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SENATE ARMED SERVICES COMMITTEE

STATEMENT OF
THE HONORABLE HUNG CAO
ACTING SECRETARY OF THE NAVY
ON DEPARTMENT OF THE NAVY POSTURE
BEFORE THE
SENATE ARMED SERVICES COMMITTEE
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Introduction

Chairman, Ranking Member, and distinguished Members of the Committee, thank you for the opportunity to testify on the posture of the Department of the Navy and to represent the nearly one million Sailors, Marines, and civilians who comprise our great organization. Our services have maintained the watch for 250 years, and I am proud of the professionalism, resilience, and performance these men and women have displayed while carrying the burden of defending the homeland, humanitarian assistance and disaster relief, deterrence combat operations. They exemplify the President's directive of peace through strength.

Almost one year ago, I testified before the Senate that we have been facing the biggest threat since the Cold War. While we were fighting terrorists in the desert, Chinese influence spread across the globe and Iran continued their support of proxy networks and continued to pursue a nuclear program. Our adversaries share the strategic objective of challenging and diminishing the role of the United States and our interests across the globe. One thing that will stand in their way: our Navy and Marine Corps team. The Department of the Navy remains America's 911 force, capable of providing response forces and combat power wherever it is needed, whether as a carrier strike group, a Marine Air Ground Task Force, or any number of tailored force packages.

In alignment with the 2026 National Defense Strategy, the Department of the Navy will provide the military strength for the President's vision by setting conditions for a balance of power in the Indo-Pacific that allows all of us—the United States, China, and others in the region—to enjoy a decent peace. However, our Navy and Marine Corps teams will be prepared to form a strong denial defense along the First Island Chain and to conduct devastating strikes against targets anywhere in the world, including directly from the U.S. Homeland, thereby providing the President with second-to-none operational flexibility and agility. Our maritime service will continue to prioritize strengthening incentives for allies and partners to take primary responsibility for their own defense in Europe, the Middle East, and on the Korean Peninsula, with critical but limited support from U.S. forces. At the same time, we will seek to make it as easy as possible for allies and partners to take on a greater share of the burden of our collective

defense, including through close collaboration on force and operational planning and working closely to bolster their forces' readiness for key missions.

The Department of the Navy is decisively moving towards implementing the President's new Maritime Golden Age strategy by building a resilient workforce and strengthening alliances that advance our strategic position and shipbuilding industrial capacity. Our Navy is actively investing in the Maritime Industrial Base (MIB) to enable faster construction of ships and other critical infrastructure. Additionally, our military requires a Defense Industrial Base (DIB) that produces, delivers, and sustains critical munitions, systems, and platforms. Our readiness, lethality, range, and survivability are directly linked to the DIB's ability to securely develop, field, sustain, resupply, and transport the equipment and materiel that affords us our warfighting advantage. Specifically for the Navy, submarine production will increase, reflecting the service's prioritization in bolstering our organic sustainment capabilities, growing nontraditional vendors, and partnering with traditional DIB vendors.

The Department's Fiscal Year (FY) 2027 budget request is a \$377.5 billion strategic investment which represents a \$70.9 billion increase, and a more than 23 percent growth over FY26—and signals a clear commitment to the Golden Fleet Initiative, modernization, and readiness. More importantly, this request reflects a shift toward sustained, long-term investment in naval power. This budget request combines \$338.7 billion in discretionary funding and \$38.8 billion in mandatory funding to align resources with operational demand and industrial reality. The request prioritizes the following funding lines:

- Procurement: +45.1% - expanding capacity and accelerating delivery
- Operations and Maintenance: +19.8% - restoring readiness and availability
- Military Construction: +13.6% - rebuilding the infrastructure behind the Fleet
- Military Personnel: +4.8% - investing in our Sailors and Marines
- Research and Development: +4.5% - sustaining our technological edge

Our investments today will set the theater to enhance our ability to maneuver and sustain combat power, even under persistent surveillance and long-range threats. These capabilities ensure our warriors can operate at the speed demanded by modern warfare. Modernization continues to gain momentum, shifting from experimentation to fielding, with a focus on precision fires, air defense, unmanned systems, resilient command and control, and electromagnetic warfare. These advances, along with disciplined resource management and

sustained investment in the maritime service will reinforce our commitment to readiness and ensure unmatched lethality.

