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Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO CONSIDER THE NOMINATIONS OF
KEOHANE AND GUERTIN

Wednesday, March 15, 2023

Washington, D.C.

ALDERSON COURT REPORTING
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SUITE 1050
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5
6 U.S. Senate
7 Committee on Armed Services,
8 Washington, D.C.
9

10 The committee met, pursuant to notice, at 9:31 a.m.,
11 in Room G-50, Dirksen Senate Office Building, Hon. Jack
12 Reed, chairman of the committee, presiding.

13 Committee Members Present: Senators Reed [presiding],
14 Gillibrand, Blumenthal, Hirono, Kaine, King, Warren,
15 Peters, Rosen, Kelly, Wicker, Fischer, Cotton, Scott,
16 Tuberville, Mullin, and Budd.

1 OPENING STATEMENT OF HON. JACK REED, U.S. SENATOR
2 FROM RHODE ISLAND

3 Chairman Reed: Good morning. Let me call a hearing
4 to order. The committee meets today to consider the
5 nomination of Mr. Ronald Keohane to be Assistant Secretary
6 of Defense for Manpower and Reserve Affairs, and Honorable
7 Nicholas Guertin to be Assistant Secretary of the Navy for
8 Research, Development, and Acquisition.

9 And I thank the nominees for their willingness to
10 serve in these important roles. I would also like to
11 welcome the family members who are here today. Mr.
12 Keohane, I would like to recognize your mother, Teresa, who
13 I know wanted to be here today and is watching proudly from
14 home.

15 Mr. Guertin, I welcome your wife, Maria, son, Enrico,
16 daughter, Isabella, brother, Joseph, and cousin, Gregory.
17 We are grateful to our nominees' families and loved ones
18 for their continued support. Mr. Keohane, you are
19 nominated to be the Assistant Secretary of Defense for
20 Manpower and Reserve Affairs.

21 As the principal advisor on all matters relating to
22 civilian and military personnel policies, you will be
23 responsible for military community and family policy, and
24 reserve integration, as well as day to day supervision of
25 the Department of Defense Education activity and the

1 Defense Commissary Agency.

2 Your extensive leadership experience in the Department
3 of Defense, various Federal agencies, and private sector
4 should serve you very well in this role. First and
5 foremost, you will need to address the military's difficult
6 recruiting environment. The services have struggled to
7 meet their recruiting objectives for several years, and the
8 total force felt tens of thousands of recruits short of its
9 goal last year.

10 Further, we know from recent survey data that young
11 Americans propensity to serve in the military is at its
12 lowest point in decades. There are many factors
13 contributing to this challenging environment, including
14 competition with the private sector for candidates when the
15 employment rate is at a record low.

16 Even in the best of times, the military has always
17 struggled to recruit when the labor market is slim. As
18 such, the services have adjusted their testing and
19 qualification strategies to try to overcome these
20 challenges. The Army's Future Prep course has shown
21 reasonable success and may provide useful insights for the
22 other services.

23 Mr. Keohane, our military's greatest asset is its
24 people and it will be critical for you to dedicate
25 rigorous, sustained efforts toward improving recruitment.

1 I would like to know your ideas for increasing the number
2 of young Americans eligible for and interested in military
3 service.

4 I would also note that military childcare remains a
5 challenge, with persistent waitlists for child development
6 centers, and in some high-density locations, waitlists for
7 fee assistance programs intended to partially offset costs
8 for private care. The services have made modest progress
9 in shortening these waitlist and hiring cleared providers,
10 but more must be done.

11 I would ask for your views on how this childcare
12 shortage can be improved. But before we move on, let me
13 make one point. Diversity and inclusion strengthen our
14 military. By every measure, America's military is more
15 lethal and ready than it has ever been. It is also more
16 diverse and inclusive than ever before. This is not a
17 coincidence.

18 America looks more and more like the nation it
19 represents, whether in race, gender, creed, sexuality, or
20 any other measure. This is the right direction as
21 America's strength is in its diversity. But greater
22 diversity requires greater understanding within the ranks,
23 and understanding requires learning and regular training.
24 The fundamental bond that assures unit cohesion is the
25 commitment by every member to protect, not exploit, his or

1 her fellow service members, whoever they may be.

2 This is a state of mind and heart that must be
3 constantly inculcated by training and by example. With
4 that being said, I am alarmed by the nature of some
5 criticism of the military. Healthy oversight of our
6 military is necessary and productive, but undefined
7 accusations are not.

