague, Senator Rockefeller, and myself last year, when you examined the data center and information technology capabilities at the Allegany Ballistics Laboratory (ABL) in Rocket Center, WV. In particular, I note that you wrote to Senator Rockefeller on May 21, 2012, that ABL was being seriously considered for the designation as a Naval Enterprise Data Center. I also understand that recently ABL has been slated to be a research, development, test, and evaluation (RDT&E) hub for Navy information technology. Can you give me an update on that?

Mr. MABUS. The Navy is planning to include ABL as a part of our long-term Data Center Hosting options for the RDT&E environment. Our ongoing focus in Data Center Consolidation has been to close and consolidate multiple domestic computing environments in accordance with the Federal Data Center Consolidation Initiative (OMB). The Navy is considering using a portion of ABL as an RDT&E hub for the east coast. We will also designate a facility to be our RDT&E hub for the west coast. Plans for establishing these Navy hubs are currently in development.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

CIVILIAN FURLOUGHS

10. Senator INHOFE. Secretary Mabus, I am concerned about the potential impact of civilian furloughs on the Navy's critically important family support programs. If furloughs take place, do you expect any cutbacks in your operating hours at commissaries, exchanges, and child development centers or curtailment of morale, welfare, and recreation, Department of Defense Education Agency programs, transition assistants programs, or military spouse employment programs?

Mr. MABUS. The Navy provided input to the Secretary of Defense regarding possible ways to deal with the current budget crisis caused by sequestration. After consideration of the Navy's and the other Services' proposed options and alternatives, the Secretary of Defense announced the decision to furlough DOD civilian employees with a limited number of approved exemptions. The Navy is implementing that decision and continues to work with the Secretary of Defense to find ways to mitigate against the negative implications of sequestration on family support programs.

As a result of sequestration, most Commissary stores will close on Mondays. Overseas commissaries staffed primarily with foreign nationals will remain open. The Defense Commissary Agency Headquarters also plans to close every Monday.

Furlough will have minimal impact on Spouse Employment and Transition Assistance Programs (TAP). Furlough days for employees at delivery points will be rotated to ensure support is provided to Navy families.

The civilian furlough will not impact Navy child care programs. The majority of Navy child care workers are non-appropriated funded (NAF) personnel and therefore not subject to furlough. Additionally, appropriated funded personnel who provide direct caregiving have been exempted from furlough.

The majority of morale, welfare, and recreation employees are NAF personnel; accordingly reductions or curtailment of programs and services due to the civilian furlough are not anticipated. Morale, welfare, and recreation programs and services have already been reduced at most Navy installations due to sequestration and further reductions are not anticipated due to the furlough.

Navy exchanges employ non-appropriated fund personnel, therefore the civilian furlough will not impact operating hours. There are no plans to change operating hours at any Navy Exchange or Navy Lodge.

11. Senator INHOFE. Secretary Mabus, if civilian furloughs, in response to sequestration, impact the mission of the military entrance processing stations, then what options does the Navy have to ensure your recruit accessions are not disrupted?

Mr. MABUS. Marine Corps - All Service recruiting will be impacted by civilian furloughs at Military Entrance Processing Stations (MEPS); because 80 percent of MEPS personnel are civilians. The possible civilian furlough reduces their available processing capacity. Implementation of a 4-day processing week would likely degrade our accession efforts.

Navy - Navy ships its recruits from Monday through Thursday. We anticipate the furlough would shut down MEPS processing on Friday only. Therefore, Navy recruiting accession mission may not be impacted as a result of planned MEPS furloughs in fiscal year 2013. However, with the planned 11-day MEPCOM furlough, Navy recruiting would experience a new contract mission shortfall of approximately 2,900 total new contracts for both Active component (AC) and Non-Prior Service Reserve component (RC). This shortfall represents approximately 15 percent of the remaining fiscal year 2013 new contract mission of 19,675 (AC/RC). This shortfall would result in a 5 percent decrease in the Delayed Entry Program (DEP) posture for the beginning of fiscal year 2014. The reduction of the DEP posture from a target of 50 percent will increase our new contract mission for fiscal year 2014. However, we anticipate meeting our accession mission in fiscal year 2014. If MEPCOM furloughs continue into fiscal year 2014, MEPS capacity to process new contracts will be restricted and Navy's accession mission could be at moderate risk.

NAVY'S LONG-TERM SHIPBUILDING PLAN

12. Senator INHOFE. Secretary Mabus, last year, the Congressional Budget Office (CBO) issued a review of the Navy's 30-Year Shipbuilding Plan. That review questioned the Navy's estimates that the cost for new-ship construction under its plan would be \$505 billion over 30 years, or an average of \$16.8 billion per year. In contrast, CBO estimated that the Navy's intended new-ship construction would cost \$599 billion over 30 years, or an average of \$20.0 billion per year. Even with these estimates, CBO concluded that the Navy's 2013 plan would fall short of meeting the Service's inventory goals for destroyers, attack submarines, and ballistic missile submarines. In addition, CBO's estimate of \$20.0 billion per year for new-ship construction in the Navy's 2013 shipbuilding plan is about 40 percent above the historical average funding of \$14.3 billion. As of this hearing, we have not received an updated 30-Year Shipbuilding Plan this year that was supposed to accompany the President's budget. Will the Navy's updated plan for a 306-ship Navy reconcile differences in cost estimates with CBO?

Mr. MABUS. Yes. The differences between the Navy and CBO estimates is caused by different cost estimating methods, assumptions about design and capabilities of future ships, and inflation indices.

The cost estimates in the Fiscal Year 2014 Shipbuilding Plan are consistent with the estimates in previous plans. Cost estimates in Navy's shipbuilding reports are inflation-adjusted to constant-year dollars using the ship composite inflation rate which captures the historical increases in shipbuilding costs. This rate is typically 1.5 to 1.8 percent higher than the general inflation rate of the U.S. economy as a whole. CBO's estimates use this rate, but also inflate costs by market inflation rates, which Navy considers double-counting the effect of inflation.

13. Senator INHOFE. Secretary Mabus, what is the Navy's plan to address CBO's concerns for goals related to destroyers and attack submarines?

Mr. MABUS. The need to recapitalize our Fleet Ballistic Missile Submarine force will cause significant and noteworthy risks to the Navy's overall shipbuilding plan.

The Navy will try to maintain destroyer and submarine requirement goals through calculated procurements, cost reductions in the *Ohio* replacement SSBN and other ship programs, ship retention for the expected service life, and targeted service life extensions.

The Navy plans to procure 33 *Virginia*-class SSNs from fiscal year 2014 to fiscal year 2033. This will result in attack submarines falling to a low of 42 ships in fiscal year 2029—6 boats below the current planning requirement—before rising to 48 in fiscal year 2035 and remaining at or above the requirement for the rest of the 30-year period.

A particular planning concern is the Large Surface Combatant (LSC) force and the impact *Ohio* replacement SSBN funding will have on it. The Navy's Shipbuilding plan procures 66 LSCs which will reduce the effect of the retiring CG-47-class cruisers in the mid-2020s and the large number of retiring legacy DDGs in the late 2020s and early 2030s. Additionally, the Navy has extended the service lives of all Flight IIA DDG-51s to 40 years to reduce the impact on LSC force structure. Even with this measure, the LSC inventory will fall to a low of 80 ships in fiscal year 2034—8 below the current planning requirement—before rising to 88 LSCs in fiscal year 2038.

An important point is "not all ship types are equal in importance"; we will build and integrate ship types based on the capability each provides, the evolving global situation, payload integration, and other key factors. For example, the plan attempts to balance shortfalls in large surface combatants, amphibious warfare ships, and attack submarines until the Force Structure Assessment (FSA) (by ship type) requirement is reached. It is a complex balance of platforms, payloads, capacity, and capability.

All of these measures will help maintain the size of the battle force inventory at about 300 ships during the procurement of the *Ohio* replacement SSBN and the heavy ship retirement period expected in the 2020s and 2030s. However, even after all of these measures are taken, executing the build plan with expected future resources will present a planning and resource challenge.

14. Senator INHOFE. Secretary Mabus, how will the full funding of a replacement ballistic missile defense submarine affect the Navy's shipbuilding plan?

Mr. MABUS. The Navy will encounter several challenges in executing this shipbuilding plan; perhaps the most important is funding and delivering the *Ohio* replacement program SSBN. The *Ohio* replacement SSBN is projected to cost about \$6 billion (fiscal year 2013 constant dollars) each. Therefore, during the procurement and construction of *Ohio* replacement SSBN between fiscal year 2021 and fiscal year 2035, an average of \$19.2 billion per year is projected to be required for shipbuilding, which will be a key resourcing challenge for the Department.

If Navy funds the *Ohio* replacement SSBN from within its own resources, *Ohio* replacement SSBN construction will take away from construction of other ships in the battle force such as attack submarines, destroyers, aircraft carriers, and amphibious warfare ships. The resulting battle force will not meet the requirements of the Force Structure Assessment (FSA) and will therefore not be sufficient to implement the Defense Strategic Guidance (DSG). In addition, there will be significant impact to the shipbuilding industrial base.

15. Senator INHOFE. Secretary Mabus, how will the sequestration of funds in fiscal year 2014 affect the Navy's shipbuilding plan?

Mr. MABUS. I am committed to the successful execution of the Navy's shipbuilding plan, and I'm doing my best to ensure that we continue to build the fleet. We have 53 ships under contract today, 47 of which were contracted since I took office, and our current shipbuilding plan puts us on track for 300 ships in the fleet by 2019. However, the Navy shipbuilding plan is underpinned by the assumptions, that funding: will be sustained at the fiscal year 2014 President's budget level through the Future Years Defense Program (FYDP), will be increased during recapitalization of the *Ohio*-class submarines, and will be sustained at the appropriate levels (likely higher than current historical average) for the remainder of a 30-year period.

The Navy is concerned that sequestration poses significant risks upon these underlying assumptions and therefore upon the size of our fleet. This was highlighted by the Navy's determination to balance fleet wholeness with the constraints of the budget. The Department is currently assessing the impact of sequestration on its shipbuilding goals as part of the SCMR, which is designed to factor in defense-wide budget cuts and its impact on the DSG. Upon completion of the review, we will balance the level of risk across warfighting and support capabilities for the full range of potential military operations and prioritize procurements to meet the capabilities and capacities to achieve this balance.

Ultimately, in the event of full sequestration, the Navy's fiscal year 2014 shipbuilding plan will need to be reexamined. Under such circumstances, and in keeping with our shared responsibility for a Navy which provides for the Nation's security, the Department will work closely with Congress in determining the naval force the Nation can best afford.

16. Senator INHOFE. Secretary Mabus, how would you assess the current readiness of the amphibious fleet to meet Marine Corps deployment requirements?

Mr. MABUS. The Navy remains committed to providing sufficient amphibious warships for day-to-day presence as well as large-scale expeditionary operations. The Navy stands aligned with the Marine Corps on the fiscally-constrained requirement for 33 amphibious warships. This provides 30 operationally-available amphibious ships to meet Naval and Marine Air Ground Task Force (MAGTF) amphibious embarkation demand requirements. Although our current amphibious inventory stands at 30 ships, the Navy continues to meet Navy and MAGTF deployment schedules with a higher than normal OPTEMPO. Going forward, the shipbuilding program described in the fiscal year 2014 30-Year Shipbuilding Plan builds and maintains a battle force of at least 31 amphibious ships by fiscal year 2018 and achieves 33 amphibious ships in the required 11/11/11 mix no later than fiscal year 2025.

COSTS FOR CVN-78 AIRCRAFT CARRIER

17. Senator INHOFE. Secretary Mabus, the President's budget request for fiscal year 2014 includes a legislative proposal to amend the cost cap for the first *Ford*-class aircraft carrier (CVN-78), currently under construction from \$11.8 billion to \$12.9 billion. As you know, the CVN-78 is the first of three ships in the Navy's new USS *Gerald R. Ford* (CVN-78)-class of nuclear-powered aircraft carriers. The next carrier, CVN-79, is now estimated to cost the Navy \$11.3 billion. Are the costs and schedule for the CVN-78 under control?

Mr. MABUS. The cost for CVN-78 has stabilized at \$12.887 billion. Similarly, schedule performance has also stabilized, holding a constant 4-month variance to launch for the past few years. This delay in the launch date will allow increased outfitting of the ship while still on land, which is a key aspect in controlling the cost. CVN-78 is now scheduled to launch in November of this year and deliver no later than second quarter of fiscal year 2016. A detailed summary of the cost control measures for CVN-78 and CVN-79 is attached in the Report to Congress I provided in May of this year.

18. Senator INHOFE. Secretary Mabus, what challenges remain to deliver the CVN-78 to the fleet?

Mr. MABUS. The biggest challenge to delivery of CVN-78 to the fleet is completion of the test program for new development items aboard the ship. The primary developmental systems include Electromagnetic Aircraft Launch System (EMAL), Dual Band Radar (DBR), and Advanced Arresting Gear (AAG). As these are new technologies employed on the *Ford*, the first of the CVN-78 class, there are system integration risks with initial operation of these systems. To mitigate these first time integration risks, the Navy conducts land-based testing of these systems at Wallops Island (DBR) and Lakehurst (EMALS and AAG) prior to shipboard installation; however, there likely will still be interface issues that need to be addressed after full integration with other ship's systems during testing prior to ship delivery.

19. Senator INHOFE. Secretary Mabus, how will sequestration in fiscal year 2013 affect the delivery schedule?

Mr. MABUS. Fiscal year 2013 sequestration had no impact on the CVN-78 delivery schedule.

20. Senator INHOFE. Secretary Mabus, how would the sequestration of defense funds in fiscal year 2014 affect the *Ford*-class acquisition program?

Mr. MABUS. The Navy is examining the impacts of sequestration in fiscal year 2014, in conjunction with the Department's broader SCMR effort. The impacts to specific programs have not yet been determined.

21. Senator INHOFE. Admiral Greenert, given the current budget reality, how realistic is it that we be able to build and maintain 11 carriers?

Admiral GREENERT. Navy remains committed to maintaining a force structure of 11 aircraft carriers, as reflected in the fiscal year 2014 Long-Range Plan for Construction of Naval Vessels submitted to Congress in May 2013. The 11-carrier force

structure represents a balanced approach to best support a forward naval posture capable of meeting warfighting and peacetime requirements. Delivery of USS *Gerald R. Ford* (CVN-78) in fiscal year 2016 returns the carrier fleet to 11 aircraft carriers as statutorily established in 10 U.S.C. 5062(b). A combination of new carrier construction and the recapitalization of *Nimitz*-class carriers through the Refueling Complex Overhaul (RCOH) program will maintain the carrier force structure at 11 ships through 2039.

Continuing sequestration will remain the biggest challenge to executing this plan in the near term. Navy is aggressively pursuing cost-cutting initiatives to reduce the cost of subsequent *Ford*-class carriers. Initiatives include:

- Applying lessons learned from the construction of the first-of-class CVN-78; and
- Building follow-ships at regular intervals for a stable industrial base.

LITTORAL COMBAT SHIPS

22. Senator INHOFE. Admiral Greenert, the Concept of Operations for the Littoral Combat Ship (LCS) called for one ship with multiple mission modules to replace 30 FFG-7 frigates, 14 *Avenger*-class MCM vessels, and 12 MHC coastal mine hunters, for a total of 56 vessels. The current plan calls for the purchase of 52 LCSs, which will eventually comprise one-third of the entire Navy's surface combatant fleet. While the price per ship has increased by over 60 percent since inception, recent concerns have been raised within the Navy about the LCS's capabilities as compared to legacy systems as well as concerns about survivability, adequate manning, endurance, and the ship's ability to meet warfighter requirements. In how many core missions of the sea service's Cooperative Strategy for 21st Century Seapower is the LCS likely to succeed?

Admiral GREENERT. LCS, as seen in her initial operations, is performing as expected, and is likely to succeed in all of the core missions outlined in the Cooperative Strategy for 21st Century Seapower. In terms of price, the LCS and its mission modules are about the same (in inflation-adjusted terms) as when originally proposed. While the seaframes are more expensive than planned, the mission modules are less costly than expected.

Forward Presence:

LCS has already deployed and commenced forward operations out of Singapore. USS *Freedom* (LCS-1) deployed from San Diego on March 1, 2013, and will conduct multi-lateral exercises, port visits, humanitarian assistance, and counter-piracy operations with partner nations in Southeast Asia over the next several months. LCS deployments will alleviate the operational burden on our forward deployed surface forces based in Japan. When the LCS program reaches maturity, much of the class will operate forward from places such as Singapore, Bahrain, and Sasebo, as well as throughout the U.S. European Command, U.S. Africa Command, and U.S. Southern Command Areas of Responsibility (AORs).

Deterrence, Sea Control, Power Projection, and Maritime Security:

LCS, by virtue of its flexible capabilities and sheer numbers, is ideal for deterrence, sea control, power projection, and maritime security operations. The modular design allows operational commanders to tailor LCS to execute Surface Warfare (SUW), MCM, and Anti-Submarine Warfare (ASW) missions. LCS' high speed will allow it to quickly arrive on station, in numbers, to project power and serve as a credible deterrent.

Humanitarian Assistance and Disaster Response:

LCS's speed and agility provide limited noncombatant evacuation operations (NEO) capability, and the shallow draft allows these ships to enter austere ports that larger vessels could not safely navigate. LCS can be customized to rapidly support Humanitarian Assistance and Disaster Response missions. The large mission bays which normally support SUW, MCM, and ASW mission packages can be used to transport disaster relief supplies and can support evacuees for short durations.

