

Statement of Admiral William Houston
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on the

Fiscal Year 2027 President's Budget Request

Before the

Senate Armed Services Committee
Subcommittee on Strategic Forces

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Chair Fischer, Ranking Member King, and distinguished members of the subcommittee, thank you for the opportunity to appear before you today to discuss Naval Reactors' Fiscal Year 2027 (FY27) budget request. This subcommittee's essential support for the mission of the Naval Nuclear Propulsion Program enables the United States' nuclear Navy to maintain and secure the maritime dominance required to defend the nation.

Naval Reactors is committed to a rigorous set of principles and standards of excellence that have ensured the safe, effective operation of the world's foremost nuclear-powered navy for nearly eight decades. The dedicated professionals within the naval nuclear enterprise—at our laboratories, nuclear-capable shipyards, across our industrial base, and Naval Reactors personnel—enable safe and effective execution of the Program's cradle-to-grave responsibilities. I can assure you that our facilities, personnel, and equipment are well-positioned to meet the challenges in today's national security environment. Every day, our Naval Reactors team is providing steadfast support for a globally deployed Navy.

As a lifelong operator of nuclear reactors and in my third year as Director, I can affirm that Naval Reactors is positioned to support the nation's increasing emphasis on nuclear power and an expansion of options to utilize it. Although we are first and foremost focused on naval nuclear propulsion, we are professionally aware and sharing our relevant knowledge and insight with fellow engineers and scientists where feasible.

Naval Reactors values Congressional support and upholds the inherent trust of the American people in all we do. Your historical programmatic support has positioned us well, but we cannot, and will not, rest on existing norms. The Nation demands more of us; we must outpace adversaries, embrace innovation, and maximize the resources provided by the American people to accomplish our mission safely and effectively.

Training remains a cornerstone of Naval Reactors' mission. The Program trains every nuclear operator who serves onboard our nuclear-powered ships. In a process that dates back to Admiral Rickover, I personally interview hundreds of officer candidates seeking to become leaders within the nuclear Navy. I am impressed with the talented and energetic candidates who come from across the United States to pursue this mark of excellence; the future of our nuclear Navy is in their hands. Once in the Fleet, the nuclear power plants entrusted to our military leaders and commanding officers are operating and performing exceptionally well. The combination of willing, capable experts, highly trained operators, state of the art technology and rigorous standards, remains a hallmark of our success.

As the Director, I have emphasized three pillars for the Naval Nuclear Propulsion Program to focus on in the year ahead: our mission, our people, and our foundation. These pillars inform our FY27 budget request to maximize efficiency and effectiveness in executing our mission, support our people, and continue to build on our firm foundation.

Naval Reactors' attentive interest in our personnel assures our continued maritime dominance. Our dedication to the principle that "People, not organizations, get things done" is as important today as it was in the early days of the Cold War when Naval Reactors was charged with getting a U.S. Navy submarine to sea under nuclear power. To stay ahead of competitors, our organizational construct enables and demands constant connection with our Fleet Sailors, public and private shipyards, Navy and Department of Energy civilians, and our Naval Nuclear Laboratory and Bechtel Plant Machinery Incorporated subject matter experts. The cradle-to-grave responsibility to build and maintain the nuclear Navy, operate our dedicated research laboratories, train operators, utilize our critical infrastructure to support the Fleet, and ensure the safe disposition of our used naval nuclear fuel requires constant vigilance. Congressional leadership and resource allocation play a critical role in supporting the people who design, manufacture, and deliver warfighting ships that will power our fleet well into the next century.

The unique, foundational infrastructure we rely on to design, build, maintain, and dispose of the nuclear-powered fleet has served the Nation well for many decades, but is aging and in need of replacement. Facilities that support advanced technology development, new material testing, and innovative designs come with significant costs. Many of our key structures date back to the Program's inception in the late 1940's. In the FY27 request, as in prior years, we have refined and addressed cost and complexity at our sites to make best use of our resources.

Looking forward, our adversaries are ambitious; they understand our strength and seek maritime dominance above and below the surface of global waterways. Our actions today will impact the security and prosperity of our nation for generations, and our supremacy cannot be assumed without resolve. Your full support for our FY27 request ensures that Naval Reactors can continue to safely and effectively execute our mission.

Naval Reactors Overview

This subcommittee's interest in and support for Naval Reactors continues to safeguard maritime dominance and our record of safely operating and maintaining nuclear-powered warships while protecting personnel, the public, and the environment. Tightly focused and transparent regulatory oversight of all aspects of the Program further solidifies trust in Naval Reactors. Recent achievements supported by Congress include the resumption of training at our prototype research and training reactor at the Kesselring Site in New York, following a multi-year refueling overhaul. Also in the last year, we have made substantial progress with the construction and assembly of Columbia-class life-of-ship cores, which are now entering serial production.