My current focus of effort is on restoring processes and ensuring your Department of the Navy remains a premier warfighting organization. We will be transparent and honest, working to ensure that both our people and our institution are handled with care. The Department of the Navy's enduring priorities are clear:

- **Take Care of Sailors and Marines**
- **Advance Shipbuilding Initiatives**
- **Defend Our Homeland**

Taking Care of America's Sons and Daughters

I have a fundamental belief that investment in our people will lead to an increase in readiness, improve retention and recruitment, and will ultimately enable our service's ability to support national objectives while strengthening deterrence in critical regions. Our Department of the Navy is investing in safe, modern housing and leveraging authorities to ensure every Sailor has access to clean, comfortable, and secure living conditions. A key element to this is to provide quality government-owned Unaccompanied Housing (UH) for our service members through focused improvement of the current conditions of UH, addressing new concerns, utilizing best management practices, and producing a sustainable inventory enterprise-wide. The Department of the Navy, with guidance from the Barracks Task Force (BTF), is empowering the installations to address quick actions to improve barracks conditions that do not meet the clean, comfortable, and safe which was the target for the Secretary of War.

Furthermore, the Navy received \$375M and the Marine Corps \$350M from the One Big Beautiful Bill Act (OBBBA) for restoration and modernization for barracks/UH improvements. The BTF is working to improve quality of life in the barracks.

Our maritime service is actively addressing the impact the nationwide childcare staffing crisis has had on our Sailors through a robust set of initiatives: improving compensation with updated pay structures, offering recruitment incentives, and providing enhanced training. Staff childcare discounts are a powerful retention tool, helping us keep qualified professionals. The Navy is also extending childcare capacity beyond the gate by maximizing the Military Child

Care in Your Neighborhood program. This fee assistance program provides immediate relief in areas with the longest waitlists by empowering families to access quality, vetted civilian childcare, turning a community resource into a force multiplier. Our message remains clear and consistent: readiness depends on strong families and a strong Fleet. Navy Child and Youth Programs deliver affordable, high- quality child and youth services.

Today's demanding environment and the needs of modern-day Sailors and Marines require improvements in Quality of Service across the enterprise. Providing Sailors and Marines with reliable connectivity ensures the Navy maintains a well-supported and connected fighting force by increasing access to training and education opportunities and expanding access to support networks. Enhanced Quality of Service initiatives positively impact Fleet morale, readiness, and retention and will strengthen the credibility of our Navy. One initiative is to provide free and subsidized high-bandwidth Wi-Fi access for Sailors and Marines living in UH. The phased plan began in November 2025 with project completion expected by December 2027 across all installations globally.

Nutrition is essential to every element of Sailor and Marine readiness and performance. To ensure food is consistently accessible to our Service members, the implementation of Essential Station Messing (ESM) facilities, Grab-n-Go options, a relaxed galley attire policy, as well as 24/7 access to Navy and Marine Corps Exchange and Micro Markets in barracks and food truck initiatives are in place at select locations across the enterprise. The Department of the Navy is focused on sustaining and improving ashore galley facility operations, effectively transforming them into a dining destination of choice. Galleys are essential to ensuring Sailors and Marines have access to fresh, healthy meals that support optimal nutrition and performance. In conjunction with military food transformation and modernization, the Navy is launching two ashore galley pilot sites in the third quarter of FY26, with the intention of expanding choice, increasing healthy options, expanding access, and increasing ashore galley utilization.

The Department of the Navy is focused on addressing enduring responsibilities, including preventing sexual assault, reducing suicide, and countering substance abuse. These efforts are essential for maintaining discipline, trust, and professionalism. To proactively tackle corrosive behaviors and maximize readiness, our Integrated Primary Prevention Workforce (IPPW) serves

as specialized advisors to command teams and installations. These professionals monitor threat indicators, assess command climate data, and ensure efficient integration of resources to maintain a resilient force. Further, they equip leaders to effectively address harmful behaviors before they degrade operational capability. Our maritime services have continued to evolve its Sexual Assault Prevention and Response (SAPR) program, leveraging data-informed strategies and leadership engagement to reduce incidents. We remain committed to protecting our Sailors and Marines and holding offenders appropriately accountable.

Finally, suicide prevention is personally a top priority. I have created a Suicide Prevention and Response Task Force to evaluate existing prevention and response capabilities, assess gaps, identify promising new programs, and provide recommendations to restore, strengthen, and sustain the mental, emotional, physical, and spiritual resilience of America's Navy and Marine Corps warriors. Our primary objective is to reduce suicides and suicidal behaviors across the Department by institutionalizing a comprehensive, data-driven prevention and response system. I look forward to providing the Committees the out brief on the findings of the Task Force along with the implementation plan.

Material readiness and combat effectiveness depends on the character and health of our Warriors as much as on the capabilities they employ. Upholding these standards reinforces the moral foundation that has guided the Department since our founding and remains essential.