23. Senator INHOFE. Admiral Greenert, is the Navy trying to find a mission for the LCS rather than working to meet the original concept of operations?

Admiral GREENERT. No. Since the LCS program was announced on November 1, 2001, LCS has continued to meet and expand on the original concept of operations. LCS was conceived as an integral part of a new battle force architecture based on an essential need for a new generation of "focused mission" multi-role surface com-

batants optimized for operations near land. This capability is precisely what the Department of the Navy has received with LCS.

LCS's concept of operations calls for LCS to operate in contested littorals to address three major anti-access threats which are documented joint capability gaps: swarming fast attack craft/fast inshore attack craft (FAC/FIAC), diesel submarines, and maritime mines. LCS's high speed, maneuverability, shallow draft, networked sensors, and readily exchangeable mission packages are specifically intended to allow LCS to counter these threats and assure access to the littorals.

24. Senator INHOFE. Admiral Greenert, in your professional assessment, does the LCS offer combatant commanders increased combat capabilities for the three missions assigned (SUW, MCM, and ASW) as compared to the legacy systems it is replacing?

Admiral GREENERT. The LCS and Mission Packages (MP) will provide greater combat capabilities compared to the legacy systems in today's Navy. LCS will assure access for joint operations through SUW, MCM, and ASW.

LCS embarked with the MCM MP will provide greater mine hunting capability per ship than current platforms. The MCM MP will provide capabilities to counter deep, shallow, floating, tethered, bottom, and buried mines. Using systems deployed from off-board manned and unmanned vehicles. The MCM MP also represents a significant tactical change by emphasizing the use of off-board assets, ensuring LCS and the crew will operate outside of mine danger areas.

LCS embarked with the SUW MP will have greater capability against highly maneuverable small surface craft than any of the ships they are replacing. Compared to a Frigate or Patrol Craft, LCS with a SUW MP embarked will have more guns (one 57mm + two 30mm) as well as a surface to surface missile capability and an embarked armed helicopter. These combined systems will provide the required volume and depth of fire required to defeat swarms of small littoral surface threats. Combined with maneuvering speeds in excess of 40 knots, LCS is a very adept SUW ship for the missions it was designed to execute.

LCS with the ASW MP will feature proven and effective anti-submarine technologies. LCS will provide greater detection capability than legacy systems.

25. Senator INHOFE. Admiral Greenert, how would you assess the LCS's core defensive capabilities, especially against air threats, when employed in the littorals during elevated threat environments?

Admiral GREENERT. I am very confident the LCS can defend herself. Even without the mission modules on board, the ship still has core capabilities for self defense, air defense, surveillance, search and rescue, and boarding capabilities.

LCS can operate independently in low- to medium-threat environments. LCS will use its speed, organic weapons (57mm gun and RAM missile system), and sensors to counter surface and air threats in the littorals. LCS has equal or greater self defense capability compared to frigates, patrol craft, and MCM ships.

In situations where the threat of anti-ship missiles is high, LCS will operate with a Strike Group or Air Defense ships. As a small surface combatant, LCS is not designed to operate independently in a high air threat environment without being networked into a larger force.

26. Senator INHOFE. Admiral Greenert, how would you assess the lethality of the LCS's SUW module as compared to other small surface combatants that are predicted to be encountered in combat operations?

Admiral GREENERT. During combat operations, the LCS is likely to encounter large groups of small FIAC or larger FAC. The typical FIAC is a militarized commercial boat less than 50 feet long with limited open water capability, with armament that typically consists of small caliber machine guns, rocket launchers, man-portable air-defense systems (MANPAD) and rocket propelled grenades (RPG). The typical FAC is a designed military or militarized vessel greater than 50 feet long. Armament can include anti-ship cruise missiles (ASCM), torpedoes, small to medium caliber machine guns and MANPADs.

LCS, with the SUW MP embarked, is significantly more lethal than both enemy FAC and FIAC. The 57 mm and 30 mm guns provide greater engagement range and lethality than enemy counterparts, while the .50 cal machine guns provide close-in engagement capability. The Rolling Airframe Missile (RAM) provides an anti-ship missile defense capability far superior to that of enemy FAC/FIAC. LCS's embarked MH-60R provides an armed helicopter capability which can engage FAC/FIAC while LCS remains outside of enemy weapons engagement range. The Surface-to-Surface Missile Module (SSMM) will initially provide a short range counter-swarm capability, which will later be upgraded to an extended range, more advanced missile

capability. Further, LCS's speed in excess of 40 knots, substantially greater than all other surface combatants, allows LCS to quickly maneuver to engage or evade, as necessary, both FAC and FIAC.

Additional information can be provided at the SECRET level.

27. Senator INHOFE. Admiral Greenert, when fully employed, will the LCS drive greater demands on crews, shore maintenance, and logistical support than the legacy systems it is replacing, and if so, are the greater demands sustainable?

Admiral GREENERT. Navy is taking steps to ensure the demands LCS places on crews, shore maintenance, and logistical support are sustainable.

Although LCS operates with a core crew one-fourth to one-fifth the size of other Navy ships, it must execute similar administrative, operational, and sustainment processes. The LCS Squadron (LCSRON) and other organizations serve as extensions of the crew ashore, enabled by distance support methods and techniques. LCSRON ONE has been established in San Diego, CA, to provide this required support to the first ships that will homeport on the west coast. LCSRON TWO will be established in Mayport, FL, to support future LCS operations on the east coast. The LCSRON provides administrative and personnel support far beyond other surface ship Immediate Superior in Command (ISIC) staffs.

Distance support is provided by U.S. based military, government civilian, and contractor personnel who monitor equipment logs, conduct trend analysis, and provide recommendations for shipboard and fly away maintenance. A small operational staff in Singapore serves as a Maritime Staff Element (MSE) and maintains operational oversight of *Freedom* while deployed. This staff is unique to Singapore, and will eventually oversee all four ships that will operate from that forward operating station.

28. Senator INHOFE. Admiral Greenert, given the difference in hull designs and ship systems, will the LCS require ship crews to become increasingly reliant on Navy shore facilities and private contractors to help them cope with a variety of non-standard systems?

Admiral GREENERT. While there are two distinctive LCS hull designs, the systems aboard the ship are not non-standard systems. LCS sailors are trained extensively on their respective variant of ship and are intimately familiar with the systems they will operate and maintain.

While a significant portion of planned maintenance will be conducted by off-ship personnel due to the relatively small size of LCS crews, each ship's core crew conducts maintenance on ship systems similar to what is done on other Navy ships. Core crews typically are assigned planned maintenance with a monthly or less periodicity requirement and also all situational maintenance required to conduct safe operations (e.g. operational tests or configuration of critical equipment prior to use). Condition-based maintenance (CBM) will also reduce the planned maintenance required on ship systems by determining when maintenance is actually required based on data points collected within the system vice being based on a pre-determined periodicity.

29. Senator INHOFE. Admiral Greenert, are you concerned about the ship's endurance at sea in terms of maintenance, fuel usage, and sustainment of crew and mission modules?

Admiral GREENERT. I am not concerned about LCS's endurance at sea. In fact, combatant commanders will enjoy greater operational availability from LCS due to its ability to consistently remain in theatre. A single LCS will remain forward deployed for long periods of time without executing lengthy transits from homeport and its range and endurance support the full scope of operations which are being performed by legacy platforms. The ships will deploy from homeport for 16 months and crews will be swapped during the deployment at 4 month intervals. The ships will return to homeport every 16 months for a depot maintenance period, during which the ship be unavailable for tasking. While deployed, LCS will be able to execute 25 day patrols, followed by 5 day inport maintenance periods, as well as a quarterly maintenance period during which the ship remains available for surge operations.

30. Senator INHOFE. Admiral Greenert, are you comfortable with the Navy eventually relying on the LCS for a third of its surface combatant fleet?

Admiral GREENERT. I am comfortable with relying on the LCS as a third of our surface combatant fleet. The Fleet's capability is a function of platforms, payloads, and networks. It is not a linear extrapolation of individual ships' capabilities. Numbers matter; however it is the capability defined by the systems' synergy that mat-

ters most. LCS makes a significant contribution to this synergy with its ability to employ payloads that can rapidly evolve in capability.

LCS represents an innovative approach that does not entirely lend itself to comparisons with traditional shipbuilding programs. LCS will initially provide essential combat capability in three mission areas—SUW, MCM, and ASW. These payloads will deliver improvements over the capability resident in the platforms LCS is replacing in the Fleet, and they will continue to evolve going forward. Payloads for other mission areas may also be deployed in the future.

NAVY MISHAPS

31. Senator INHOFE. Admiral Greenert, there seems to have been a proliferation of Class A mishaps in the Navy since 2011, each of which has caused more than \$2 million in damage to the vessel. In January 2013, Admiral Bill Gortney, Commander of U.S. Fleet Forces Command, reported an \$850 million unforecasted maintenance bill, which just compounds the budget woes for the Navy. I am most concerned about the complete loss and decommissioning of a critical asset for the Navy, the USS *Guardian*, (one of our *Avenger*-class MCM ships). Do you see any trends developing in the results of the mishap investigations?

Admiral GREENERT. Navy is assessing whether there are common readiness trends that could be corrected to prevent future incidents. In the past 2 years, the primary causes for ship groundings and collisions have been:

1. Failure to follow procedures,
2. Lack of knowledge or understanding, and
3. Poor communication.

The USS *Guardian* mishap included all of these causal factors and is part of the analysis Navy is conducting.

32. Senator INHOFE. Admiral Greenert, I have heard about faulty charts, but that's what seamanship is supposed to counter. What caused the loss of the USS *Guardian*?

Admiral GREENERT. This mishap was preventable and was the product of poor voyage planning and poor execution by *Guardian* leadership. The investigation uncovered no single point of failure; instead, there were numerous links in the error chain leading up to the grounding. Had any one of these been appropriately addressed, the grounding would have been prevented. *Guardian* leadership and watch teams failed to adhere to prudent, safe, and sound navigation principles which would have alerted them to approaching dangers with sufficient time to take mitigating action.

33. Senator INHOFE. Admiral Greenert, are we starting to see the signs of a strained force in the Navy?

Admiral GREENERT. Navy is currently meeting adjudicated Global Force Management (GFM) commitments to the maximum extent possible, despite budgetary impacts to operations, maintenance, and training.

Maintenance and training are the foundation of Navy's Fleet Response Plan. Navy is deferring and curtailing both maintenance and training to meet Secretary of Defense adjudicated presence requirements under the current budgetary shortfalls.

The impact of reduced fleet training and maintenance will be less surge capacity, but we will retain the ability to support the fiscal year 2014 Global Force Management Allocation Plan (GFMAP). All our forces deploying in fiscal year 2013 and fiscal year 2014, including two carrier strike groups (CSG) and two amphibious ready groups (ARG) (one each in the Middle East and the Asia-Pacific), will be fully mission-capable and certified for Major Combat Operations. For surge, we will retain one additional CSG and ARG in the United States that are fully mission-capable, certified for Major Combat Operations and available to deploy within 1 to 2 weeks. This is about one-third of our normal surge capacity. Overall, due to reduced training and maintenance, about two-third of the fleet will be less than fully mission-capable and not certified for Major Combat Operations. Historically, about half of our fleet is in this status, since ships and squadrons are in training or maintenance preparing for their next deployment.

34. Senator INHOFE. Admiral Greenert, is there a problem with the maintenance and operating condition of ship systems?

Admiral GREENERT. No. While Navy has made several unbudgeted and unscheduled ship repairs in recent years stemming from unexpected at-sea accidents, none

of them were caused by problems with ship maintenance or the operating condition of ship systems.

DISABILITY DETERMINATIONS

35. Senator INHOFE. Secretary Mabus, it is unconscionable that servicemembers must wait many months to receive a disability determination from the Department of Veterans Affairs (VA). While DOD and VA have made some progress in decreasing the amount of time it takes to get disability claims completed in the Integrated Disability Evaluation System (IDES), more work must be done. Do you believe the VA is doing all that it can do to decrease the amount of time for disability case reviews and claims adjudication?

Mr. MABUS. The delays in case review and adjudication are unacceptably long. At the same time, VA is coping with an enormous increase in claims being filed. We are very supportive of our VA partners in helping to decrease their disability case review and adjudication backlog. The Department of the Navy is moving ahead to support the VA's request to certify the Service Treatment Record completeness when forwarding for disability claim reviews. This will enhance the VA's ability for claim adjudication. Innovative solutions are always possible and we stand ready to assist the VA as they explore solutions for improvements.

36. Senator INHOFE. Secretary Mabus, does the VA need additional resources to hire more claims adjudicators?

Mr. MABUS. The VA continues to balance their work force. We are confident the VA presented their defensible resource requirements in the President's budget.

PROTECTING PROSPECTIVE RECRUITS

37. Senator INHOFE. Secretary Mabus, a recent tragic case in Maryland appears to have been a murder/suicide incident involving a prospective recruit and recruiter. What guidance has the Navy provided to ensure that prospective recruits and their parents or guardians are fully aware of the limits for relationships with recruiters?

Mr. MABUS. Navy Recruiting Command (NRC) provides applicants information on the first day of their enlistment into the Delayed Entry Program (DEP) at MEPS. Additionally, recruiters and their supervisor also provide the same information to the future sailor and their parents or guardians during the 72-hour indoctrination. This policy is included in the Enlisted and Officer Recruiting Manuals. NRC also has a Fraternalization Policy Acknowledgement that details the proper behaviors of future sailors and recruiters, which all future sailors must read and sign.

At the time of DEP enlistment, NRC provides all future sailors a Standards, Transitions, Acknowledgements, Requirements, and Training (START) Guide. Recruiters and immediate supervisors are required to review the contents with each future sailor during the 72-hour indoctrination. The START Guide contains information regarding Sexual Harassment and Fraternalization. Additionally, the START Guide lists "Recruiter Prohibited Practices," which includes a prohibition on any relationship other than a formal, professional relationship. Every Navy recruiter business card contains the following personal pledge from Commander, NRC: "We at Navy Recruiting Command are committed to professional, honest, and respectful treatment of every prospect and applicant." Also included is the NRC headquarters number, which is answered by Admiral Gay's personal staff.

Finally, NRC is completing an intensive, updated Sexual Assault Prevention and Response Delayed Entry Program (SAPR-D) video presentation, which will be shown to every future sailor. It provides training on the Navy's SAPR Program, fraternalization and sexual harassment policies. The video clearly articulates and emphasizes the prospective sailor's rights and responses if they feel they have been violated or mistreated.

38. Senator INHOFE. Secretary Mabus, what information does the Navy require to be provided to prospective recruits to ensure that they have immediate access to assistance and intervention, if necessary, if they believe a recruiter is intending to take improper advantage of them?

Mr. MABUS. Each Navy Recruiting Station has posters with Navy Recruiting District points of contact if applicants or future sailors have any issues during the recruiting process for which they desire assistance from someone other than their recruiter. Posters include the DOD Safe Helpline phone number and NRC Inspector General hotline number. Every applicant receives a business card from their recruiter that contains the recruiter's information on the front of the card and the fol-

lowing personal pledge from Commander, Navy Recruiting Command (CNRC) on the back: “We at Navy Recruiting Command are committed to professional, honest, and respectful treatment of every prospect and applicant.” Also included is CNRC phone number, which is answered by Admiral Gay’s personal staff. We provide additional information at the time of Delayed Enlistment Program enrollment while at Military Entrance Processing Station, and again during the 72-hour indoctrination. Command Hotline and NRC Headquarters phone numbers are provided.

SEXUAL ASSAULTS

39. Senator INHOFE. Secretary Mabus, DOD has told us they have achieved full-deployment of the congressionally-mandated Defense Sexual Assault Incident Database (DSAID). Is the Navy providing data to populate the database?

Mr. MABUS. Both the Navy and the Marine Corps use DSAID as a centralized, case-level, database for the collection and maintenance of information regarding sexual assaults. All Navy and Marine Corps Sexual Assault Response Coordinators (SARC) receive extensive DSAID training and use DSAID as a case management system, entering information within 48 hours of a report of sexual assault (96 hours in deployed locations presenting internet connectivity issues). DSAID includes available information about the nature of assaults, demographic information, services offered and disposition of reports. The Naval Criminal Investigative Service (NCIS) uploads final case disposition weekly into DSAID.

40. Senator INHOFE. Secretary Mabus, what information, specifically, is this database providing Navy leadership concerning sexual assault incidents?

Mr. MABUS. The DSAID is a centralized, case-level, database for the collection and maintenance of information regarding sexual assaults, which the Department of the Navy has been using since October 2012. DSAID includes information about the nature of assaults, the victim, services offered to the victim, the offender, and the disposition of reports associated with the assault. Over time, as DSAID becomes populated with more case data, it will increasingly provide the ability to identify and manage trends, analyze risk factors or problematic circumstances, and assist with actions and plans to mitigate risks.

41. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, when appearing before this committee, DOD witnesses described the recently revised DOD-wide policy on the Sexual Assault Program to standardize prevention, health care, victim safety, training and response efforts, and to clearly convey the role of servicemembers and employees in sexual assault prevention and recovery. I am concerned that medical care providers were not fully aware of their obligations concerning restricted reports, including the obligation to withhold disclosure to the chain of command. What actions have been taken to ensure standardization with respect to protecting the sanctity of restricted reports?