8 If criticisms are to be made issue made with facts not
9 slogans. There are real consequences to these sorts of
10 accusations, both to the cohesion of our force and civil
11 society, but also to the benefit of our adversaries. This
12 committee is charged with the solemn privilege of
13 overseeing our nation's military.

14 To accomplish this, we must exercise responsible
15 oversight. Mr. Guertin, you are nominated to be Assistant
16 Secretary of the Navy for Research, Development, and
17 Acquisition. If confirmed, you would serve as the Navy's
18 acquisition executive responsible for the development and
19 acquisition of all Navy and Marine Corps platforms and
20 weapons systems, and for enforcement of the Defense
21 Department's acquisition and sustainment procedures.

22 You currently serve as the Department of Defense
23 Director for Operational Test and Evaluation, having been
24 confirmed to that position by this committee last year. A
25 recent change to the position for which you are nominated

1 is the responsibility to exercise rather milestone decision
2 authority on behalf of the Navy.

3 The milestone decision authority, the chief official
4 tasked with determining the entry point of an acquisition
5 program in the acquisition process, was previously held by
6 the Office of the Secretary of Defense but was transferred
7 to the services in the Fiscal Year 2021 National Defense
8 Act. I would ask for your views on the appropriate balance
9 between acquisition programs at the service level and OSD
10 oversight of such programs.

11 Also, in 2021, the Navy released its Shipyard
12 Infrastructure Optimization Program, or SIOP, to address
13 long standing infrastructure issues at the Navy's four
14 public shipyards. The modernization plan is designed to
15 help address growing a maintenance backlog, especially
16 within the submarine fleet.

17 There is no similar plan for modernizing private
18 shipyards, however, even as these private yards conduct
19 maintenance on almost all of the Navy surface combatants.
20 Both public and private yards are struggling to meet their
21 schedules, and I would like to know how you will ensure the
22 Navy effectively executes the SIOP, given the scale and
23 investment needed.

24 Thank you again to our nominees. I look forward to
25 your testimonies. Now let me recognize, Ranking Member,

1 Senator Wicker.

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1 STATEMENT OF HON. ROGER WICKER, U.S. SENATOR FROM
2 MISSISSIPPI

3 Senator Wicker: Thank you, Mr. Chairman. I want to
4 thank our witnesses for being here today and congratulate
5 them on their nominations and appreciate their willingness
6 to serve. Mr. Keohane has been nominated by the President
7 to be Assistant Secretary of Defense for Manpower and
8 Reserve Affairs.

9 If confirmed, he will therefore be directly
10 responsible for nearly all the policies governing careers
11 in the military and civilian workforce. During this
12 hearing, I would like to learn how he plans to address the
13 most pressing challenge facing the military, which is the
14 current recruiting crisis.

15 If trends continue this year, the Army, Navy and Air
16 Force will all fail to achieve their respective recruiting
17 missions. The Army and Navy will be short by at least
18 10,000 recruits each, and the Air Force will fall short on
19 recruits for just the third time in its history. The
20 foundation of the all-volunteer force is a steady supply of
21 young men and women willing to serve their country in
22 uniform.

23 Without that foundation, the all-volunteer force
24 becomes top heavy and less effective. I expect the
25 Assistant Secretary to be a leader in fixing this problem.

1 I am concerned the Department of Defense is increasingly
2 becoming an instrument of controversial social policies.
3 Most of these policies are influenced by the office Mr.
4 Keohane hopes to lead.

5 I believe this Administration is exacerbating the
6 recruiting challenge by prioritizing these policies. A
7 large number of Americans do not want to join organization
8 led by people who are often more interested in fighting
9 culture wars than preparing for actual wars. And I was
10 very interested in the chair's comments just a few moments
11 ago about making sure that we are not creating policies
12 based on unfounded accusations.

13 As someone who joined the United States military half
14 a century ago as a young college student, and who served on
15 both active duty and in the reserve, I have long ago come
16 to the conclusion that the United States military is the
17 greatest civil rights organization and the greatest equal
18 opportunity program in the history of the world. I believe
19 that has been the case for decades and decades and
20 continues to be so.

21 And so, I do wonder about the unfounded accusations
22 that seem to be driving policy. So, I am interested in
23 what Mr. Keohane might do if confirmed, to restore the
24 department's focus on its mission, which is to provide
25 military forces needed to deter war and ensure our nation's

1 security. That is the mission that makes people so
2 enthusiastic about joining our armed services.

3 Now, Mr. Guertin has been nominated by the President
4 to be Assistant Secretary of the Navy for Research,
5 Development, and Acquisition, and he seems to be singularly
6 qualified for this important position. He will be
7 responsible for managing the development of weapons for the
8 Navy and Marine Corps.