Advancing Shipbuilding Initiatives

Over the past year, the United States Navy and Marine Corps has continually demonstrated across multiple theaters and mission sets why it is the world's premier maritime force. Whether delivering continuous, devastating striking power at an unrelenting pace from virtually every type of platform in the Fleet in Operation Epic Fury, enabling the rapid insertion, decisive action, and safe recovery of Special Operations Forces in Operation Absolute Resolve, delivering long range precision strike in Operation Midnight Hammer, or sustaining high tempo carrier strike operations against Houthi targets in Operation Rough Rider, our Fleet has operated with unmatched reach and skill. In the Western Hemisphere, during Operation Southern Spear, Navy and Coast Guard forces surged to disrupt illicit trafficking and safeguard our southern

approaches. No other Navy or combined force can match the mobility, endurance, and expeditionary capability that the Navy and Marine Corps delivers. Whether off foreign shores, across the Middle East, beneath the Arctic ice, throughout the vast Pacific, or elsewhere around the world, our Navy and Marine Corps deliver ready combat power in hours or days, not weeks or months, and continues to underwrite America's global security and the Joint Force's ability to fight and win.

We are expanding the ways the naval Service will ensure victory over any enemy, any time, in any place. The Navy and Marine Corps are preparing to meet any foe up and down the spectrum of competition and conflict with a high-low mix of capabilities. That requires us to invest in current and new classes of combat ships, in new capabilities such as unmanned systems, and to recapitalize our auxiliary fleet. Next, we are revitalizing shipyards across America with tens of billions of dollars in stable, predictable, long-term investments to get more ships in the water, bolstering high-skill, high-wage American jobs. We are improving production of established ship classes through expanded distributed shipbuilding efforts. By prioritizing auxiliary ships, we will both meet the needs of the fleet and regenerate capacity for commercially viable shipbuilding. Finally, we are moving Navy shipbuilding from a compliance-based bureaucracy to an outcome-focused warfighting enterprise – restoring accountability, rewarding performance, and embracing advanced technology to deliver capability at speed by enforcing discipline, leveraging distributed production, and enabling stable, repeatable workloads.

The Navy is committed to maintaining an appropriately-sized amphibious force structure, and both services remain dedicated to building and sustaining traditional amphibious warfare ships that comprise the Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) team. The LHA is a key component of the ARG/MEU team, providing unmatched capabilities for crisis response, humanitarian aid, and high-end combat. Starting with USS Bougainville (LHA 8), LHA Flight I ships reincorporate a well deck for deploying landing craft, to complement aviation assault. LHA 8 is projected to deliver in FY27.

Amphibious transport docks (LPDs) provide our expeditionary team with the capability to embark, transport, and disembark elements of a landing force for a wide range of expeditionary missions with the ability to operate independently in distributed operations. The new Flight II LPDs are designed to replace aging and costly Landing Ship Dock (LSD) ships. The next ship Harrisburg (LPD 30) is projected to deliver in FY27. LHA 10 and LPDs 33, 34,

and 35 are a part of the 2024 Multi-Ship Procurement (MSP) contract. MSP provides a consistent demand signal and stable shipyard workload for the amphibious ship industrial base.

In addition to building new amphibious ships, we are executing a comprehensive plan to improve readiness of our existing amphibious ships, an area in which we acknowledge we have underperformed. To provide an increased focus on this issue, the Navy and Marine Corps jointly established the Amphibious Force Readiness Board (AFRB), co-chaired by Vice Chief of Naval Operations Admiral Jim Kilby and the Assistant Commandant of the Marine Corps General Brad Gering. Our charter addresses challenges for force generation, readiness, and maintenance and modernization of the amphibious force. The AFRB will provide quarterly reports to the Secretary of the Navy, Chief of Naval Operations, and Commandant of the Marine Corps on actions and improvements.

We have set clear goals including executing on time deployments and on time maintenance completion, specifically: reducing unplanned maintenance to 10% to reduce cost and schedule impact, reducing days of maintenance delay, procuring 97% of long lead time material greater than one month prior to maintenance period commencement, and awarding contracts one year prior for maintenance planning and workforce stability. These actions are how we restore confidence in the amphibious force and deliver combat power on time.

The Marine Corps and Navy are developing the new Medium Landing Ship (LSMs) to address a recognized littoral mobility gap in the Indo-Pacific and support the Marine Corps' Force Design. This vessel will maneuver and sustain expeditionary forces – including their supplies and equipment – across contested waters, enabling direct landings on beaches and at austere or degraded ports. To accelerate delivery of the new LSM, the Navy is using a rapid acquisition strategy with a commercial Vessel Construction Manager (VCM), with the expectation of fielding LSM at a higher rate. The first hull is directed to Bollinger Shipyard, with hulls 2 through 5 directed to Fincantieri Marinette Marine, and hulls 6 and on to be competitively awarded by the VCM.