Mr. MABUS and Admiral GREENERT. Bureau of Medicine and Surgery (BUMED) Instruction 6310.11A (Sexual Assault Prevention and Response Medical-Forensic Program) has been recently revised and signed on May 2, 2013. This policy establishes the training requirements for all health care providers who will complete medical-forensic examinations.

A subset of the multi-disciplinary policy revision working group has been convened to oversee and support implementation of policy guidance. The training is 14 hours in length and in a standardized format that supports health care providers in completing a Sexual Assault Forensic Examination (SAFE), reviews the SAFE kit and contents, chain of custody, preparing to be a factual witness and Navy specific policy guidance and reporting options. Restricted reporting is thoroughly covered in this training as well as the current medical response training required of all Navy Medical Department personnel. Documentation of completion is required and metrics have been established to support tracking of training implementation.

General AMOS. There are several directives that outline the obligations regarding restricted reporting requirements for medical care providers:

- Marine Corps Order 1752.5B states: “In cases where a victim elects restricted reporting, the healthcare personnel may not disclose confidential communication or SAFE Kit information to law enforcement or command authorities.”
- The Navy BUMED Instruction 6310.11 also defines the elements of restricted reporting. It specifically states that, under the circumstances of a restricted report, any details provided to health care personnel will not be

reported to law enforcement to initiate the official investigative process unless the victim consents.

- BUMED Instruction 6310.11 also mandates that general health care personnel receive initial and annual refresher training on sexual assault response policies, including confidentiality policy rules and limitations. It also specifies that all health care personnel understand the difference between restricted and unrestricted reporting.
- BUMED Instruction 6310.11 contains a procedures checklist for SAFE's to be used by health care personnel. The checklist is used to verify that in the event a victim chooses the restricted reporting option that neither the military criminal investigation organization nor the victim's chain of command has been notified.
- States vary in their medical personnel reporting requirements. California, for example mandates that medical personnel report incidents of sexual assault to local authorities. As a result of this requirement, victims are informed of those limitations by their Victim Advocate.

All SAPR personnel throughout the Marine Corps must complete 40 hours of standardized advocacy training to be credentialed and must complete 16 hours of continued education on an annual basis to maintain their credentials. Marine Corps health care personnel must likewise complete initial and annual refresher training specific to sexual assault victim response. All training for SAPR and healthcare personnel provides restricted reporting protocol, highlighting the applicable directives to ensure that such cases are handled appropriately.

42. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what additional challenges do you see in attaining the required level of standardization?

Mr. MABUS and Admiral GREENERT. Each Military Service has a unique culture and operating environment. Beyond that, sexual assault prevention, sexual assault victim support, and sexual assault criminal investigations and prosecutions are overlapping but separate areas of activity.

First, we need to better distinguish between specific activities that should be performed in just about the same way everywhere, and those where tailored approaches may be more effective. Sexual assault victim support is a good example of the former—victims should expect the same services everywhere. Sexual assault prevention is a good example of the latter—the Services need flexibility to implement strategies that work for them.

Second, we need to evolve beyond standardizing exactly how to do things, and instead explore performance-based standards for key aspects of our processes that are most important to those affected. That will be hard work, and it will require genuine collaboration. For example, we want to know what aspects of our victim support processes are most important to victims themselves, so we can focus on making them more personal and effective.

General AMOS. There are always additional challenges with ensuring that SAPR training is ongoing and up-to-date so that all personnel are briefed on the latest and current policies and procedures. The Marine Corps is continually assessing and updating its training and outreach to its commanders and SAPR leaders with the goal of making sure our SAPR efforts are standardized.

The restricted reporting option is a standardized procedure known by all SAPR and health care personnel throughout the Marine Corps. It is a key concept of our 40 hours of standardized SARC and Victim Advocates training. Restricted reporting is also integral to our Fleet SAPR training. SARCs, Victim Advocates, and Uniformed Victim Advocates inform all victims of the restricted reporting option, clearly indicating that medical and counseling services are available to them without requiring disclosure to their chain of command or law enforcement.

43. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what additional tools does the Navy/Marine Corps need in order to continue to reduce—with the goal of eliminating—sexual assault?

Mr. MABUS and Admiral GREENERT. We need more expert resources for the investigations of alleged sexual assault crimes. NCIS has come a long way in the past several years. They have implemented impressive special training, and they have hired criminal investigators with civilian expertise, but the workload impact of new requirements to investigate all alleged sexual assaults, regardless of severity, is daunting.

We also need to establish new tailored programs for sailors and marines who have been victims of sexual assault. We are in the early stages of developing such programs. Sexual assault victims have an especially high risk of re-victimization, and

we must break that cycle by providing peer support and personal tools to help them succeed and fulfill their personal and professional goals without unduly labeling them or undermining their performance of primary duties.

We are in the process of expanding across the entire Navy Department best practices from local pilot projects involving focused, synchronous, SAPR efforts. We must maintain visible and consistent senior leadership engagement working across organizational boundaries to change our culture and reshape the attitudes and behaviors of our sailors and marines. It will require dogged commitment and perseverance over a prolonged effort. Key to our success will be our ability to partner across the Department of the Navy uniformed and civilian leadership to identify common goals and standards while implementing effective solutions that work in various settings and operating environments.

General AMOS. Eliminating sexual assault begins and ends with engaged leadership. The main duties of a commander regarding sexual assault are: preventing the crime by fostering a culture of dignity and respect, remaining responsive to victims in need, and holding offenders accountable. Aligned with the Joint Chiefs of Staff's five lines of effort to combat sexual assault—prevention, victim advocacy, investigation, accountability, and assessment—the Marine Corps' 2012 SAPR Campaign Plan emphasizes leadership engagement. Commanders must remain engaged, as they serve as our greatest tool to reduce sexual assault. To alter or remove the commander's role goes against our mission to influence Marine Corps culture from the top down and to establish an environment of respect and trust.

To further support efforts to influence cultural change, I have directed a new command climate survey to be administered within 30 days of a new commander taking command and again a year after taking command. Designed to measure the health of a particular command, the survey will cover a spectrum of issues, including sexual assault, and will be integrated with our ongoing efforts to stop all behavior-related offenses, including sexual harassment, hazing, and alcohol misuse. Giving commanders this tool and holding them accountable for the overall health and well-being of their command will help us mitigate the high-risk behaviors that tear at the fabric of the Corps.

44. Senator INHOFE. Admiral Greenert and General Amos, some have suggested that it would be appropriate to incorporate standardized assessments of commanders' performance in prevention, investigation, accountability, advocacy, and assessment of sexual assault response and prevention lines of effort. What is your assessment of the feasibility of implementing commanders' performance in Service-specific performance appraisals?

Admiral GREENERT. We evaluate our commanders (and all officers) in their regular fitness reports (performance evaluations used for determination of advancement) in three areas: Command Climate/Equal Opportunity, Leadership and in written summary, where documentation of poor command climates would be listed. We hold our commanders responsible and accountable when they do not meet acceptable standards. We believe the current system adequately addresses the issue; however, we routinely review the Navy fitness report system to ensure it provides a comprehensive officer assessment consistent with the prevailing needs of the Navy.

General AMOS. The Marine Corps Fitness Report system provides the official evaluation and record of an officer's performance and contains a section entirely dedicated to leadership. This section evaluates the commander's ability to set the example, communicate effectively, provide direction, and motivate, which includes his or her ability to develop, lead, and ensure the well-being of subordinates. Ensuring the well-being of subordinates necessitates that officers demonstrate a genuine concern for their safety—a characteristic rooted in the defining Marine Corps values of honor, courage, and commitment. The commander's efforts must enhance the concentration and focus of the subordinate on unit mission accomplishment, which includes setting an environment free of any criminal behaviors, such as sexual assault.

In line with the Secretary of Defense memorandum dated 6 May 2013, the Marine Corps is exploring methods to assess the performance of our commanders in establishing command climates that foster dignity and respect. To this end, I directed the development of a new command climate survey, administered within 30 days of a new commander taking command and annually thereafter. Designed to measure the health of a particular command, the survey covers a spectrum of issues and will be integrated with the ongoing efforts to stop all behavior-related offenses, including sexual harassment, assault, hazing and alcohol misuse. Survey results must be provided for review to the next level up in the chain of command.

45. Senator INHOFE. Secretary Mabus, the Annual Report on Sexual Assault at the Service Academies revealed that many people who enter the armed services have experienced and reported sexual assault or unwanted sexual contact that occurred before they entered the Service Academies or the armed services. What could the Navy be doing to improve support to men and women in the accession process, to identify whether individuals have experienced sexual assault?

Mr. MABUS. Navy has a thorough application process, which includes detailed medical screening of applicants at MEPS. Although not asked explicitly, applicants are questioned by MEPS Chief Medical Officers using a Supplemental Health Screening Questionnaire to determine if they have experienced any significant abusive events in their life. To improve support for men and women during the accession process, NRC has developed training focused specifically to indoctrinate them on military SAPR policies, to help prevent sexual harassment and assault, and to provide them with guidance and procedures in the event of an incident. In addition to this mandatory training, there is a wide variety of products and resources (e.g., videos, posters, and brochures) recruiters use for local training programs and to increase awareness with the future sailors in the Delayed Entry Program.

The U.S. Naval Academy (USNA) also has a thorough application process, which includes medical screening of applicants. USNA ensures that each entering Midshipman is made aware of the Academy's SAPR Office services, including medical, counseling and advocacy, and legal assistance. All incoming plebes receive a SAPR indoctrination brief within 14 days of arrival. This session includes an in-depth overview of the USNA SAPR Program; a discussion on sexual assault, consent, types of reports, and services available; and emphasizes that these services are available regardless of when they experienced the sexual assault. Academy SAPR staff follow up with plebes, conduct refresher training, answer questions, and again stress the availability of services.

As a result of findings in the most recent Service Academy Gender Relations survey, the USNA has implemented additional process changes for the entering Class of 2017 that will arrive this June. Specifically, during the Indoctrination-Day check-in, each Midshipman 4th Class (MIDN 4/C) will be asked in a confidential setting if they have experienced sexual assault prior to entering the Academy. Regardless of response, each MIDN 4/C will receive a data sheet identifying available services and points of contact, should they desire to use them. This information will provide the SAPR Office and chain-of-command with real-time data on MIDN 4/C who admit experiencing pre-service incidents, as well as provide the Class of 2017 information they can use to access services discreetly.

Navy is sensitive to the fact that asking explicit questions regarding sexual assault could lead to re-victimization of an applicant, which is something that should be carefully avoided. DOD is currently conducting a review of the applicant accessions process as one aspect of the 2013 DOD SAPR Strategic Plan released by the Secretary of Defense on May 6, 2013.

COMMAND CLIMATE ASSESSMENTS

46. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what percent of your commands conduct command climate assessments?

Mr. MABUS and Admiral GREENERT. Navy: All Commanders are required to conduct a Command Climate Assessment within 90 days of taking command and yearly thereafter. In fiscal year 2012, 90 percent of Navy commands participated in the Defense Equal Opportunity Management Institute Organizational Climate Survey, before the reporting system failed on September 19, 2012. Following the system failure, surveys and reporting continued throughout the year providing complete and accurate assessments to higher headquarters. This online assessment system was restored in January 2013. The DEOCS is just one portion of a Command Climate Assessment (CCA). Echelon II commands are charged with tracking their subordinate command's completion of the CCA. We entrust Commanders to hold their Commanding Officers accountable for 100 percent completion of the CCA.

Marine Corps: 100 percent. All commands are required to conduct climate assessments in accordance with current DOD, Navy, and Marine Corps directives. A new command climate survey will be administered at the battalion/squadron and regimental/group level in the first 30 days of a new commander's tenure and annually thereafter. It is known that at least two other surveys, Defense Equal Opportunity Management Institute, Defense Equal Organizational Climate Survey, and the Ground Climate Assessment Survey, are required in the first 90 days of a new commander's tenure.

General AMOS. 100 percent. All commands are required to conduct climate assessments in accordance with current DOD, Navy, and Marine Corps directives. A new command climate survey will be administered at every battalion/squadron and regimental/group level in the first 30 days of a new commander's tenure and annually thereafter. It is known that at least two other surveys, the Defense Equal Opportunity Management Institute's Defense Equal Organizational Climate Survey and the Ground Climate Assessment Survey, are required in the first 90 days of a new commander's tenure.

47. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what are the Navy/Marine Corps doing to improve the regularity of command climate assessments?

Mr. MABUS and Admiral GREENERT. Navy: Every commanding officer is required to conduct a command climate assessment within 90 days of taking command and annually thereafter. The Navy will continue to track the completion of the Defense Equal Opportunity Management Institute Organizational Climate Survey, by Echelon II command, on a quarterly basis.

Marine Corps: Current changes in the command climate survey requirements will result in commanders surveying their commands within 30 days via the Defense Equal Opportunity Climate Survey, and annually thereafter. Results of the completed surveys will be provided to the next higher level command.

General AMOS. I have instituted a new command climate survey that will be administered at every battalion/squadron and regimental/group level in the first 30 days of a new commander's tenure and annually thereafter. Additionally, two other surveys, the Defense Equal Opportunity Management Institute, Defense Equal Organizational Climate Survey and the Ground Climate Assessment Survey, are required in the first 90 days of a new commander's tenure.

48. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what are you doing to evaluate the results of the command climate assessments to ensure necessary follow-up action?

Mr. MABUS and Admiral GREENERT. Navy: Each ISIC ensures subordinate commanders assess their command climate within 90 days of assuming command with annual follow-up assessments during their command tenure. Every commanding officer is required to provide an executive summary of survey results and any intended actions within 60 days of completing a command climate assessment. The ISIC also ensures necessary follow-up action on the results of command climate assessments. Additionally, we are constantly evaluating what we can do to increase the effectiveness of our leaders in command. A working group has been assigned to evaluate and make recommendations on expanding and reinforcing supervisory command relationships. By identifying potential or ongoing issues early, timely correction is likely to set conditions for a successful command environment.

Marine Corps: The Commandant of the Marine Corps has directed new command climate survey or assessment requirements to be administered within 30 days of a new commander taking command and annually thereafter, in order to continue fostering a positive climate within each Marine Corps unit. The survey covers a spectrum of personnel issues and will be closely integrated with ongoing efforts focused on reducing all behavior-related offenses. The results of the surveys will be measured in order to obtain accurate knowledge on the health of each command. To assure accountability, the results of the surveys will be briefed to the next higher headquarters. The Commandant's intent is to provide commanding officers with the necessary tools to identify high-risk behaviors and positively act on behalf of the health of their commands.

General AMOS. I directed our new command climate surveys to be administered within 30 days of a new commander taking command and annually thereafter, in order to continue fostering a positive climate within each Marine Corps unit. The survey covers a spectrum of personnel issues and will be closely integrated with ongoing efforts focused on reducing all behavior-related offenses. The results of the surveys will be measured in order to obtain accurate knowledge on the health of each command. To assure accountability, the results of the surveys will be briefed to the next higher headquarters. My intent is to provide commanding officers with the necessary tools to identify high-risk behaviors and positively act on behalf of the health of their commands.

FEDERAL VOTING ASSISTANCE PROGRAM

49. Senator INHOFE. Secretary Mabus, what is your assessment of the performance of the Navy's Federal Voting Assistance Program (FVAP)?

Mr. MABUS. The Navy's Voting Assistance Program (VAP) has performed above-and-beyond expectations; the program has met and surpassed requirements and complies with the full intent of the law. The program rapidly established all of the Installation Voter Assistance Offices required by law in the Military and Overseas Voter Empowerment (MOVE) Act, maintains a worldwide network of over 1,200 Voting Assistance Officers, and provides innovative support and outreach to voters.

I concur with the assessment of both the Navy Inspector General and the DOD Inspector General in their 2012 assessment of VAPs that the Navy VAP is both compliant and effective. This assessment is also supported by the FVAP's annual report to Congress that was written after a DMDC survey of a wide range of stakeholders—including servicemembers, their dependents, and Voting Assistance Officers.

50. Senator INHOFE. Secretary Mabus, what Navy-specific initiatives have you implemented to improve compliance with FVAP and to maximize the opportunity for servicemembers to exercise their right to vote?

Mr. MABUS. The Navy VAP engaged in a number of initiatives to ensure that it was fully compliant with the FVAP and provide better-than-ever service to absentee voters. Efforts included:

- The full implementation of the MOVE Act by establishing an Installation Voting Assistance (IVA) Office at every Navy Installation. IVA Offices submit quarterly reports detailing their assistance to voters. They also conducted a wide range of awareness and outreach activities leading up to the 2012 election on key emphasis dates coordinated by FVAP.
- The engagement of senior leadership through three NAVADMINs, Flag and SES Rhumb Lines, and MCPON newsletters.
- Strengthening of command level VAPs through publishing of the 2012 Navy Voting Action Plan and Voting Assistance Toolkit that allowed Voting Assistance Officers every resource needed.
- Innovative marketing and awareness initiatives to include the distribution of over 25,000 brochures and pocket reference cards, 5,000 posters, base newspaper articles, voter registration drives, public service announcements played at base movie theaters, and Facebook marketing.
- Voter and Voting Officer training including a redesigned training curriculum for recruits at boot camp, the roll-out of interactive Navy Knowledge Online courses for Voting Officers, and numerous workshops and assist visits to Installation Voter Assistance Offices.

The Navy took a holistic approach to ensure that voters were aware of elections and their rights and afforded every opportunity to register and vote absentee.