While meeting current commitments, we are planning and investing in the future of naval nuclear propulsion by collaborating with DOE and NNSA leadership on uranium enrichment capabilities to meet naval nuclear propulsion requirements into the next century. With support from Congress, recapitalization across all four of our Naval Nuclear Laboratory sites is ongoing. For example, the Expended Core Facility (ECF) in Idaho, in operation for over 60 years is transitioning its capabilities in stages, starting with used fuel management, enabled by the Spent Fuel Handling Recapitalization Project (SFHP) under construction and outlined below. Additional infrastructure recapitalization known as the Naval Examination Acquisition Project (NEAP) is in the detailed design phase and will replace the core examination capability currently conducted at ECF. Finally, as a continuation of our phased approach, maintaining the capability to handle and examine irradiated test specimens remains vital to the Naval Reactors program into the next century.

Columbia-Class Propulsion Plant

The Columbia-class ballistic missile submarine is the Navy's number-one acquisition priority. Research, development, and design for the Columbia-class SSBN began in FY 2010 and construction started in FY 2021. In the FY27 budget, final reactor plant design, fabrication, and safety analysis work will wrap up lead-ship reactor design, concluding over two decades of Department of Energy-funded development of the ship's nuclear power plant. In a critical milestone, all lead-ship reactor plant components, including the life-of-ship core, will be on-site at the ship's production facility in Connecticut this year. Naval Reactors will continue testing of Navy-funded electric drive propulsion systems at the compatibility test facility (CTF) in Philadelphia, Pennsylvania, but the Columbia class nuclear propulsion effort is ready for steady-state production.

Spent Fuel Handling Recapitalization Project (SFHP)

Construction of the Naval Spent Fuel Handling Facility at the Naval Reactors Facility in Idaho is essential to the management of naval used nuclear fuel in support of ongoing

and future aircraft carrier and submarine fleet operations. Near-term milestones include completion of concrete placement for the heavily reinforced used fuel pools and completion of structural steel erection for the main process building. I encourage Members and staff to visit the site to view this project's scale and progress toward completion. Naval Reactors' FY27 request is tied to peak construction activity at the site with tight integration among a number of subcontractors - working in unison to bring the concrete, steel, and facility outfitting elements together. The Program has judiciously reviewed the entire budget request and again identified internal tradeoffs that lessen the burden of this SFHP request. However, full funding support at the requested amount is critical to ensure the project stays on track. We continue to assess the remaining costs and have commissioned independent project reviews to help us validate our planning assumptions and identify actions to improve execution to our cost and schedule baselines. Naval Reactors remains committed to keeping the committee informed on the Project's progress.

Naval Examination Acquisition Project (NEAP)

The Naval Examination Acquisition Project (NEAP) is the second major project at the Naval Reactors Facility in Idaho. NEAP will recapitalize existing reactor core examinations capability out of the aging ECF. Core examinations allow dedicated scientists and engineers to compare actual fleet performance to predictions made earlier in design and production. These examinations serve to validate, improve, and deliver the safe and unrestricted operations designed into every core in a nuclear-powered warship. Without this essential capability and resultant parameters, current fleet operations may be restricted or limited when issues arise. In FY27, the Program will continue detailed design and incorporate lessons learned from the SFHP. The Program will also align with DOE on the timing and sequence of planned DOE infrastructure projects at the Idaho National Laboratory to maximize any synergies. Naval Reactors will keep the Committee informed as we progress through the complex design phase for this vital facility.

Program Direction

Naval Reactors continues to employ a world-class, highly skilled workforce across the naval nuclear propulsion enterprise. Our workforce ensures a human-in-the-loop while utilizing cutting-edge equipment and technology related to nuclear materials, nuclear physics, thermal-hydraulics testing, acoustics, electronics, software development, and systems integration.

The Naval Nuclear Propulsion Program's cohesive team of federal, contracted and military personnel, deliver technical expertise and continuity that are vital to managing a fleet spanning seven warship classes—five submarine classes (Columbia, Virginia, Los Angeles, Seawolf, Ohio) and two aircraft carrier classes (Nimitz, Ford).

Employees at our Headquarters in Washington, D.C., field offices, and around the world supervise, set direction for, and implement the management and operations that

comprise the Naval Nuclear Laboratory and our dedicated development and engineering professionals at Bechtel Plant Machinery Incorporated. It is the combination of government civilian, contractor and military personnel that allows our workforce to optimize collective expertise spanning multiple generations under an aligned career-for-life model.