No other Navy, joint or combined force in the world can offer the same level of mobility and expeditionary capabilities that enabled this mission to be successful. Regardless of the scenario, our Navy's differentiated value is the sovereign mobile capability we provide to our

Nation and Joint Force to be in any hemisphere, fully capable, ready for any contingency, in a matter of days.

Defending the Homeland

Border security is national security. Under the President's leadership, consistent with his vision and direction as laid out in the National Security Strategy (NSS), the Department is laser-focused on restoring peace through strength by defending our homeland and interests in the Western Hemisphere. As detailed in the NSS, the President's approach is one of a flexible, practical realism that looks at the world in a clear-eyed way, which is essential for serving Americans' interests. Within the current environment, the defense of the homeland is shaped by persistent, complex challenges short of armed conflict. These include transnational criminal networks, illicit trafficking, malign foreign influence, and instability in the maritime approaches to the United States. As part of Operation Southern Spear, our naval forces are providing domain awareness and regional maritime security through enhanced counternarcotics operations and maritime interdiction in the U.S. Northern Command and U.S. Southern Command areas of responsibility. Our naval force remains pivotal in the fight against narco-terrorism as a national security threat, delivering decisive blows through power projection, coordinated deterrence, and advanced surveillance. This precise action at sea, proven successful in Operations Southern Spear and Absolute Resolve, directly degrades the enemy's ability to threaten our homeland and protects U.S. interests. The presence of a multitude of naval assets, each bringing their own unique capabilities, working along our joint partners, creates a powerful shield for America. By intercepting threats and securing interests far from our borders, the Navy is keeping the fight off the streets of American towns and cities and preventing the flow of illicit drugs into our communities.

In the Western Hemisphere, Marines are contributing directly to homeland defense by reinforcing security along the southern border and across the maritime littorals, supporting interagency partners, and enabling the broader Joint Force to counter illicit networks that threaten the homeland. The 22nd MEU exemplifies this role through their persistent presence, capacity for rapid employment, and ability to respond to crises with little warning. Operation Southern Spear underscores the unique utility of Marine Air-Ground Task Forces operating

forward from the sea. These deployments highlight the Corps' ability to sustain forces at sea, maneuver in complex littoral terrain, seamlessly integrate with Joint Forces to extend the Joint Force commanders' operational reach, and work alongside partners to strengthen regional security in ways that complement other elements of national power. Simultaneously, through Task Force Forge and Task Force Ripper, Marines support missions central to the defense of the homeland. These forces disrupt narcotics networks that exploit instability across the region. Marine Corps actions and presence directly protect Americans by denying transnational criminal organizations freedom of action along the United States' borders.

Damage from Typhoon Mawar impacted both civilian and military infrastructure, which complicates our ability to meet the 2026 National Defense Strategy and impacts Quality of Life for Sailors and their families. The Department of the Navy has executed several hundred million dollars in emergent repairs related to Mawar damage to date; and the Fiscal Year 2025 (FY 25) Supplement provided \$2.2B for Mawar recovery efforts. The total estimate for Mawar recovery is \$40B.

Conclusion: Restoring Faith in the Department of the Navy

While I have only been in job for several weeks, I commit to staying focused on accomplishing the Department's mission. We have Sailors and Marines currently in harm's way so our work, now more than ever, requires professionalism and cooperation at every level. I am committed to restoring your faith in the Department of the Navy, delivering on the President's vision for the MIB, and investment in the MAP which will require adjustment to policies that modernize government procurement processes and streamline regulations to accelerate shipbuilding and reduce costs. By streamlining regulatory processes, strengthening interagency coordination, and providing reliable long-term funding and demand for U.S.-built ships, shipyards, and mariners, America will rebuild maritime strength at the speed and scale required to meet the challenges of today and the future.

I look forward to working with each of you to support our Sailors, Marines, civilians, and families. The decisions we make right now will shape the global maritime balance of power for the rest of this century along with determining whether the Navy sustains its maritime superiority or cedes advantage to our adversaries and the Marine Corps remains a forward, ready, and lethal

naval expeditionary force, poised to deter, respond, and fight when called upon. As we commemorate our 250th year, your Department of the Navy will continue to work alongside all stakeholders to deliver the force that our country needs. With your continued support, we will remain the preeminent service to accomplish President Trump's objective of peace through strength.