OPERATIONAL TEMPO

51. Senator INHOFE. Secretary Mabus, what is your assessment of the Navy's operational tempo (OPTEMPO) reporting and how well are we meeting our operational tempo requirements to reduce stress on our servicemembers and their families?

Mr. MABUS. Navy has a good, robust mechanism in place to ensure accurate reporting of its units' OPTEMPO and is in the process of revising the instruction by which it governs the reporting of OPTEMPO to increase reporting efficiency. In addition, every effort is made to limit OPTEMPO violations to only emergent requirements.

Through the second quarter of fiscal year 2013, OPTEMPO violations are down 31 percent from fiscal year 2012. This decrease shows a marked improvement over the previous year, even as sequestration limits Navy's capacity to meet all combatant commander demands.

LANGUAGE AND CULTURE TRAINING

52. Senator INHOFE. Secretary Mabus, military members with language and culture training are essential to a U.S. global force. The National Defense Authorization Act for Fiscal Year 2013 authorized the Secretary of Defense to transform the National Language Service Corps (NLSC) from a pilot program to a permanent program, and also to enhance the ability of our Federal agencies to hire people with

strategic foreign language skills and as National Security Education Program awardees. What are the Navy's goals with respect to the capabilities represented by the NLSCs?

Mr. MABUS. Marine Corps - The Marine Corps recognizes the valuable service provided by the NLSC. In fact, Marine Corps units have employed NLSC services on several occasions for operational and exercise support and foreign language instruction. As a matter of practice, however, the Marine Corps will seek assistance from the NLSC only after all internal Marine Corps options to satisfy language requirements could not be met through organic Service capabilities. For this reason, the Marine Corps has not set any specific parameters or goals for the employment of NLSC services. Rather, the Marine Corps requests NLSC assistance on an ad hoc basis similar to other language resources, including the National Virtual Translation Center. The Marine Corps has implemented several programs to increase foreign language capacity and capability within its uniformed and civilian workforce, to include the Regional, Culture and Language Familiarization program for Career Marines; expanding the Foreign Area Officer program; and the creation of a Foreign Area Specialist program for senior enlisted Marines.

Navy - Navy recognizes the broad range of language and culture capabilities provided by the NLSC, and finds particular value in their ability to satisfy short notice requirements. Navy has utilized NLSC resources for both standard fleet operations and humanitarian missions. NLSC personnel have served as interpreters/translators for multinational maritime exercises when service personnel either were not available or non-existent for the task.

In the future, Navy plans to formalize its process for filling ad hoc requests for language, regional expertise, and culture (LREC) support. To that end, and similar to Navy's employment of the National Virtual Translation Center, the NLSC will be included as an option when organic assets are unavailable or nonexistent. Therefore, the intent is not to establish explicit, quantifiable goals for usage. Navy will continue to train its own assets based on identified, validated, and documented requirements. For ad hoc LREC support requests, Navy will try to use sailors first and will consider other government options afterwards. Navy is pursuing several initiatives to enhance LREC capability within its force, but it is neither reasonable nor fiscally sound to invest in LREC training and sustainment to meet all contingency needs. Navy plans to coordinate as necessary with the Defense Language and National Security Education Office on any policies, procedures, or business practices to improve or better utilize the NLSC.

MARKETING AND ADVERTISING

53. Senator INHOFE. Secretary Mabus, one effect of sequestration was that DOD quickly moved to end the Services' advertising, marketing, and outreach programs that have been used to aid in recruiting. What is your assessment of the value of funding these programs, and the projected impact to recruiting, if these programs are not funded?

Mr. MABUS. Navy currently has an annual accession mission of over 45,000 officer and enlisted sailors with potential recruits dispersed throughout the country. Recruiting quality individuals is the first step in ensuring that we have intelligent, capable, high-quality people in the future force. Paid advertising, marketing, and outreach are critical components in our efforts to attain the proper recruiting mix. Working together to inform the American public of opportunities available in the Navy, they collectively communicate efficient and effective messages that favorably impact recruiting mission and contribute to end strength attainment in support of national security objectives. Further reduction in marketing, advertising, and outreach efforts and resourcing would clearly present challenges to future accession goal attainment.

Specific impacts to recruiting are measured through leads and contracts with direct linkage to advertising efforts. In fiscal year 2008, 44.7 percent of Navy accessions (20,218 contracts) originated from advertising efforts. The national unemployment rate at that time was 5.2 percent. As the unemployment rate declines, recruiters will need more assistance from advertising-generated leads to meet accession goals. With current levels of unemployment, 22.64 percent of contracts (9,810) come from advertising. These are direct effects and do not account for the indirect effects that advertising has on influencing and reinforcing the joining behavior of our market.

Outreach programs, including Navy Weeks and Blue Angel appearances, allow the American public to directly interact with Navy representatives and afford them opportunities to observe examples of the technology and equipment sailors use in the

daily performance of their duties around the world. These interactions prompt them to consider military service.

The value in funding paid advertising and participating in outreach events is derived from end strength requirements. Joint Advertising and Marketing Research Studies (JAMRS) indicate that 53 percent of armed forces accessions come from youth who, when asked if they would consider joining the military, had previously indicated “definitely not” or “probably not”. Additionally, approximately 74 percent of high quality applicants indicated they initiated first contact with a recruiter. Advertising, marketing, and outreach events serve to drive these initial interactions by creating awareness and a positive image of the Navy and its career opportunities.

Marine Corps: In fiscal year 2012, 99.9 percent of Marine Corps recruits were high school graduates and 74.8 percent scored in the upper half of the written military entrance exam. The quality of our applicants is higher than ever before. A critical requirement to continued success is our recruit advertising program. Our advertising program is used both strategically and tactically to deliver branded communications to support Marines on recruiting duty, generate leads, and create positive awareness that engages our prospect and influencer audiences. In total, recruiting a quality and representative force costs less than 1 percent of the Marine Corps’ overall budget. Recruiter success is inextricably linked to operational and advertising support. Advertising creates awareness and drives consideration to serve in the military—it produces leads. Advertising leads enable recruiters to efficiently focus their prospecting activities. Advertising dollars currently generate approximately 25 percent of all new contracts (enlisted) through numerous avenues, such as television commercials, enhanced area canvassing activities, and social media outlets. A further loss of funding to advertising will ultimately lead to increased stress and reduced quality-of-life for Marine Corps Recruiters, most of whom currently work in excess of 60 hours per week. If advertising spending is cut back too much when recruiting is strong, potential long-term gain in awareness and propensity may be lost. The dramatic advertising cutbacks between 1986 and 1993 coincided with a considerable erosion of public awareness regarding military service.

INTEGRATED ELECTRONIC HEALTH RECORD

54. Senator INHOFE. Secretary Mabus, DOD and VA have been working on an integrated electronic health record (EHR) for a number of years with very little progress being made towards a truly seamless transition of health information between the two Departments. In January 2013, VA decided to use VistA, its legacy system, as its core health record, despite the findings of a recent study commissioned by the VA that identified many VistA deficiencies. We’ve been told that DOD has been evaluating existing solutions to determine the appropriate core health record to use. Has DOD coordinated its proposed EHR program with the Navy?

Mr. MABUS. Yes. DOD has coordinated with the Navy while analyzing and determining requirements for a proposed EHR program. Our work with DOD continues and we have participated in the review of the Request for Information submissions which were publicly released on February 8, 2013.

I fully support the Secretary of Defense’s strategy to acquire best value and sustainable health information technology while ensuring interoperability with the VA.

55. Senator INHOFE. Secretary Mabus, how much will it cost for the Navy to field a new EHR?

Mr. MABUS. The Services do not provide funding to this effort as all funding is centrally managed through the DOD/VA Interagency Program Office (IPO), the organization responsible for oversight and coordination of DOD/VA information-sharing initiatives. In conjunction with DOD, we remain focused on tri-service planning for the joint deployment of an integrated EHR which achieves maximum economies of scale, standardization of the business process of healthcare among the Services, and interoperability with the VA.

56. Senator INHOFE. Secretary Mabus, what impact do you anticipate for the Navy’s medical readiness?

Mr. MABUS. A new integrated EHR should enhance our ability to assess medical readiness for our sailors and marines. While information can currently be viewed via the Bidirectional Health Information Exchange, a single integrated EHR will afford expanded access to the source of that health information; permitting quicker assessment and care coordination among healthcare providers. This capability will

improve the continuity of care and further support our priority of promoting and protecting the health of our sailors and marines—anywhere, anytime.

57. Senator INHOFE. Secretary Mabus, do you believe the EHR must be deployable?

Mr. MABUS. It is critical that the integrated EHR be deployable to support the Navy-Marine Corps operational mission. Our force is forward deployed and spends significant portions of their careers deployed and underway. A key feature of the integrated EHR is the ability to continue to document medical care in times of low or no network connectivity, and then synchronize data once a connection is restored so it is available for future use. To that end, the integrated EHR will provide one system permitting both the inputting of data and the visibility of that data throughout the continuum of care—from the initial point of injury, through care at a military treatment facility, and onto the VA treatment facility.

Documenting healthcare in the deployed environment will enhance the accuracy of the medical history for our sailors and marines, which is important to ensuring they receive the right healthcare at the right time. Well-documented healthcare is also critical for use in determining future disability assessments and benefits determination.

58. Senator INHOFE. Secretary Mabus, what input has the Navy had on the EHR program?

Mr. MABUS. Navy Medicine is working closely with DOD, the other Services, and the Veterans Health Administration. Our subject matter experts work on the Capability Integrated Project Teams, Clinical Informatics Teams, and Enterprise Architecture Teams, as well as assist with the requirements generation process. In addition, the Navy Surgeon General is a non-voting member of the DOD Integrated Program Office Advisory Board which is responsible for integrated EHR governance.

We recognize the challenges associated with this ambitious project and fully support the Secretary of Defense's strategy to acquire best value and sustainable health information technology while ensuring interoperability with the VA.

BENEFITS FOR SAME-SEX PARTNERS

59. Senator INHOFE. Secretary Mabus, recently, former Secretary of Defense Panetta announced that DOD will expand benefits to unmarried same-sex domestic partners who declare a committed relationship, but will not extend those same benefits to unmarried heterosexual domestic partners. Do you agree with former Secretary Panetta, that when it comes to benefits paid for by hard-working American taxpayers, that DOD should favor same-sex domestic partners over heterosexual partners?

Mr. MABUS. The Navy is committed to supporting the requirements and priorities as determined by the Secretary of Defense. Heterosexual couples, if they so choose, have the opportunity in every State to get married, and their marriage is recognized by Federal law. The Navy is committed to working with the Office of the Secretary of Defense to best ensure that all who volunteer to serve our Nation in uniform are treated with dignity, respect, and fairness regardless of their sexual orientation, and to taking care of all of our servicemembers and their families, to the extent allowable under law.

60. Senator INHOFE. Secretary Mabus, was the Navy consulted to determine the cost impact of extending these benefits to same-sex partners?

Mr. MABUS. Yes, the Navy was included among the representatives in the DOD working group established by the Secretary of Defense which, among other things, was to determine the cost impact of extending certain benefits to same-sex domestic partners of servicemembers and their children. Following the Supreme Court decision that found unconstitutional the section of the Defense of Marriage Act that, for Federal purposes, defines "marriage" as a legal union between one man and one woman, DOD is reviewing the process to make benefits available to all military spouses regardless of sexual orientation. The Department of the Navy is committed to ensuring all servicemembers and their families are treated with equality and respect under current law and regulation.

TOTAL FORCE MIX

61. Senator INHOFE. Admiral Greenert and General Amos, General Dempsey said in his testimony last week that DOD needs flexibility to keep the force in balance

and that everything must be on the table, including the mix among Active, Reserve, and National Guard units. In view of the heavy wartime demand on the forces, including the Reserve and the National Guard, what do you envision as a viable option to change that force mix for the Navy/Marine Corps?

Admiral GREENERT. Navy's fiscal year 2014 budget request, based on a comprehensive review of applicable strategies and guidance, provides Navy with the optimal Active and Reserve component mix to meet current operational demands and respond to future contingencies. This mix is predicated on the assumption that Overseas Contingency Operations (OCO) demand for Individual Augmentation by Navy personnel will continue to decline, and that the Reserve component will retain the capacity to source requirements and provide strategic depth in several capability areas. This approach enables the Active component to man our ships, submarines, squadrons, and other operational units and meet the demands for naval presence as outlined in the Global Force Management Allocation Plan.

General AMOS. The Marine Corps needs to remain at its current Active component to Reserve component proportionality, which is an Active component of 182,000 and a Reserve component of 39,600. We have analyzed this force mix over the course of two dedicated working groups, Force Structure Review Group 2010 and Force Optimization Review Group 2012. From those reviews we determined that this force mix is required to meet service level Title 10 responsibilities as a forward deployed force in readiness and the operational requirements levied on the Marine Corps by the combatant commands.

MILITARY COMPENSATION

62. Senator INHOFE. Secretary Mabus, our Nation's historical experience of pursuing cost savings by cutting military compensation has demonstrated that periods of designed reduction in overall compensation levels resulted in retention problems. Those retention problems, especially in the context of generally improving civilian employment opportunities, meant that Congress was required to come back and authorize catch-up increases to help us keep the highly trained talents and skills that we need. What is your assessment of the impact of the President's proposed slowdown in military compensation on retention and recruiting in your Service?

Mr. MABUS. Military compensation is highly competitive today, and the President's proposed slowdown in base pay growth is not likely to cause recruiting or retention problems in the near term, provided recruiting bonuses and retention pays are preserved. The most recent Quadrennial Review of Military Compensation reported enlisted members were paid at the 90th percentile and officers were paid at the 83rd percentile relative to private sector counterparts with comparable education and experience. Just 13 years ago, both officer and enlisted personnel in some pay grades were below the 70th percentile benchmark, and DOD made deliberate investments in military pay to meet that threshold. With the modest increases in the pay table as proposed in the President's budget, servicemembers will still realize sizable pay increases through promotions and longevity. Even without any increases in the pay table, a typical new enlisted servicemember would realize approximately an 80 percent increase in base pay over 5 years. In the current fiscal environment, there is room to slow down base pay growth, thereby helping to mitigate further cuts to force structure, readiness, and modernization.

FAMILY SUPPORT PROGRAMS

63. Senator INHOFE. Secretary Mabus, General Dempsey testified last week that unsustainable costs and smaller budgets require DOD to examine every warrior and family support program to make sure we are getting the best return on our investment. How do you assess the investments our Nation has already made in family support programs, and suicide prevention in particular, in moving the needle with demonstrable positive return on investment?

Mr. MABUS. The Navy and Marine Corps continually evaluate the effectiveness of their programs to ensure the needs of our sailors, marines, and their families are being met. Assessment and research efforts help identify program deficiencies, program best practices, and satisfaction. This insight enables the Navy to adjust internal programming and accurately direct external support to best serve sailors, marines, and their families.

The Navy actively participates in the Defense Suicide Prevention Office's (DSPO) program evaluation initiative. DSPO is conducting an analysis of the Services and the Office of the Secretary of Defense (OSD) Suicide Prevention programs in order

to align and integrate programs, resources, policy, and strategy. The analytical method being utilized has the following three components:

- (1) Strategic Coverage: Navy is supporting efforts to align and analyze suicide prevention programs to assess whether there are gaps in addressing the overall OSD suicide prevention strategic objectives.
- (2) Resource Allocation & Analysis: OSD and the Services are conducting a review of suicide prevention programs to determine full costing of requirements/level of effort, funding amounts, and potential shortfalls. This review includes examining program duplication and analysis of alternatives in an effort to reduce costs without significant negative impact.
- (3) Program/Portfolio Effectiveness: The DSPO recently completed an effort to establish a common framework and understanding of measures of effectiveness (MOEs), and ground rules, for suicide prevention programs. The Services and OSD are examining MOEs and performance measures. This analysis will be used to realign existing program resources and ensure that highly-ranked suicide prevention programs are implemented across all of the Military Services.

TUITION ASSISTANCE PROGRAM

64. Senator INHOFE. Secretary Mabus, I am pleased to learn that DOD has now reinstated the Tuition Assistance Program, previously cancelled by the Army, Marine Corps, and Air Force in response to the administration's failure to plan for sequestration. How does the Tuition Assistance Program enable your Active-Duty Forces to meet the professional development requirements described by General Dempsey to establish the Profession of Arms as the foundation for the joint force?

Mr. MABUS. The requirements described by General Dempsey relate to incorporating lessons learned from our 21st century wars into the development of our future leaders. While such requirements are foundational to our service academies and military graduate institutions, they are not necessarily a systematic element of Tuition Assistance (TA), an entirely voluntary off-duty program.

Despite these differences, the Department of the Navy considers many aspects of voluntary education to be fully as supportive of General Dempsey's professional development aims as our formal institutions. For example, the critical thinking, problem solving in complex environments, and communications skills obtained through voluntary education can be as effective as those learned at a Service Academy. The Department of the Navy believes that TA can contribute to morale, retention, and innovation.

SUICIDE PREVENTION

65. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, our force is exceptionally well-trained on suicide awareness and prevention, and yet we still experience the tragedy of suicide at an unacceptably high rate. What is your assessment on whether the current level of training and leadership engagement is sufficient or whether it has inadvertently created a climate in which some vulnerable individuals may have contemplated suicide because we talk about it so much?