9 During this hearing, I hope to learn how the Navy can
10 bring the latest technology to our warfighters and make
11 sure the systems they currently have are ready to deploy.
12 I am concerned the Department of Defense is not moving fast
13 enough to create a credible deterrent within the next five
14 years as the threat from China increases.

15 And I am sure Mr. Guertin shares that concern.
16 Perhaps we will explore that during questions. The
17 committee has provided means for the Navy to move faster in
18 acquisition, but they are not taking full advantage of
19 those means. Instead, the Navy relies on cautious, slow
20 methods that delay the delivery of critical assets.

21 By attempting to eliminate risk to acquisition
22 officials, the Navy increases risk on the battlefield, and
23 I think that can be said service wide, not just for the
24 Navy. We must innovate. It is time to make the most of
25 existing acquisition authorities so our speed matches or

1 exceeds that of our adversaries.

2 And Mr. Guertin will be in this new capacity in a
3 position to help us achieve a quantum leap in this regard.
4 I am interested in what Mr. Guertin will do, if confirmed,
5 to change the culture of acquisition workforce, to start
6 accepting measured risks, and delivery capabilities at the
7 scale and pace that our National Defense Strategy requires.

8 I thank our witnesses, and I thank you, Mr. Chairman.

9 Chairman Reed: Thank you, Senator Wicker, very much.
10 And gentlemen, before I recognize you, there are a series
11 of questions that were asked of all civilian nominees. You
12 may reply in unison. Have you adhered to applicable laws
13 and regulations governing conflicts of interest?

14 Mr. Keohane: Yes.

15 Mr. Guertin: Yes.

16 Chairman Reed: Have you assumed any duties or taken
17 any actions that would appear to presume the outcome of the
18 confirmation process?

19 Mr. Keohane: No.

20 Mr. Guertin: No.

21 Chairman Reed: Exercising our legislative and
22 oversight responsibilities makes it important that this
23 committee, its subcommittees, and other appropriate
24 committees of Congress receive testimony, briefings,
25 reports, records, and other information from the Executive

1 Branch on a timely basis. Do you agree, if confirmed, to
2 appear and testify before this committee when requested?

3 Mr. Keohane: Yes.

4 Mr. Guertin: Yes.

5 Chairman Reed: Do you agree to provide records,
6 documents, and electronic communications in a timely manner
7 when requested by this committee, its subcommittees, or
8 other appropriate committees of Congress, and to consult
9 with the requester regarding the basis for any good faith
10 delay or denial in providing such records?

11 Mr. Keohane: Yes.

12 Mr. Guertin: Yes.

13 Chairman Reed: Will you ensure that your staff
14 complies with deadlines established by this committee for
15 the production of reports, records, and other information,
16 including timely responding to hearing questions for the
17 record?

18 Mr. Keohane: Yes.

19 Mr. Guertin: Yes.

20 Chairman Reed: Will you cooperate in providing
21 witnesses and briefings in response to Congressional
22 requests?

23 Mr. Keohane: Yes.

24 Mr. Guertin: Yes.

25 Chairman Reed: Will those witnesses and briefings be

1 protected from reprisal for their testimony or briefings?

2 Mr. Keohane: Yes.

3 Mr. Guertin: Yes.

4 Chairman Reed: Well, thank you very much. Mr.
5 Keohane, please.

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1 STATEMENT OF RONALD T. KEOHANE TO BE ASSISTANT

2 SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS

3 Mr. Keohane: Thank you, Chairman Reed, Ranking Member
4 Wicker, and distinguished members of the committee. I am
5 deeply honored to come before you today as President
6 Biden's nominee for Assistant Secretary of Defense for
7 Manpower and Reserve Affairs.

8 I am grateful to President Biden, Secretary Austin,
9 Deputy Secretary Hicks, and Undersecretary Cisneros for
10 their trust and confidence in me. I want to start with
11 thanking my family, friends, and mentors for their
12 encouragement and support that has brought me to this place
13 in time.

14 While my mother is unable to be here in person today,
15 she and my brothers understand the great importance of this
16 moment and are certainly cheering me on from afar. And
17 lastly, to my father, who undoubtedly is watching down
18 proudly on these proceedings.

19 Coming from a family of educators, my parents
20 instilled the values of hard work, empathy, and public
21 service in my siblings and me, which has served as my North
22 Star and given me the passion and commitment to serve our
23 service members, their families, and our career public
24 servants.