A prime example of the benefit of this generational expertise is the recent refueling of two Los Angeles-class submarines: the USS Cheyenne and USS Hampton. This task was monumental. The Program had not refueled this class of submarine in nearly 15 years and successfully used reactor cores that had been in storage for several decades. By applying proven principles and deep technical knowledge, our team prepared these vital submarines for additional service, bolstering the nation's attack submarine inventory at a critical time. This success underscores why our human capital strategy remains focused on developing and maturing the unique skills required across all naval nuclear propulsion.

Recruiting, promoting, and retaining top talent in our government civilian and contract workforce requires constant attention and care. The intrinsic value of directly supporting national defense helps to motivate our team, but our experts are in high demand from all areas of the economy. To stay competitive and attract a well-trained, highly qualified workforce is increasingly challenging, and Congressional support for our budget request allows the Program to maximize retention throughout our civilian, military, and contract personnel.

Naval Reactors Development

Significant, deliberate technology investment and resourcing today are the best means for staying on top of our competitors in the naval nuclear propulsion mission. The dedicated Naval Nuclear Laboratories increase operational capability, reduce costs whenever possible, seek to shorten lead times, and tighten construction spans for current and future nuclear-powered warships.

Our first priority is today's fleet of nuclear-powered submarines and aircraft carriers. In 2025, I had the task of leading sea trials on two Virginia-class submarines and, earlier this year, took part in the builder's trial for the soon-to-be-delivered John F. Kennedy (CVN-79). Before these ships get to sea as operational assets, there are decades of DOE-funded research and development activities involved in delivering the most capable, reliable and long-lasting naval reactors. While getting a new ship to sea for acceptance is a significant step, once it is in the Fleet and operating, our laboratories and resident experts promptly record and respond to requests for technical consultation and evaluation throughout that ship's life, in the case of aircraft carriers over 50 years. Rapid resolution of emergent issues and resultant technical guidance dissemination keep our ships mission-ready, safe to operate, and deployable anywhere, anytime. The propulsion and power systems are required to remain online at all times, which does not happen without critical support, years of technical expertise, and a ready, modern,

technical laboratory infrastructure. These items are prioritized and funded within this year's request.

Naval Reactors continues a relentless pursuit of advanced technology development for the next generation of nuclear-powered ships and submarines, and FY27 funding directly supports these efforts. We are advancing reactor core and fuel systems, refining manufacturing methods and inspection techniques, testing next-generation propulsion plant equipment, instrumentation and control systems and sensors, and defining asymmetrical applications of new technologies. I invite you to visit our facilities with your staff, talk with our on-site naval nuclear propulsion experts, and enhance your understanding of how we are delivering these capabilities.

Facilities and Infrastructure – Maintenance, Recapitalization and Operations,

Our facilities, and infrastructure activities are critical to enabling our mission and they support a wide spectrum of Naval Reactors' cradle-to-grave-related maintenance, recapitalization, and operations at our four Naval Nuclear Laboratory sites. Many of the Program's required facilities have performed critical missions in support of the Program since its inception and need to be recapitalized, similar to the rest of the NNSA complex. Our site plans are a time-phased integration of construction, maintenance, and demolition activities and we must increase the pace to replace legacy infrastructure, improve mission effectiveness, meet future Program objectives, and reduce the budget premium being spent for site operating and carrying costs.

Conducting Decontamination and Decommissioning (D&D) of legacy facilities is a critical part of our facilities and infrastructure plan. We have approximately \$7 billion in environmental liabilities, of which a significant portion are inactive facilities and infrastructure that must be removed to deliver future mission capability. Under our established partnership with the Department of Energy Office of Environmental Management (DOE-EM), DOE-EM is working on all four of our sites and their work is crucial to supporting our ongoing recapitalization plans. This year, in Idaho, DOE-EM has returned the site of the former S1W prototype—which supported the development of the USS Nautilus—to Naval Reactors' control after safely, efficiently, and effectively removing the liability in its entirety. Cradle to grave management of the S1W facility in Idaho spanned the 75+ years of the Program and is now complete.

Conclusion

While past maritime dominance reflects the strength of Naval Reactors, it does not guarantee future success. We must continue to innovate, sustain technical expertise, and modernize infrastructure to maintain this edge. Naval nuclear propulsion is an incredibly complex and unforgiving technology. We employ this technology with a constant focus on safe operation across the wide arc of cradle-to-grave responsibilities

and do not take lightly the trust the Nation places in us. Investment in today's fleet and the critical work of NR resident in our FY27 request will continue to draw the Nation's finest leaders and innovators to our program. I cannot express enough appreciation for the historically strong support of Congress for this program.