Mr. MABUS and Admiral GREENERT. The American Society of Suicidology emphasizes that discussing suicide does not cause someone to become suicidal. In fact, experts are in near universal agreement that open discussion is an important factor in suicide prevention. Additionally, the U.S. Surgeon General's 2012 National Strategy for Suicide Prevention recommends emphasis on resiliency in training, messaging, and communications, as well as clinical practice guidelines. Within the Navy, operational stress control training teaches skills that build resilience, navigate stress and identify resources that reduce risk of crises. By helping our servicemembers develop life skills and promote comprehensive wellness—physical health, nutrition, fitness, proper rest, sound financial decisions, strong relationships, and spirituality—suicide risk factors are reduced without explicitly discussing the subject. Navy's training is designed to foster meaningful discussion of stress and proactive ways to mitigate it and instill awareness of stress injury warning signs for those having trouble navigating through challenges.

Our strategic and tactical communications products provide best practices on how to discuss stress injuries to help servicemembers avoid risk of suicide. Adapted from the national suicide prevention resource center's recommendations, these Navy branded products are not only useful to guide training, but encourage leaders to engage in meaningful dialogue with their servicemembers, reinforcing the message that, "It's okay to speak up when you're down." Finally, unit leadership engagement is critical to enable servicemembers to move beyond decades of negative psycho-

logical health perceptions and barriers, and to seek the help needed to remain resilient and operationally ready. The Navy is confident that both the training strategy and leadership commitment to engage all aspects of suicide prevention will provide servicemembers and their families with the necessary tools to choose life.

General AMOS. The Marine Corps continually evaluates the effectiveness of its suicide prevention training and makes periodic updates to incorporate the latest evidence-based practices. Our evaluation includes partnering with Federal agencies, academia, and private industry in cooperation with Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury to study the effectiveness of our suicide prevention training.

To ensure that we do not inadvertently create a climate that promulgates suicide, the Marine Corps adheres to the latest recommendations for suicide reporting and prevention, which includes offering hope and avoids talks about the act. We do not discuss suicide methods and avoid portraying dramatic images. Discussing suicide carefully can correct myths and encourage those who are vulnerable or at risk to seek help.

COMPENSATION AND ENTITLEMENTS

66. Senator INHOFE. Admiral Greenert, in your written testimony, you stated that “if the lower discretionary budget caps of the Budget Control Act (BCA) are retained, we will evaluate options to reduce personnel and personnel costs, including compensation and entitlements.” What compensation and entitlements will the Navy reduce if you are not given relief from the BCA caps?

Admiral GREENERT. Options to reduce personnel costs are still being evaluated through multiple venues including the OSD-led Strategic Choices and Management Review, the Military Compensation and Retirement Modernization Commission, and the fiscal year 2015 budget process.

The most significant aspects of military compensation and entitlements such as basic pay, housing allowances, subsistence allowances, and medical and retirement benefits are non-discretionary at the Service level. Elements of personnel costs that are discretionary at the Service level include some special and incentive pays, permanent change of station moves, the rate at which we promote or advance personnel, and the total number of personnel in the Navy.

SAFE EXAMS

67. Senator INHOFE. Admiral Greenert, in your written testimony, you stated that “all our Military Treatment Facilities (MTF) and operational settings will be able to perform SAFEs by the end of this fiscal year.” It is disturbing to learn that there may be some MTFs in the Navy’s inventory that still cannot perform SAFE. Can you explain why some MTFs cannot currently perform SAFE?

Admiral GREENERT. Previously, both DOD and Navy BUMED policy indicated that SAFEs could be provided at MTFs or at local civilian facilities via local Memoranda of Understanding (MOUs). While the DOD instruction continues to offer the alternative of MOUs with local civilian facilities, BUMED Instruction 6310.11A (SAPR Medical-Forensic Program) has been revised and directs the establishment of MTF capability to provide SAFEs. BUMED is monitoring implementation and this requirement will be met by September 30, 2013. All Navy MTFs outside of the CONUS currently offer examinations on-site.

FUNDS FOR OVERSEAS CONTINGENCY OPERATIONS

68. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, will the OCO request for 2014 include funds to address the fiscal year 2013 problems in both the OCO and the base budget for readiness shortfalls?

Mr. MABUS and Admiral GREENERT. The fiscal year 2014 OCO President’s budget amendment does not address any fiscal year 2013 OCO or base budget readiness shortfalls for the Navy. The Navy fiscal year 2014 President’s budget amendment includes incremental costs to sustain operations, manpower, equipment, and infrastructure repair, as well as equipment replacement due to wartime operations. The request supports the responsible drawdown of forces in Afghanistan, including costs to retrograde equipment, repair, and replacement of equipment to reset the Navy, and combat support costs. The fiscal year 2014 OCO President’s budget request is \$11.2 billion, a reduction of \$3.0 billion from the fiscal year 2013 OCO President’s budget request.

General AMOS. The Marine Corps' fiscal year 2014 OCO request does not include funds to address readiness shortfalls from fiscal year 2013. The passing of H.R. 933 enabled the Marine Corps to meet near-term readiness commitments for deployed and next-to-deploy forces and continue to rebalance to the Pacific including the Marine Rotational Force Darwin and our Unit Deployment Program. While we are capable of meeting near-term readiness commitments in fiscal year 2013, we have taken risk in our long-term infrastructure sustainment and the unit readiness of our home station units as a result of sequestration. We cannot continue to sustain these levels of reductions in fiscal year 2014 without impacting our non-deployed operational forces stationed at home. As such, the Marine Corps requests congressional support for the fiscal year 2014 President's budget request.

MILITARY READINESS

69. Senator INHOFE. Admiral Greenert and General Amos, I am interested in knowing about readiness reporting requirements through the quarterly readiness reports. Are the reports useful to you in planning? If not, why not?

Admiral GREENERT. The Quarterly Readiness Report to Congress (QRRC) helps inform our fundamental analysis of current readiness and readiness trends and is useful to Navy's planning process. The QRRC information is also evaluated in concert with the real time readiness reporting by individual units and group commanders, the narrative reporting by our Fleet and Naval Component Commanders, and in support of assessments of the Joint force readiness. The resulting comprehensive readiness analysis is used to inform our decision-making processes across the full range of Navy man, train, and equip responsibilities.

General AMOS. The information contained in the DOD QRRC is principally constructed to report military readiness to Congress per section 482, title 10, U.S.C. Some of the information in the QRRC, particularly that pertaining to the Chairman's Joint Force Readiness Review and Joint Combat Capability Assessment, reflect the Marine Corps' inputs for Joint planning, readiness reporting, and risk assessments. Those inputs are useful both for Service planning and Joint Force planning.

70. Senator INHOFE. Admiral Greenert and General Amos, what systems do you use internally to track readiness trends?

Admiral GREENERT. Navy uses a variety of databases and a business intelligence tool to mine readiness trends. The Navy Readiness Reporting Enterprise (NRRE) database is the primary system through which Navy manages a series of subsystems that collect readiness information. The most significant of these subsystems is the Defense Readiness Reporting System-Navy. To increase the breadth of information available for readiness analysis, data is also collected from other systems outside the NRRE. One example is the Maintenance Figure of Merit database, which provides access to the material condition readiness of ships.

To ensure Navy headquarters is aware of and able to address Fleet readiness concerns, U.S. Fleet Forces Command publishes a quarterly Integrated Fleet Readiness Report (IFRR). The IFRR integrates Fleet platform operational availability and readiness production metrics from a wide range of sources to identify emerging problems, track leading indicators, and allocate resources most effectively.

General AMOS. The system used by the Marine Corps to track readiness trends is the program of record Defense Readiness Reporting System-Marine Corps (DRRS-MC). Commanders' assessments are inherently part of the DRRS-MC reporting system and provide operational perspective in terms of unit design, mission capability, and readiness.

71. Senator INHOFE. Admiral Greenert and General Amos, do you have suggestions for alternative reporting mechanisms?

Admiral GREENERT. Navy would not recommend establishing alternative reporting mechanisms, although we will support adjustments to current reporting that the Office of the Secretary of Defense and Congress determine should be made.

General AMOS. The Defense Readiness Reporting System (DRRS) enterprise is the readiness reporting system for DOD. The system used by the Marine Corps to track readiness trends is the program of record DRRS-MC. With this readiness reporting system, Commanders' assessments are an inherent part of the reporting process and they provide an operational perspective in terms of a unit's designed mission capability and its readiness to execute those missions. I am satisfied with DRRS-MC's ability to provide an accurate readiness picture and do not have any alternate recommendations.

72. Senator INHOFE. General Amos, will DOD submit a supplemental funding request for fiscal year 2013 if the Marine Corps cannot solve its O&M shortfalls?

General AMOS. The Marine Corps does not intend to submit a supplemental funding request for fiscal year 2013. The passing of H.R. 933 enabled the Marine Corps to meet near-term readiness commitments for deployed and next-to-deploy forces and continue to rebalance to the Pacific including the Marine Rotational Force Darwin and our Unit Deployment Program. While the Marine Corps is capable of meeting near-term readiness commitments in fiscal year 2013, we have taken risk in our long-term infrastructure sustainment and the unit readiness of our home station units as a result of sequestration. We cannot continue to sustain these levels of reductions in fiscal year 2014 without impact to our nondeployed operational units. As such, we request congressional support for the fiscal year 2014 President's budget request.

73. Senator INHOFE. General Amos, if the Marine Corps is fully funded to its request in fiscal year 2014, how long will it take you to restore readiness of the non-deployed forces?

General AMOS. The fiscal year 2014 budget helps put the Marine Corps on a trajectory to fully reconstitute its full spectrum combat capability by fiscal year 2017. If this funding is sequestered, reconstitution of the force will be impacted, delaying indefinitely the complete restoration of our nondeployed operational forces.

The fiscal year 2014 budget continues the transition to a post-Operation Enduring Freedom (OEF) Marine Corps that complies with strategic guidance and fully capable to operate across the range of military operations. This budget invests more in full-spectrum training, which will lead to greater proficiency in amphibious operations and combined arms operations. Moreover, it enables the Marine Corps to maintain its high standards of training, education, leadership, and discipline, while contributing vital capabilities to the joint force in meeting the strategic aims of our Nation. Sequestration would have a direct and negative impact on the achievement of these transitions. Additionally, current readiness remains heavily dependent on OCO funding. While the fiscal year 2014 budget submission explicitly protects the Corps' ability to support current and near-term readiness, the impact of sequestration would exacerbate today's imbalance between current and long-term readiness.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT ORGANIZATION

74. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, the Joint Improvised Explosive Device (IED) Defeat Organization (JIEDDO) was established 7 years ago. Consistent with DOD's inability to audit its finances, GAO has identified a lack of comprehensive visibility over all of DOD's counter-IED efforts external to JIEDDO. We have authorized billions of dollars to JIEDDO to address the counter-IED problem, but it is time to assess the organization. How do you see JIEDDO's mission and organization in the future?

Mr. MABUS and Admiral GREENERT. IEDs remain the largest cause of casualties among U.S. and coalition forces within the CENTCOM AOR. Easy access to commercially available initiating systems and precursor chemicals will continue to make them a weapon of choice among potential adversaries, especially non-state actors. Knowledge of IED materials, tactics, and techniques is easily shared globally among our adversaries, and we must maintain diligence and persistence in our efforts to counter this threat in all of its forms.

JIEDDO was established in February 2006, with the Mission to "Focus (lead, advocate, coordinate) all DOD actions in support of combatant commanders' and their respective Joint Task Forces' efforts to defeat IEDs as weapons of strategic influence." This mission was enabled by generous support of Congress in appropriating substantial funds to this mission and providing the authorities and flexibility to apply those funds to counter a very agile threat. JIEDDO has largely succeeded in focusing the Department on this threat and many of JIEDDO's initiatives have already transitioned to the Military Services for further development and sustainment. Additionally, for some capability areas, such as Joint Service Explosive Ordinance Disposal, we have had joint coordination and cooperative development structures in place for several decades. The Military Services already execute most of the initiatives sponsored by JIEDDO and as we transition from OEF we are reviewing the proper role of the Services to prepare our forces in this important capability area.

The Department has learned many lessons from the wars of the past decade to include the need for focused leadership and agile responses to emerging threats. As we strive to build and sustain capability to mitigate the threat of IEDs, while also

improving efficiency in light of fiscal constraints, alternative solutions managing this threat, to include counter-IED leadership, advocacy, and coordination role currently provided by JIEDDO, will be considered by the Office of the Secretary of Defense and the Joint Staff.

General AMOS. The fiscal year 2014 budget helps put the Marine Corps on a trajectory to fully reconstitute its full spectrum combat capability by fiscal year 2017. If this funding is sequestered, reconstitution of the force will be impacted, delaying indefinitely the complete restoration of our non-deployed operational forces.

The fiscal year 2014 budget continues the transition to a post-OEF Marine Corps that complies with strategic guidance and fully capable to operate across the range of military operations. This budget invests more in full-spectrum training, which will lead to greater proficiency in amphibious operations and combined arms operations. Moreover, it enables the Marine Corps to maintain its high standards of training, education, leadership, and discipline, while contributing vital capabilities to the joint force in meeting the strategic aims of our Nation. Sequestration would have a direct and negative impact on the achievement of these transitions. Additionally, current readiness remains heavily dependent on OCO funding. While the fiscal year 2014 budget submission explicitly protects the Corps' ability to support current and near-term readiness, the impact of sequestration would exacerbate today's imbalance between current and long-term readiness.

75. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, is it time to integrate JIEDDO into other existing organizations and processes?

Mr. MABUS and Admiral GREENERT. Yes, it is an appropriate time to consider integrating the roles and responsibilities performed by JIEDDO into existing organizations and processes empowered with the requisite authority. Since its inception, JIEDDO has focused on three lines of effort: defeating the device through rapid and agile acquisition efforts; training the joint force; and attacking the IED networks through the integration of operations research and intelligence analysis. Two of these lines of effort clearly fall within the responsibilities of the Military Services to man, train, and equip forces for combatant commander employment, while attacking the network is a shared responsibility among all DOD components and our interagency and coalition partners.

JIEDDO's substantial investments in research, development, acquisition of equipment, and operations analysis and integration have been successful. There is no doubt that the substantial and flexible Joint IED Defeat Fund that Congress provided to help us mitigate this threat has saved many lives as well as catalyzed awareness of, and focus on, this threat throughout the Department. We are now better equipped to understand the IED threat and the strategies to mitigate it than we were at the beginning of these wars. As the resources that enabled JIEDDO's reach are no longer fiscally tenable, however, the Military Services must effectively execute our Title 10 responsibilities within available funding.

We have experience in successfully executing joint programs through common management structures such as the Navy's role as Executive Agent and Single Manager for Counter Radio-Controlled IED (RCIED) Electronic Warfare (CREW) under DOD Directive 5101.14 (CREW Executive Agent and Single Manager will transfer to the Army by 2014), and the Navy's role as the Single Manager for DOD Explosive Ordnance Disposal (EOD) Technology and Training under DOD Directive 5160.62. Such experience will inform how the Department chooses to manage this joint capability area while balancing resources to maintain the freedom of maneuver necessary to support our National Security Strategy.

Obviously, no Service has budgeted to assume all of the responsibilities currently executed with OCO funding by JIEDDO. Continuation of these efforts will require supplemental funding, or will require offsets from other budgeted priorities. Risks associated with any disestablishment of JIEDDO will be most tangible in the operations integration efforts to include the sharing of IED forensics, biometrics, targeting, and exploited intelligence on adversary tactics, techniques, and procedures (TTP) and IED devices' flow of precursor materials and countering the acquisition, manufacture, and use of commercial, military, or homemade explosives. Additionally, JIEDDO's coordinating role with the interagency and coalition partners would have to be assumed by another DOD component with the requisite authority to execute this task. The transition of these functions and its timing must be carefully planned, coordinated, and funded to preserve our knowledge and to sustain our momentum against the IED threat.

General AMOS. The Marine Corps recommends that JIEDDO remain as the joint organization responsible for synergizing and integrating counter-IED capabilities for DOD.

There are significant risks in eliminating JIEDDO and requiring other existing DOD organizations or individual Services to assume counter-IED responsibilities. Without a single responsible organization, DOD would experience a reduced ability to coordinate multi-Service responses to joint urgent and emergent requirements as well as reduced visibility on whether joint requirements are fulfilled. Additionally, requiring individual Services to pursue separate counter-IED efforts allows the potential for fragmentation, duplication, and overlap. Ultimately, without a single coordinating organization, DOD's capability to anticipate and develop responses to new threats would be significantly reduced.

76. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, how do we gain more visibility into what DOD is doing in all aspects of counter-IED?

Mr. MABUS and Admiral GREENERT. Counter-IED is a very broad area that spans multiple communities and components. It is possible to share information and collaborate on initiatives through appropriate joint structures. For example, Joint Explosive Ordnance Disposal technology and training and ground-based CREW technology have been delegated to the Navy and through management structures established by DOD directives 5101.14 and 5160.62. The Navy communicates and coordinates with JIEDDO and other DOD components to ensure visibility across all stakeholders. The CREW Executive Agent and Single Manager will transfer from the Navy to the Army by 2014.

In the case of counter-IED, JIEDDO's responsibilities and organization are defined in DOD Directive 2000.19E. JIEDDO's mission states "JIEDDO shall focus (lead, advocate, coordinate) all DOD actions in support of the combatant commanders' and their respective Joint Task Forces' efforts to defeat IEDs as weapons of strategic influence."

JIEDDO, by direction of the Secretary of Defense, remains the Joint authority for DOD counter-IED efforts and is the appropriate source for insight and information for DOD counter-IED efforts.