25 I have very vivid memories as a small child loading up

1 in the family station wagon, as we would drive my father to
2 our local armory as he headed off to Fort Drum for his
3 annual training. Equally so, I recall the official
4 military photos of my uncles that sat in a place of
5 prominence on our living room mantle as they served in
6 Vietnam. All a constant reminder of the important
7 sacrifice our service members and their families make for
8 all of us each and every day.

9 I spent the vast majority of my 30-year career in
10 support of our service members and their families. My
11 first job out of college was as a young Schedule C
12 appointee in the Department of Defense during the Clinton
13 Administration.

14 It was at that time I discovered my passion for
15 working with and for our service members and their
16 families. Throughout my career, I have worked in support
17 of a wide variety of human capital focused efforts to
18 include transition assistance, sexual assault response and
19 prevention, mental health counseling, and support of our
20 wounded, ill, and injured population, among others.

21 Under the Obama Administration, I had the honor and
22 privilege to serve as the Deputy Assistant Secretary of
23 Defense for military community and family policy, where I
24 was able to further play an important role in a wide array
25 of programs supporting our service members and families.

1 Secretary Austin has laid out clear priorities,
2 reaffirming that the men and women of our armed forces are
3 our most valuable asset. I sit here before you today with
4 the full understanding that if confirmed, I will be charged
5 with addressing some of the most important policy decisions
6 in the Department, a responsibility I do not take lightly.

7 If confirmed for this position, I will pay special
8 focus on a number of major challenges, including recruiting
9 and propensity to serve, as well as several issues
10 impacting retention, including compensation, spousal
11 employment, and access to affordable childcare for our
12 military and our career public servant families.

13 I have deep appreciation for the hard work this
14 committee has done on behalf of our service members and
15 their families, and our civilian workforce. If confirmed,
16 I commit to seeking the advice and counsel of this
17 committee and your staffs regularly to advance our nation's
18 priorities on these most important issues.

19 Thank you for your consideration. I look forward to
20 your questions.

21 [The prepared statement of Mr. Keohane follows:]
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1 Chairman Reed: Thank you, Mr. Keohane. Thank you
2 very much. Mr. Guertin, please, or Director Guertin, I
3 should say.

1 STATEMENT OF HON. NICKOLAS H. GUERTIN TO BE ASSISTANT
2 SECRETARY OF THE NAVY FOR RESEARCH, DEVELOPMENT AND
3 ACQUISITION

4 Mr. Guertin: Chairman Reed, Ranking Member Wicker --

5 Chairman Reed: Can you bring that microphone as close
6 as possible, please?

7 Mr. Guertin: Thank you. Chairman Reed, Ranking
8 Member Wicker, and distinguished members of the committee,
9 it is a privilege to be here today. I am honored to be
10 before you as the President's nominee to serve as the
11 Assistant Secretary of the Navy for Research, Development,
12 and Acquisition.

13 I would like to thank President Biden and Secretary
14 Austin and Secretary Del Toro for their confidence in
15 nominating me, but I would also like to thank my family who
16 you see behind me, Maria, my loving wife of 21 years, our
17 children, Enrico and Isabella. And please let me recognize
18 my mother and the rest of my family, including my brother
19 Pier and cousin Greg, who are also here today.

20 Lastly, I would like to thank the many great mentors
21 and teammates across government, industry, and academia
22 that have helped me to learn and grow throughout my career.
23 I am especially grateful to this committee to have afforded
24 me the best job I have ever had, my current role as
25 Director for Operational Test and Evaluation. To be in a

1 position, if confirmed, to take on the greatest job I have
2 ever dreamt of to be the Naval Acquisition Executive.

3 Just as I have enjoyed in my time as DOT&E, I look
4 forward to having an open, frank, and honest conversation
5 with you about how to transform the way the Navy and Marine
6 Corps acquires and sustains our seagoing capabilities. I
7 take this renewed commitment to continue to serve our
8 nation both very seriously and with great enthusiasm.

9 It has been about a year and a half since I last
10 introduced myself to you, but please indulge me a moment
11 for a short recap. I spent the past four years working on
12 developing, testing, fielding, researching, and improving
13 the acquisition of military systems.

14 I started my career as an enlisted nuclear power plant
15 operator in submarines, and then completed the active-duty
16 service, immediately transitioned to the Navy Reserves
17 while attending college, and after graduating, landing a
18 job as a naval civilian engineer.

19 The citizen sailor pairing would serve me well for the
20 following decades to keep me grounded and what it took to
21 do operations, maintenance, and testing in the fleet while
22 also developing new systems.