General AMOS. The most effective way to provide better visibility on all aspects of counter-IED is to ensure a single DOD organization responsible for synchronizing and integrating counter-IED capabilities, requirements, and responses continue to robustly support combatant commanders and the Services. A streamlined, efficient JIEDDO, responsible for the standardization, rapid resourcing, and integration of joint counter-IED efforts would be appropriately poised to respond to all inquiries with answers informed by regular interaction with the Services.

77. Senator INHOFE. Secretary Mabus, Admiral Greenert, and General Amos, what actions are you taking to support a strong and viable organic and commercial industrial base?

Mr. MABUS and Admiral GREENERT. We continue to support many counter-IED science and technology initiatives through the Office of Naval Research, Naval Research Laboratories, federally Funded Research and Development Centers, University Affiliated Research Centers, and Navy systems commands and their many geographically dispersed warfare centers. We are also teamed with many industry partners involved in the development, manufacture, fielding, and sustainment of counter-IED technology. Today, most of our acquisition programs employ open architecture designs, facilitate regular communication with industry on challenges and opportunities, and negotiate for appropriate government data rights. These practices allow greater alignment with the industrial base, afford opportunities for small business involvement, and reduce system costs through increased competition.

General AMOS. The Marine Corps fully supports Secretary Mabus and the five acquisition principles he outlined in 2010 for the Department of the Navy: Clearly identify requirements; Raise the bar on performance; Rebuild the acquisition workforce; Make every dollar count; and Support the industrial base. The Marine Corps supports a strong and viable organic and industrial base via open competition, early communication, and targeted efforts.

The Marine Corps acquisition commands procure material solutions based on validated requirements from Marine Corps and DOD leadership. To support a strong industrial base, the Marine Corps regularly communicates future requirements with industry via Advanced Planning Briefs to Industry, Requests for Information, Sources Sought Announcements, and Requests for Quotes and Proposals through the various government points of entry. These include FEDBIZOPPS, SeaPort-e, GSA Schedule, Small Business Innovation Research, and Small Business Technology Transfer solicitations. These communications provide industry with permissible information to support their internal planning and focused research so they can position themselves to efficiently and effectively support future government acquisitions.

As acquisition programs mature, the Marine Corps continues to actively engage and communicate its programmatic intentions, technical priorities, and future plans in a number of forums. The Marine Corps participates in a wide range of events, such as the annual Modern Day Marine Exposition that included the Small Business Pavilion which highlights the capabilities and technology solutions of the small business contractor community. Another event that offers engagement with industry is the biennial Advanced Planning Briefing to Industry. The Marine Corps engages in these Industry Days, where many individual Marine Corps ground programs of offices meet with industry throughout the year, giving them an opportunity to meet with our acquisition professionals on potential solutions. In addition, the Marine Corps recognizes the potential capabilities, innovations, and technology solutions that small businesses can offer. The Marine Corps has an Office of Small Business Programs (OSBP) that is involved in small business and industry outreach events on a weekly basis. The OSBP participates in local and national small business outreach events, performing business matchmaking at many of those events, to match the capabilities of small businesses with Marine Corps requirements. Such events provide great venues for industry to stay abreast of opportunities with the Marine Corps acquisition community and for the Marine Corps to learn from industry about potential solutions.

RADIOS

78. Senator INHOFE. Admiral Greenert, how many proprietary, sole source radios has the Marine Corps and Navy procured over the last 4 years? Please provide a breakdown by year, the number of radios, and the funding associated with these radios.

Admiral GREENERT. The following is a breakdown of single-source digital modular radio (DMR) and portable radio program (PRP) by year:

	2009 (1 June- Dec 31)	2010 (1 Jan-Dec 31)	2011 (1 Jan-Dec 31)	2012 (1 Jan-Dec 31)	2013 (1 Jan - May 31)*	Total
DMR QTY	0	72	0	53	0	125
DMR \$	0	\$50,614,992	0	\$33,744,729	0	\$84,359,721
PRP QTY	261	2182	3276	3237	None Sole Source	8,956
PRP \$	\$ 8,080,792	\$ 27,483,663	\$ 49,364,334	\$ 37,310,148	None Sole Source	\$122,238,937
Grand Total Radios Qty						9,081
Grand Total Radios \$						206,598,658

*FY13 DMR procurement award anticipated for end of June/beginning of July 2013.

The Marine Corps has not purchased any radios via sole source contracting action in the timeframe requested.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

OHIO-CLASS SUBMARINE REPLACEMENT PROGRAM COMMITMENT

79. Senator CHAMBLISS. Secretary Mabus and Admiral Greenert, during a February 28, 2013, hearing concerning the nomination of Mr. Alan Estevez to be the Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics, I asked Mr. Estevez if DOD is dedicated to recapitalizing the Ballistic Missile Submarine (SSBN) force so it continues to be the Nation's most survivable nuclear deterrence capability, which he replied with concurrence. Mr. Estevez assured that DOD would fund a SSBN force of 12 to meet U.S. Strategic Command's (STRATCOM) strategic deterrence requirements. With fiscal uncertainty and the administration not taking sequestration into account for budgeting, I am wary that this program will not be delivered on time, resulting in a lapse of coverage in our nuclear triad. The President's budget has caused a 2-year shift to construction and delivery of the replacements. Mr. Estevez committed that the Navy would be monitoring closely. Are you committed to ensuring that the Navy commits its resources to seeing the timely fruition of the new *Ohio*-class submarine replacement?

Mr. MABUS and Admiral GREENERT. Strategic deterrence remains a national imperative. The SSBN force is the most reliable and survivable leg of the U.S. nuclear triad. The *Ohio* Replacement SSBN is one of the Navy's top three acquisition priorities. Under the current fiscal year 2014 budget submission, research and development for the *Ohio* Replacement SSBN is fully funded and on schedule. However,

continuing sequestration or a Continuing Resolution presents the greatest risk to program execution and affordability.

To cover both the SSBN(X) program as well as other shipbuilding programs, year-ly shipbuilding expenditures during the mid-term (2024–2033) planning period will need to average about \$19.3 billion per year. This is nearly \$3 billion more per year than in the near-term planning period (2014–2023), and nearly \$6 billion more per year than past steady-state funding levels.

The shipbuilding plan assumes the average recurring affordability target for the 2nd through 12th SSBN(X)s will be \$5.9 billion per submarine in fiscal year 2013 dollars. The SSBN(X) Milestone A Acquisition Decision Memorandum established an even lower affordability target of \$4.9 billion per ship in fiscal year 2010 dollars. The Navy is working to reduce the cost of the submarines and conducts affordability reviews to monitor program efforts in achieving affordability targets.

80. Senator CHAMBLISS. Admiral Greenert, please explain your plan to integrate the replacement of SSBN(X) into the fleet while removing the old *Ohio*-class submarine while ensuring there are at least two SSBNs at sea for nuclear deterrence.

Admiral GREENERT. The *Ohio*-class SSBNs will begin to decommission at a rate of one per year in 2027 after a proposed and planned life extension from 30 to 42 years. Consistent with the DSG, in our fiscal year 2013 budget submission we proposed delaying the *Ohio* replacement program by 2 years. This delay will result in an SSBN force of 10 ships in the 2030s adequate to meet the requirement, but will require a high state of readiness to meet the Nation's strategic deterrence needs. The key to ensuring we maintain the required number of SSBNs at sea to meet strategic requirements is for construction of the lead *Ohio* replacement SSBN to commence on time in fiscal year 2021 and complete per plan. This ensures that *Ohio* replacement SSBNs will enter fleet service starting in fiscal year 2031 at the rate of one per year to replace the retiring *Ohio*-class.

81. Senator CHAMBLISS. Secretary Mabus, will your current fiscal year 2014 budget request for the SSBN(X) replacement program be sufficient to keep the program on schedule?

Mr. MABUS. Yes, the fiscal year 2014 President's budget request is sufficient to keep the *Ohio* replacement program on schedule. The *Ohio* replacement SSBN is one of the Navy's top three acquisition priorities. However, continuing sequestration or a Continuing Resolution presents the greatest risk to program execution and affordability.

F-35 JOINT STRIKE FIGHTER

82. Senator CHAMBLISS. Secretary Mabus, the Joint Strike Fighter (JSF) is an imperative part of continuing our air superiority in these dangerous and uncertain times. As former Secretary of Defense Panetta commented on the F-35, "this 5th generation fighter . . . is absolutely vital to maintaining our air superiority. And it will enable the kind of vital operations we need in anti-access environments." He went onto to say that DOD is committed to the development of the F-35. The Navy's aircraft procurement reflects multiple purchases of the F-35 in the upcoming years. Are you committed to ensuring that the F-35 remains an integral part of the warfighting capabilities of the Navy?

Mr. MABUS. The Navy remains committed to the F-35C and will leverage its 5th generation capabilities to ensure mission effectiveness in anti-access/area-denied environments. The F-35C will provide a significant additive value when brought to bear as a fully integrated asset in the future Navy carrier air wing.

83. Senator CHAMBLISS. Secretary Mabus, will the current fiscal year 2014 and other projected fiscal years of JSF procurement be sufficient to incorporate the fifth generation fighter to replace the aging F-18s that are currently in the Navy fleet?

Mr. MABUS. The fiscal year 2014 F-35C procurement profile is sufficient to replace the aging F/A-18s that are currently in the Navy fleet. The current transition plan calls for a one-for-one replacement of an F/A-18C/D squadron by an F-35 squadron. Under the current program of record, the first F-35C squadron is scheduled to replace the first F/A-18C/D squadron starting in 2016. At projected procurement rates, the entire F/A-18C/D fleet will be replaced by 2026.

QUESTIONS SUBMITTED BY SENATOR ROGER F. WICKER

AMPHIBIOUS SHIPS

84. Senator WICKER. General Amos, in your written testimony you express concern that the number of amphibious ships currently available represents the minimal number you feel is acceptable. You note that current numbers allow the Marine Corps to meet combatant commander's requirements, but with significant risk. Would the addition of a 12th *San Antonio*-class Landing Platform Dock to the fleet be of use to the Marine Corps?

General AMOS. Yes. The *San Antonio*-class LPD is extremely versatile and serves as the replacement for four classes of older ships: LKA, LST, LSD-36, and LPD-4. Nine of the 11 authorized and approved ships of this class have been delivered to the Navy. The utility of this class was best demonstrated by USS *Mesa Verde* (LPD-19) as she recently returned after 19 months of deployed operation over a 25 month period.

Based on the expeditionary requirements of a 2.0 MEB assault echelon force, as long as 30 operationally available ships are maintained, the Navy can meet assault echelon requirements with some risk. The current planned mix of amphibious ships is 11 LHA/LHDs, 11 LPDs, and 11 LSDs. It is important to note that each additional LPD-17 that is procured today could reduce the total number of ships required to replace the aging LSD-41/49 class. LX(R) is the planned LSD replacement program and is currently undergoing an Analysis of Alternatives.

Today, the Amphibious Force Structure stands at 30 ships, which includes 9 LHD/LHAs, 9 LPDs, and 12 LSDs.

85. Senator WICKER. Admiral Greenert and General Amos, I am concerned with the recent trends towards the acquisition of non-military shipping as a substitute for combat-ready amphibious warships. Commercial-grade ships have the potential to save costs when used as intra-theater lift in a benign environment. However, the robust anti-access/area-denial capabilities being developed by regional threats, such as Iran and North Korea, indicate that commercial-grade ships would not survive in the event of conflict. To this end, I believe that the Navy must continue to procure combat-survivable amphibious shipping. While cost savings should be sought in the adoption of commercial-grade standards where doing so will not negatively affect the safety of the ship and crew, the emphasis must remain on ensuring our amphibious ships are built to fight and survive. Do you agree regarding the need to continue to build amphibious ships that are meant to operate and survive in a multi-threat combat environment?

Admiral GREENERT. The Navy is committed to building amphibious ships that mitigate the capability gaps that are created when ships in the inventory reach their expected service lives. The starting point for a new warship design is based on capability gaps and the associated requirements. Proven hull forms are evaluated along with other ship alternatives in an Analysis of Alternatives in accordance with DOD Instruction 5000.02, Operation of the Defense Acquisition System. In executing a thorough Analysis of Alternatives, commercial, military, and tailored specification design concepts are studied. Each option is analyzed on the basis of capability, suitability, survivability, and cost.

General AMOS. It is critically important for our Nation to maintain a robust amphibious warship capability that enables the Nation to gain access regardless of the threat environment. Amphibious warships operate forward to support allies, respond to crises, deter potential adversaries, and provide the Nation's best means of projecting sustainable power ashore. They also provide the best means for providing humanitarian assistance and disaster relief. Expeditionary forces comprised of sailors, marines, and amphibious warships provide the ability to rapidly and decisively respond to global crises without a permanent footprint ashore that would place unnecessary political or logistic burdens upon our allies or potential partners. There are two main drivers of the amphibious warship requirement: maintaining persistent forward presence, which enables both engagement and crisis response, and delivering the assault echelons of up to two Marine Expeditionary Brigades (MEB) for joint forcible entry operations.

Marines will continue to enhance our ability to operate from any available platform, but we believe combat missions require combat capable warships with its supporting echelon/sustainment platforms.

86. Senator WICKER. Admiral Greenert, would you agree that the starting point for new warship design should be on a proven, combat-capable hull form that can be modified according to need and cost-constraints?

Admiral GREENERT. The starting point for a new warship design is based on capability gaps and the associated requirements. Proven hull forms are evaluated along with other ship alternatives in an Analysis of Alternatives in accordance with DOD Instruction 5000.02, Operation of the Defense Acquisition System. In executing a thorough Analysis of Alternatives, commercial, military, and tailored specification design concepts are studied. Each option is analyzed on the basis of capability, suitability, survivability, and cost.

STABILIZING THE SHIPBUILDING INDUSTRIAL BASE

87. Senator WICKER. Secretary Mabus, in your written testimony, you discuss at length the need to maintain a robust and healthy shipbuilding industrial base. In my discussions with industry leaders, they expressed to me their concerns with the unsteady nature of the contract work they perform for the Navy and the difficulties that stem from the shipbuilding acquisition program. Because of the feast or famine nature of the Navy's shipbuilding process, companies are challenged to find steady work for their highly-skilled employees to ensure they do not lose them to other industries. Once these employees leave an industry or region, they are unlikely to return. Such losses have the potential to cripple or bankrupt a major shipbuilding company. Additionally, the lack of consistency that characterizes the acquisition and contracting system currently in place has a ripple effect on 2nd- and 3rd-tier producers. While the major companies can generally survive short periods in which they are not building a ship, smaller companies that produce components or provide materials are often forced out of business. This uncertainty increases costs to the Navy and the taxpayers in the near-term, and contributes to the gradual erosion of the industrial base in the long-term. Do you agree that it is in the best interest of the Navy and the shipbuilding industry to establish a more consistent, predictable method of contracting and paying for ship construction?

Mr. MABUS. The Navy agrees that stability and affordability are key to obtaining the objectives of the shipbuilding plan and improving the health of the industrial base. Over the past several years, the Navy has placed a priority on increasing shipbuilding rates and providing stability for the shipbuilding industrial base. On September 11, 2001, the U.S. Navy had 316 ships. By 2008, after one of the largest military buildups in our Nation's history, that number was 278. In 2008, the Navy put only three ships under contract, far too few to maintain the size of the fleet or our industrial base, and many of our shipbuilding programs were over budget, behind schedule, or both. One of my main priorities as Secretary has been to reverse those trends. Today, the Fleet has stabilized and problems in most of our shipbuilding programs have been corrected or arrested. We have 53 ships under contract today, 47 of which were contracted since I took office, and our current shipbuilding plan puts us on track for 300 ships in the fleet by 2019. Stability translates into retention of skilled labor, improved material purchasing and workforce and financial planning, strong learning curve performance, and the ability for industry to invest in facility improvements; all resulting in more efficient ship construction and a more affordable shipbuilding program. The past *Virginia*-class and DDG-51-class Multi-Year Procurements (MYPs), the DDG-1000 Swap/DDG-51 Restart Agreement, the LCS dual block buy, the MLP procurement, the continuation of CVN-78-class procurements on constant 5-year centers, and the heel-to-toe CVN RCOH induction-to-delivery cycle have provided critical stable workload for our shipyards and their respective vendor bases. The approved upcoming *Virginia*-class MYP and just awarded DDG-51-class MYP will help to further stabilize the submarine and surface combatant industrial base through this decade. Likewise, the funding requested to procure a fourth MLP, and to configure MLP-3 and MLP-4 as AFSBs will also provide for much-needed workload within the auxiliary shipbuilding sector.

The strategy going forward continues to center upon improving affordability. To this end, in addition to the emphasis on stability discussed above, the Navy has established affordability requirements and invested in Design for Affordability for future ship programs; mandating use of open systems design; leveraging competition at every opportunity in shipbuilding and weapons systems production; employing fixed-price contracts to control cost for ships and weapon systems in production; imposing strict criteria limiting disruptive change to contracts; investing in industry-wide manufacturing process improvements through the National Shipbuilding Research Program; and incentivizing capital investment in facilities where warranted.

The fiscal year 2014 President's budget request for fiscal years 201 to 2018 requests 41 ships. Of these 41 ships, 25 ships are part of stable DDG-51 or SSN-774 MYPs or the LCS block buy contracts, and 11 ships are part of ongoing shipbuilding construction programs.

The Navy believes continued use of multi-year and block buy procurements provide the best means of ensuring stability and predictability within the industry with respect to workload and financial planning. The greatest risk to the industrial base is associated with budget uncertainty, particularly the disruption and inefficiency caused by sequestration, delayed authorization and appropriations, and the looming budgetary challenges. The Navy will continue to aggressively pursue the mutual objectives of improving the affordability of our shipbuilding program and increasing the strength of our shipbuilding industrial base, and is committed to working closely with Congress on these efforts.

88. Senator WICKER. Secretary Mabus, would you agree to funding contracts on a multi-year basis, rather than a year-per-year basis?

Mr. MABUS. New ship construction is typically procured using Shipbuilding and Conversion, Navy (SCN) appropriation funding which provides multiple year budget authority that is available for obligation for 5 years. With few exceptions, the Navy typically requests to fully fund an entire ship in the year of authorization/appropriation. In cases where there is a requirement for advance procurement (AP) funds, which typically is associated with the need to order long lead time material or to achieve economic order quantity discounts, the Navy will request AP funds in the year(s) preceding a ship's full funding request. With respect to aircraft carriers, large deck amphibious ships, and submarines, in addition to AP funds, the Navy will request to incrementally or split fund the balance of the ship, in order to avoid large spikes in the budget request for the years that these capital ships are authorized and appropriated.

In instances where the ship class design is mature and production is proven and stable, the Navy believes continued use of multiyear and block buy procurements provide the best means of ensuring stability and predictability within the industry with respect to workload and financial planning. The fiscal year 2014 President's budget request for fiscal years 2014 to 2018 requests 41 ships. Of these 41 ships, 25 ships are part of stable DDG-51 or SSN 774 multi-year procurements or the LCS block buy contracts. The greatest risk to the industrial base is associated with budget uncertainty, particularly the disruption and inefficiency caused by sequestration, delayed authorization and appropriations, and the looming budgetary challenges. The Navy will continue to aggressively pursue the mutual objectives of improving the affordability of our shipbuilding program and increasing the strength of our shipbuilding industrial base, and is committed to working closely with Congress on these efforts.

TRANSITION FOR VETERANS TO CIVILIAN LIFE

89. Senator WICKER. Secretary Mabus, Admiral Greenert, and General Amos, in your written testimonies, each of you discuss the importance of readying our sailors and marines for their eventual transitions to civilian life. I am very concerned about the current unemployment rate for veterans. I applaud the steps you are taking to improve the TAP, especially the development of a more tailored and targeted curriculum for individuals. Even with these improvements, I remain concerned that we are sending our youngest sailors and marines, those in the 18- to 24-year-old demographic, into the world unprepared to face a struggling economy and a job market into which their skills do not readily translate. Of special concern to me are those sailors and marines whose military occupations and skills do not translate well to well-paying civilian occupations. Do you share my concerns with regards to the high rate of unemployment among our youngest veterans?

Mr. MABUS and Admiral GREENERT. The Department of the Navy shares your concerns regarding the unemployment rate of young veterans, and we continually monitor the factors that may contribute to their unemployment. What is unknown is the duration of their unemployed status. In many cases, this may be attributed to a short-term transition phase as veterans enter the job market for the civilian workforce. Since this is an unavoidable circumstance, our goal is that transition programs positively improve the career readiness of separating servicemembers, and limit the amount of time they are unemployed.

While the unemployment rate of veterans, particularly young veterans, remains unacceptably high, the notion that new veterans have a more difficult time finding employment than similar civilians who have recently left their jobs is not supported by employment data. The Department of the Navy has just begun to analyze unemployment compensation data to understand the duration of veteran unemployment and any patterns across military occupations. In many cases, young veterans are sought after as highly skilled and disciplined employees. Therefore, the TAP pro-

gram has implemented the Military Occupational Code (MOC) Crosswalk which facilitates sailors and marines translating their military skills, training, and experience into credentialing appropriate for civilian jobs. Upon completing this module, servicemembers will have a file documenting their military career experience and skills; translation of their military occupation experience to civilian sector skills; and identification of gaps in their training and/or experience that need to be filled to meet their personal career goals. Further, this documentation will be a mandatory Career Readiness Standard that must be reviewed and verified prior to separation.

General AMOS. The Marine Corps shares your concerns about veteran unemployment. It is vital that we meet the needs of our marines who transition from service. In March 2012, we implemented the new Transition Readiness Seminar (TRS) to maximize the transition-readiness of all servicemembers. In accordance with the Veterans Opportunity to Work (VOW) to Hire Heroes Act, TRS revolutionized our approach to meet the individual goals of each marine as he or she transitions to the next phase in their life. The seminar is a week-long program which includes a mandatory standardized core curriculum and also provides four well-defined military-civilian pathways: (1) College/Education/University, (2) Career/Technical Training, (3) Employment, or (4) Entrepreneurial. Each pathway has associated resources and additional tools to better prepare our veteran marines. An essential feature of the TRS is that it allows marines to choose and receive transition information and education in line with each marine's future goals and objectives.

90. Senator WICKER. Secretary Mabus, Admiral Greenert, and General Amos, how is the Navy tracking the post-military employment of this demographic?

Mr. MABUS and Admiral GREENERT. Once the DD214 is issued, the Department of the Navy no longer has the ability or statutory authority to track post-military employment of separated servicemembers. The Department has, however, begun an effort to analyze unemployment compensation payments to our recent veterans. When completed, this may give us insight into both the duration of veteran unemployment and any differences across demographic groups or military occupations.

General AMOS. The Marine Corps does not have metrics to track post-military employment, however we remain concerned with the overall veteran employment picture. As marines separate, we provide them with contact information for the VA and the Department of Labor (DOL) service locations closest to their post-military homes. These executive branch agencies have the mission of providing veteran and employment services.

91. Senator WICKER. Secretary Mabus, Admiral Greenert, and General Amos, what additional opportunities do you see for improving the employment rates for these individuals?

Mr. MABUS and Admiral GREENERT. Although there are many factors that impact the employment status of a veteran, the Navy and Marine Corps are fully committed to improving the career preparedness and employability of sailors and marines. To that end, the Navy and Marine Corps are planning to implement the "Military Life Cycle" transition model. This proactive approach makes meeting future career goals a priority at the start and throughout a servicemember's military career. This process aligns military career development with the servicemember's personal post separation goals resulting in better preparation for civilian career opportunities.

General AMOS. Returning quality citizens from military service remains a key responsibility that I take very seriously. Our TRS maximizes the transition-readiness of all of our marines who are preparing to leave Active Duty. As such, we encourage our marines to explore the four well-defined military-civilian pathways: (1) College/Education/University, (2) Career/Technical Training, (3) Employment, or (4) Entrepreneurial. Each pathway has associated resources and additional tools to better prepare our veteran marines.

In addition, the DOL and the VA both have a myriad of programs to assist veterans with employment. Together, we encourage employers to hire our marines leaving Active Duty service.

QUESTIONS SUBMITTED BY SENATOR KELLY A. AYOTTE

OHIO-CLASS SUBMARINE PROGRAM

92. Senator AYOTTE. Admiral Greenert, in your written testimony, you state that: "the Navy will need the means to resource ... the next generation nuclear ballistic

missile submarine.” Why do you believe the Navy needs to build the next generation ballistic missile submarine?

Admiral GREENERT. Our SSBNs are stealthy, reliable, flexible, and persistent, and provide the Nation with an assured second strike capability. The 2010 Nuclear Posture Review confirmed the enduring requirements to maintain a secure and survivable sea-based deterrent. Further, under the New Strategic Arms Reduction Treaty (New START), SSBNs will be responsible for approximately 70 percent of our Nation’s deployed nuclear warheads.

With the *Ohio*-class ballistic missile submarines approaching the end of their unprecedented 42-year service life, it is now necessary for the Navy to recapitalize this vitally important leg of the triad. The next generation ballistic missile submarine will leverage the *Ohio*-class and *Virginia*-class designs, components, and construction best practices. The new SSBN is being designed to employ the highly successful TRIDENT II D-5 life extension missile and associated strategic weapon systems negating the need to simultaneously develop a new missile system. By reducing mid-life maintenance, including the development of a life-of-ship reactor core, a class of 12 submarines will be available to perform the same mission as today’s 14 *Ohio*-class submarines. In addition, this new ballistic missile submarine will incorporate the enhancements in stealth necessary to ensure that it is able to deliver the required survivability against threats expected to emerge well into the 21st century.

93. Senator AYOTTE. Admiral Greenert, why do we need the sea leg of our nuclear triad?

Admiral GREENERT. U.S. strategic deterrence promotes global stability. Deterrence relies on the credible and survivable threat to impose unacceptable consequences to an adversary should he consider an attack against our Homeland. A survivable deterrent retains the ability to conduct an assured retaliatory response even after being attacked. For more than 50 years, the Navy’s ballistic missile submarine force has provided the most survivable leg of the Nation’s strategic nuclear deterrent triad. Our SSBNs are reliable, flexible, and persistent, and provide the Nation with an assured second strike capability. The 2010 Nuclear Posture Review confirmed the enduring requirements to maintain a secure and survivable sea-based deterrent. Further, under the New START, SSBNs will be responsible for approximately 70 percent of our Nation’s deployed nuclear warheads.

94. Senator AYOTTE. Admiral Greenert, why is 12 *Ohio*-class replacement submarines the right number?

Admiral GREENERT. Long term, the Navy needs a minimum of 12 SSBNs to provide a survivable force and meet Commander, STRATCOM, requirements. A force structure of 12 SSBNs provides 10 operational SSBNs during the mid-life refueling overhauls required for each SSBN. Ten operational SSBNs are needed to deploy SSBNs in two oceans, provide continuous presence, and meet targeting and policy constraints. Force structure requirements are not tied to the number of warheads carried by each submarine.

95. Senator AYOTTE. Admiral Greenert, do you oppose any further delay to the *Ohio*-class replacement program? If not, why not?

Admiral GREENERT. I am opposed to any further delay to the *Ohio* replacement program because, based on current plans and programs, it would reduce the total SSBN force structure below the absolute minimum required to provide 10 operational SSBNs during the transition period from the *Ohio*-class to the *Ohio* replacement. This would prevent us from meeting Commander, STRATCOM, at-sea requirements.

Consistent with the DSC, in our fiscal year 2013 budget submission we delayed the *Ohio* replacement program by 2 years. This delay will result in an SSBN force of 10 ships in the 2030s and will require a high state of readiness to meet the Nation’s strategic deterrence needs.

SIZE OF FLEET AND SEQUESTRATION

96. Senator AYOTTE. Admiral Greenert, in the past you have testified that the Navy’s fleet size would drop as low as 230 ships—well below the established fleet size requirement of 306 ships—if sequestration and the associated budget reductions go forward for the entire period—fiscal year 2013 to fiscal 2021. What would be the operational and national security implications of having so few ships and submarines?

Admiral GREENERT. Should the BCA of 2011 discretionary caps remain in place through fiscal year 2021, we will take a deliberate and comprehensive approach to the reduction, based on a reevaluation of the DSG. In doing so, I will endeavor to: (1) ensure our people are properly resourced; (2) protect sufficient current readiness and warfighting capability; (3) sustain some ability to operate forward by continuing to forward base forces in Japan, Spain, Singapore, and Bahrain, and by using rotational crews; and (4) maintain appropriate research and development.

Inevitably, these changes will severely damage our industrial base. Some shipyards will not be able to sustain steady construction or maintenance operations and may close or be inactivated. Aviation depots will reduce their operations or become idle. Aircraft and weapons manufacturers will slow or stop their work entirely. In particular, the small firms that are often the sole source for particular ship and aircraft components will quickly be forced to shut down. Once these companies and their engineers and craftspeople move on to other work, they are hard to reconstitute, sometimes impossible, at a later date when our national security demands it.

The GFMAP represents our covenant with the geographic combatant commanders on how we will match resources to their demand signal. The GFMAP is a primary basis for our Force Structure Assessment and its fleet size requirement of 306 ships.

97. Senator AYOTTE. Admiral Greenert, if we allow sequestration to continue and the Navy is forced to cut our fleet that much, what message would that send to our potential adversaries, as well as to our allies?

Admiral GREENERT. Should the BCA of 2011 discretionary caps remain in place through fiscal year 2021, we will take a deliberate and comprehensive approach to the reduction, based on a reevaluation of the DSG. In doing so, I will endeavor to: (1) ensure our people are properly resourced; (2) protect sufficient current readiness and warfighting capability; (3) sustain some ability to operate forward by continuing to forward base forces in Japan, Spain, Singapore, and Bahrain, and by using rotational crews; and (4) maintain appropriate research and development.

F-35 JOINT STRIKE FIGHTER PROGRAM

98. Senator AYOTTE. Secretary Mabus, why is the F-35 the Marine Corps' number one aviation program?

Mr. MABUS. The Marine Corps will leverage the F-35B's capabilities to ensure our tactical aircraft is able to provide fifth-generation benefits to our ground warriors. The concept is one aircraft, capable of multiple missions, providing the MAGTF with flexible expeditionary basing and superior technology to dominate the fight. The F-35B is the tactical aircraft we need to support our MAGTF from now until the middle of this century. Our requirement for expeditionary tactical aircraft has been demonstrated repeatedly since the inception of Marine Corps aviation for over 100 years. From the expeditionary airfields and agile jeep carriers, to close air support, to forward basing on cratered runways and taxiways throughout Iraq, and strikes from the sea in Libya to today's fight in Afghanistan, our ability to tactically base fixed wing aircraft has been instrumental to our success on the battlefield. Given the threats we will face in the future, the F-35B is clearly the aircraft of choice to meet our expeditionary operating requirements at sea and ashore. It is the interoperability catalyst that optimizes our tactical aircraft effectiveness and will generate unprecedented strategic and operational agility within our MAGTFs to counter a broad spectrum of threats and win in operational scenarios that cannot be addressed by current legacy aircraft.

99. Senator AYOTTE. General Amos, why does the Marine Corps need the F-35B?

General AMOS. Given the threats we will face in the future, the F-35 is the only aircraft capable of meeting our expeditionary operating requirements at sea and ashore. It will generate unprecedented strategic and operational agility within our MAGTF to counter a broad spectrum of threats and capable of dominating in operational scenarios that cannot be addressed by current legacy aircraft. The F-35B is the tactical aircraft required to support our MAGTF for the next 50 years. Our requirement for expeditionary tactical aircraft has been demonstrated repeatedly since the inception of Marine Corps aviation. From the expeditionary airfields and agile jeep carriers of World War II, to close air support in proximity to troops in Korea and Vietnam, to forward basing on cratered runways and taxiways throughout Iraq, strikes from the sea in Libya through to today's fight in Afghanistan, our ability to tactically base fixed wing aircraft in close proximity of our ground forces has been instrumental to our success on the battlefield.

JOINT LAND ATTACK CRUISE MISSILE DEFENSE ELEVATED NETTED SENSOR SYSTEM

100. Senator AYOTTE. Admiral Greenert, working with the Navy's integrated fire control system, how would the Joint Land Attack Cruise Missile Defense Elevated Netted Sensor (JLENS) System help increase the Navy's ability to engage targets despite jamming and long ranges?

Admiral GREENERT. The JLENS system could be networked with Navy surface-based anti-air weapons systems (e.g. AEGIS destroyers or cruisers) to provide an additional, elevated radar that increases surveillance range over the horizon and enables earlier detection and engagement of missiles. This capability was demonstrated at a live-fire event with the Naval Integrated Fire Control-Counter Air System in September 2012 at White Sands Missile Range.

VIRGINIA-CLASS SUBMARINE

101. Senator AYOTTE. Admiral Greenert, how is the *Virginia*-class submarine program performing?

Admiral GREENERT. The *Virginia*-class continues to be a highly successful acquisition program with ships consistently delivering early and within budget. Nine ships have delivered, the last being USS *Mississippi* (SSN-782), delivered 1 year ahead of schedule with a Navy Board of Inspection and Survey (INSURV) rating of green in all 22 areas. The program increased production to two ships per year in fiscal year 2011, starting with the construction of USS *Washington* (SSN-787) in September 2011, with a follow-on multi-year procurement contract for 10 ships in fiscal year 2014 to fiscal year 2018.

Delivered ships are exceeding expectations for operational performance, with five ships already completing successful full length, worldwide deployments: USS *Virginia* (SSN-774), USS *Texas* (SSN-775), USS *Hawaii* (SSN-776), USS *North Carolina* (SSN-777) and USS *New Hampshire* (SSN-778). *Virginia*-class ships are preferentially assigned our most challenging missions and have performed superbly. Specific mission highlights are available at the appropriate classification level.

102. Senator AYOTTE. Admiral Greenert, what is the Navy's requirement for attack submarines?

Admiral GREENERT. Per our 2012 Force Structure Assessment, the Navy's requirement for SSNs is 48.

103. Senator AYOTTE. Admiral Greenert, how will a shortfall in attack submarines impact our undersea strike volume?

Admiral GREENERT. Undersea strike volume will decrease by approximately 63 percent, from today's force, in the 2030 timeframe due to two factors: SSN force structure reductions and SSGN retirement.

The Navy is examining an option to increase strike volume via a payload module inserted into 20 future *Virginia*-class. The *Virginia* Payload Module (VPM) could more than triple the vertical launch capacity in current *Virginia*-class ships, replacing the undersea strike capacity gap created by the retirement of the SSGNs. VPM payload tubes can also be used for other payloads such as Special Operations Forces or unmanned vehicles. The current advanced engineering design work on VPM will enable the Department of the Navy to incorporate VPM in the fiscal year 2019 Block V *Virginia*-class buy.

104. Senator AYOTTE. Admiral Greenert, based on the anticipated shortfall in the number of attack submarines, as well as undersea strike volume, how important is it that Congress provides the resources for the Navy to build two *Virginia*-class submarines each year going forward and that we move forward with the *Virginia*-class payload module?

Admiral GREENERT. Attack submarines provide a unique combination of stealth, persistence, and firepower that complement and enable other joint forces. Continuing to build two *Virginia*-class SSNs per year will minimize the length of time that our SSN force structure is below the validated requirement of 48, and maximize our ability to respond to critical peacetime and wartime tasking.

Undersea strike is an asymmetric capability that assures joint access with capabilities providing additional attack capacity in our submarine force. The VPM could more than triple the vertical launch capacity in current *Virginia*-class ships, replacing the undersea strike capacity gap created by the retirement of the SSGNs. VPM payload tubes can also be used for other payloads such as Special Operations Forces or unmanned vehicles. The current advanced engineering design work on VPM will

enable the Department of the Navy to incorporate VPM in the fiscal year 2019 Block V *Virginia* class buy.

While VPM represents a significant improvement in strike capacity, it comes at a cost. Given the increased costs VPM would introduce in the *Virginia*-class concurrent with our efforts to field the SSBN(X) replacement, it may render VPM unaffordable as we assess the future fiscal impact of sequestration.

NAVY HIRING FREEZE

105. Senator AYOTTE. Secretary Mabus and Admiral Greenert, what impact is the across-the-board civilian hiring freeze having on the Navy, and how will this impact worsen over time?

Mr. MABUS and Admiral GREENERT. The hiring freeze has had a significant negative impact on the Navy and the morale of its employees. Since initiating the hiring freeze, the Navy's ability to hire veterans and wounded warriors has been drastically cut. Veterans account for approximately 57 percent of the Navy's civilian workforce. Since the freeze, the numbers of wounded warriors and disabled veterans brought onboard have dropped. Additionally, the Navy's efforts to build a diverse workforce have been brought to a near standstill.

Prior to the hiring freeze, the Navy led the other Services and exceeded both DOD and OPM targets for hiring reform metrics. These metrics measure time to fill vacancies from beginning to end. Those metrics now are held in abeyance until the Navy can once again aggressively recruit and hire new talent. Hiring reform efforts are part of the Navy's strategy to attract and retain a highly qualified workforce as well as being an employer of choice.

Sustained execution of a hiring freeze will severely hamper the Navy's ability to recruit a skilled and talented workforce capable of executing the Navy's mission. Navy civilians play a critical role in keeping the Navy and Marine Corps team operating forward—the Navy workforce is among the most technical worldwide. More than half of the civilian workforce are engineers, logisticians, mathematicians, scientists, information technology, and acquisition specialists—many with critical certifications and advanced degrees.

The hiring freeze creates critical gaps in the Navy's current readiness as well as into the future. Recently Thomson-Reuters recognized the Navy (along with our sister Service, the Army) as one of the Top 100 Global Innovators—standing alongside such companies as Apple, Google, Yahoo, and Xerox. We will not be able to maintain this level of innovation if the hiring freeze continues.

SEQUESTRATION AND REBALANCE TO THE ASIA-PACIFIC REGION

106. Senator AYOTTE. Secretary Mabus, Admiral Greenert, and General Amos, if sequestration continues into fiscal year 2014, how will it impact the Navy and Marine Corps rebalance to the Asia-Pacific region?

Mr. MABUS and Admiral GREENERT. The fiscal year 2014 President's budget submission is currently being assessed for impacts due to fiscal year 2014 sequestration. Navy is working with the Office of the Secretary of Defense in the SCMR to inform the major decisions that must be made in the decade ahead to preserve and adapt our defense strategy, our force, and our institutions under a range of future budgetary scenarios. In the event sequestration is allowed to occur in 2014, this will compel Navy to again dramatically reduce operations, maintenance, and procurement in fiscal year 2014, preventing us from meeting the fiscal year 2014 GFMAMP. The uncertainty makes it difficult to look long-term at how we should build, train, develop, and posture the future force as we rebalance our effort toward the Asia-Pacific.

General AMOS. We are concerned that sequestration will impose significant impacts to our operational readiness as the effects are occurring in the midst of our planned redistribution of forces in the Pacific. Furthermore, sequestration will negatively reduce our responsiveness and hinder our ability to maintain project power and respond to crises in accordance with combatant commander requirements and timelines. Our rebalance to the Pacific faced a significant challenge with the planned downsizing of the Marine Corps to 182,100. We mitigated this by pacing the reconstitution of the III MEF Unit Deployment Program (UDP) commensurate with our force requirements in the CENTCOM AOR and by accepting the impacts of the downsizing in other commands in favor of sustaining, and in some cases increasing, our III MEF force levels under the distributed laydown. Sequestration will reduce the operational readiness of those Pacific-based forces to conduct their assigned missions. Sequestration will also incur a proportional delay in executing the

facilities and force posture restructuring necessary to achieve the distributed laydown plan, inducing further risk for Marine Corps forces in the Pacific. Extending the already protracted timeline for the distributed laydown increases risk for III MEF due to disruption of operational capabilities during the transition and relocation process.

In addition, sequestration will likely affect Marine Corps participation in Theater Security Cooperation (TSC) events across the Pacific, to include Phase II of the Marine Rotational Force-Darwin (MRF-D), and the III MEF UDP. Phase II incorporates the growth in Australia from a company to battalion sized SPMAGTF. Initial fiscal year 2013/2014 costs related to site preparation for the larger unit, and the costs associated with moving the equipment, agricultural inspections, unit movement, as well as regional TSC strategic-lift expenses are at risk. III MEF UDP is the Marine Corps method to project Marine Corps forces forward in the PACOM AOR and may be affected by sequestration, if funding is unavailable for deployment.

The significant impact to Marine Corps equity in the Pacific due to sequestration is the effect on strategic mobility. Intra-theater lift is a requirement due to the distances in the PACOM AOR. Marine Corps ability to participate in TSC events could be impacted if Navy ships are less available due to maintenance and other forms of intra-theater lift are too expensive. While the Joint High-Speed Vessel (JHSV) is not currently available, sustained sequestration may impact Marine Corps capacity to fund JHSV use when the asset becomes available.

QUESTIONS SUBMITTED BY SENATOR ROY BLUNT

DEFENSE INDUSTRIAL BASE FOR TACTICAL AVIATION

107. Senator BLUNT. Admiral Greenert, last week you testified at a House Armed Services Committee (HASC) hearing expressing your concerns about the strength and capacity of the defense industrial base in its support of the Navy. However, you did not address the defense industrial base for tactical aviation. It has been demonstrated that having competition lowers cost and risk involved in production and operations. In the past, this committee has expressed concern with the Navy's tactical aviation shortfall, with its associated life cycle costs and the risk brought to the carrier aviation forces. During the past several years the Navy has reduced its shortfall figure, in part through managing its carrier fleet tactical inventory, service life extension programs (SLEP) of its legacy aircraft, and procuring new F/A-18E/F Super Hornets. The fiscal year 2014 budget shows that the Navy has not addressed this committee's concerns about cost and risk. The budget shows the F/A-18 line will end domestic production after a final procurement of EA-18G Growler aircraft this year. However, the F-35C variant—the last of the three versions of the JSF aircraft—won't reach operational status until at least 2017 or beyond. One of the ways to mitigate against the risk in that program and the challenges associated with SLEP is to keep the F/A-18 line open for domestic production. As a way to mitigate risk in your tactical aviation inventory, can you discuss the importance of having the F/A-18 line available to support the tactical aviation needs of the Navy?

Admiral GREENERT. The current plan for F/A-18 procurement is for a total of 563 aircraft, with the final procurement in 2013 for delivery in 2015. However, the production line will remain open with the procurement of 21 E/A-18G in fiscal year 2014 with a delivery in 2016. The production line will shut down after this procurement, unless we receive international orders as a result of pending Foreign Military Sales (FMS) offers. We have one partner nation that recently agreed to buy 12 EA-18Gs for delivery in the 2017 timeframe, and are awaiting decisions on two dozen additional aircraft from other nations. These FMS procurements could extend the F/A-18 production line.

We continue to evaluate options to meet our strike fighter requirements, to include possible procurement of additional Super Hornets. The F-35C is a necessary part of our future air wing to enable it to remain relevant against improving anti-access threats. The F-35C will bring C4ISR capabilities and stealth that will complement the capabilities of our F/A-18E/F Super Hornet and EA-18G Growler.

PRODUCTION GAP

108. Senator BLUNT. Admiral Greenert, during these challenging budget times and our heightened national security, are you concerned about a production gap when the Navy can't procure operational tactical aircraft for the carriers?

Admiral GREENERT. Currently, we have both the Boeing line of F/A-18E/Fs and Lockheed Martin F-35C line producing tactical aircraft for our carriers.

Based on the potential for a production gap, Navy is closely monitoring the production lines and continues to evaluate options to meet our strike fighter requirements, to include possible procurement of additional Super Hornets. The current plan for F/A-18E/F procurement is for a total of 563 aircraft, with the final procurement in 2013. However, the production line will remain open with the procurement of 21 EA-18G in fiscal year 2014 for delivery in 2016. The production line will shut down after this procurement, with parts of the production line for the manufacture of long lead items starting to shut down in fiscal year 2014.

The F-35C is a necessary part of our future air wing to enable it to remain relevant against improving anti-access threats. The F-35C will bring C4ISR capabilities and stealth that will complement the capabilities of our F/A-18E/F Super Hornet and EA-18G Growler.

109. Senator BLUNT. Admiral Greenert, you wrote in proceedings earlier this year that weapons payload and standoff ability will be vital to tactical naval aviation in the shift to the Pacific theater. Given this conclusion, the ability to carry different and diverse weapons payloads should be critical in current and future combat aircraft. Last week, the JSF program official testified before this committee that there remains risk in the program's technical and software development that could affect weapons payload. Specifically with respect to the F-35C Navy variant, when will the aircraft reach its Block III F full combat operational capability?

Admiral GREENERT. Navy F-35C IOC shall be declared when the first operational squadron is equipped with 10 aircraft, and Navy personnel are trained, manned, and equipped to conduct assigned missions. Based on the current F-35 JPO schedule, the F-35C will reach the IOC milestone between August 2018 (Objective) and February 2019 (Threshold). Should capability delivery experience changes or delays, this estimate will be revised appropriately.

110. Senator BLUNT. Admiral Greenert, at that point, what weapons payload will it be able to carry in order to meet the goals you described?

Admiral GREENERT. Block 3F for the F-35C will include the following internal and external weapons capability:

Internally there are four weapon stations, two Air-to-Air stations and two mixed usage Air-to-Air/Air-to-Ground stations. The Air-to-Air stations will be capable of carriage and employment of AIM-120 Advanced Medium Range Air-to-Air (AMRAAM) missiles. The mixed usage Air-to-Air/Air-to-Ground stations are also capable of carriage and employment of AIM-120 AMRAAM, as well as GBU-32 and GBU-31 Joint Direct Attack Munition (JDAM), the Joint Standoff Weapon System (JSOW), and GBU-12 laser guided bombs (LGB).

Externally there are seven weapon stations capable of carriage and employment of up to four GBU-12 LGB, two AIM-9X Air-to-Air missiles, and one 25mm gun pod.

111. Senator BLUNT. Admiral Greenert, how does that Block III F weapons payload compare with the current weapons payload profile of the F/A-18E/F Block II Super Hornet?

Admiral GREENERT. F/A-18E/F achieved IOC in 2001 and has expanded its weapons portfolio as the program matured. Today a Block II Super Hornet can deliver a variety of air-to-surface weapons including global positioning system guided bombs such as the JDAM and JSOW, LGBs, and missiles such as the High Speed Anti-radiation Missile (HARM) and Standoff Land Attack Missile-Expanded Response (SLAM-ER). Super Hornet Air-to-Air missiles include the infra-red homing AIM-9X, the semi-active AIM-7 Sparrow, and the active AIM-120B/C Advanced Medium-Range Air-to-Air Missile.

F-35C with Block 3F software and weapons will be able to engage ground targets with the JSOW, JDAM, LGBs, and airborne threats with AIM-9X and AIM-120C. The Department of the Navy will continue to expand the arsenal of F-35C as the program evolves much like the Super Hornet added weapons to its portfolio.

Both F-35C and F/A-18E/F will develop additional payload capabilities to pace threat development. These payloads will include networked, survivable, smart, precision munitions that will be delivered by carrier-launched Super Hornets and JSF, leveraging networked integrated fire control and advanced strike-fighter tactics.

SERVICE LIFE EXTENSION PROGRAM

112. Senator BLUNT. General Amos, this committee has been concerned with the strength of the the Navy's tactical aviation fleet. Specifically, we have questioned

the inventory size and how the Navy planned to mitigate a strike fighter shortfall in the near- and long-term. Last year, the Marine Corps emphasized a SLEP for 150 F/A-18A-D aircraft, which would help bridge to the F-35B. This year, briefings indicate a new inspection regime for aging legacy aircraft. However, you testified before the HASC that government depot-level inspections for tactical aviation are taking far longer than anticipated. You stated that your out-of-reporting aircraft is above 40 percent. I understand that inspections are estimated to be taking at least twice as long as anticipated. The Navy released a Request for Information to the industry on capabilities available to support these depot inspections, in part because there is a backlog of aircraft awaiting inspection. Can you discuss the new inspection and SLEP plan for legacy aircraft and has there been an analysis on the costs and schedule of this new process?

General AMOS. In order to meet our operational commitments through 2030, the Navy plans to extend the life on 150 F/A-18A-D aircraft to 10,000 flight hours by way of the SLEP. All other F/A-18A-D aircraft will complete a high flight hour (HFH) inspection at the depot prior to reaching the current service life limit of 8,000 hours. Once complete, the aircraft will be granted an extension authorization to 9,000 hours with recurring operational level inspections at 200-hour intervals. If completed without additional work requirements, such as regularly scheduled Planned Maintenance Interval (PMI) 1 or 2, Center Barrel Replacement (CBR), or other avionics modifications, then we only require a Stand Alone inspection. Thus far, Navy has completed 102 HFH inspections. In addition to the HFH inspection, each of these aircraft required engineering analysis and follow-on repairs or parts replacements in order to return it to an operational status.

The HFH Stand Alone turn-around time is averaging approximately 1 year. The average cost of this inspection is currently \$447,186, due to the complexity and thoroughness of the inspection. Many of the aircraft inducted into the depot have required extensive repair and there has not been a case where an aircraft only required an inspection which has added to the challenges of attaining the 180-day turn-around goal. The main contributors are material and engineering dispositions, both of which are being closely monitored and standardized to improve throughput. As the nonrecurring engineering (NRE) process continues to develop Engineering Change Proposals (ECP) and associated kits, they will be incorporated into aircraft inducted. This will alleviate long lead material issues and reduce turnaround times at depot.

There has been analysis on the costs and schedule of HFH inspections. 102 HFH inspections have been completed at the Fleet Readiness Centers since 2008 and every year the Naval Air Systems Command 4.2. Cost Team evaluates the cost and schedule based on updated information. The results are then compared to the existing FYDP and adjusted requirements are forwarded up through the budgeting process.

113. Senator BLUNT. General Amos, what percentage of your fleet is out-of-reporting?

General AMOS. The percentage of Marine Corps F/A-18A-D aircraft that are in out-of-reporting status is 45 percent. As of the latest Naval Air Systems Command Flight Hour and Inventory Report (May 2013), 115 of 258 Marine Corps F/A-18A-D aircraft are out-of-reporting for various depot level maintenance events. This constitutes approximately 45 percent (44.57 percent) of the Marine Corps F/A-18 fleet. There is an increasing trend in out-of-reporting over the past year: May 2012 (88 of 245, ~36 percent), September 2012 (102 of 249, ~41 percent).

114. Senator BLUNT. General Amos, what is the average time an aircraft is out-of-reporting to undergo this inspection process?

General AMOS. The HFH Stand Alone inspection (not combined with any other recurring inspection) is averaging approximately 1 year to complete.

115. Senator BLUNT. General Amos, what is the cost of this new inspection and SLEP plan across the FYDP?

General AMOS. The average cost of the HFH Stand Alone inspection is currently \$447,186 with turnaround times averaging 328 to 403 days depending on the depot site.

Fiscal year 2013 HFH inspections and SLEP plan are fully funded. The FYDP costs are shown below.

HFH OMN Budget (in \$M)

Current Budget FY (PB-14)	13	14	15	16	17	18
HFH Inspection Budget (OMN)	\$26.5	\$19.8	\$17.0	\$9.5	\$14.8	\$9.9

SLEP APN-5 Budget (\$636.56M FYDP)*

Current Budget FY (PB-14) \$M	13	14	15	16	17	18
SLEP Budget (APN5 within OSIP 11-99)	\$54.63	\$59.52	\$111.64	\$206.88	\$106.72	\$151.80

*In PB-14, OSIP 11-99 (funding for SLEP/SLMP) was reduced by \$697.28M across the FYDP (Issue # 20025 -\$99.26M & Issue # 62294 -\$598.00M). This equates to a 52% reduction in funding for combined HFH and SLEP in PB-14.

[Whereupon, at 10:57 a.m., the committee adjourned.]