23 There is much vital work to do on behalf of the Navy
24 and Marine Corps team. It is not lost on me, and the
25 enormous challenge ahead. As I look across the Department,

1 I see an aging force in need of modernization. I see
2 existing industrial base challenges exacerbated by and
3 still recovering from the pandemic.

4 And I see a need to innovate solutions to affordably
5 develop and field systems that provide our sailors and
6 Marines an advantage in any conflict. Accordingly, I
7 believe that we need to think and act differently in order
8 to field naval capabilities that protect and enable our
9 nation's strategic interests and economic prosperity.

10 I made a career centered around acting thoughtfully to
11 change the way we field excellence and warfighting systems.
12 I have had an impact on the methods, outcomes, and spanning
13 the acquisition of testing of naval capabilities for ships,
14 submarines, aircraft, ground vehicles, and the weapon
15 systems that go in them.

16 I am committed to fulfilling the duties of this office
17 to lead a great team dedicated to designing and building
18 excellence that works and can be delivered and maintained
19 in the quantities needed for the naval force to be
20 effective well into the future.

21 As a part of that, I intend on collecting their
22 intellect and enthusiasm to accelerate and streamline the
23 delivery of innovation needed to provide unparalleled
24 warfighting advantage at scale. Our enduring requirement
25 must be to foster and embrace change, and in doing so,

1 create mission systems that are also built to change over
2 time.

3 As Secretary Del Toro recently stated, we must empower
4 our Navy and Marine Corps acquisition professionals to
5 aggressively develop promising technologies into
6 capabilities for warfighter needs to maintain maritime
7 dominance.

8 If confirmed, it is my objective to live up to that
9 charge, and provide for the best trained, best equipped,
10 and most capable naval force in the world. It would be an
11 honor to contribute to that mission and to serve as
12 Assistant Secretary of the Navy for Research, Development,
13 and Acquisition.

14 Thank you for the opportunity to testify before you
15 today, and I look forward to your questions.

16 [The prepared statement of Mr. Guertin follows:]
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1 Chairman Reed: Thank you very much, Mr. Guertin. And
2 gentlemen, thank you both for your testimony. Mr. Keohane,
3 as I mentioned in my statement, the Army has an interesting
4 pilot program, the Future Soldier Prep course, which takes
5 recruits who may not do well on the test or the physical
6 aspects of the process, and puts them in a pilot program,
7 develops them, and if they do make those tests, enlists
8 them in the military.

9 And we also know anecdotally from some recruiters that
10 there are some very talented individuals, particularly
11 first-generation Americans, who may not be as good a
12 tester, but they would be excellent soldiers.

13 So, do we have to think about the standardized test?
14 Should we reconsider their use? Maybe it should be just
15 one tool, not the tool. Your comments?

16 Mr. Keohane: Senator, I completely agree. I think at
17 this point, everything should be on the table. I think we
18 are at the point in which we need to consider all new
19 approaches.

20 We want to make sure that we are not lowering our
21 standards, yet being able to provide an opportunity for
22 anyone who wants to serve and is eligible to serve, meets
23 the stringent requirements has that opportunity.

24 If confirmed for this position, Senator, I would work
25 with my team in the services and indeed this committee on

1 resolving that issue immediately.

2 Chairman Reed: Thank you. We spent a lot of money on
3 advertising. I don't have a feeling that we really
4 understand it as well as some other larger enterprises, nor
5 do we track it as well. Is that something that would be of
6 interest and concern to you?

7 Mr. Keohane: Yes, sir. I think it's on the top of my
8 list, just personally. I think we need to really look at
9 doing things differently. I think technology has not been
10 embraced necessarily in that particular recruiting
11 environment. We need to readjust, perhaps really engage
12 heavy with some of the technology. If it means coming back
13 to this committee for additional guidance and approvals and
14 authorizations, we need to be prepared to do that.

15 Chairman Reed: And then again, we are fighting a
16 difficult battle because the demographics of the country
17 continually reduce the pool of eligible individuals. So,
18 every year you are looking at essentially a smaller
19 potential group of enlistees.

20 And we have to recognize that and we have to try means
21 to enlarge that pool. And I hope you can do that or will
22 do that.

23 Mr. Keohane: Yes, sir. My previous boss used to
24 always refer to us as saying, we need to look -- we need to
25 fish in different ponds, and I think we need to do that.

1 Our traditional views along the Department to recruit
2 amongst the same similar Southern States. We need to
3 adjust that. We need to look and make sure we are
4 representing the entire country.

5 Chairman Reed: Thank you very much. Director
6 Guertin, as you know, we are having a problem building
7 ships on time and within budget. We are also having
8 significant difficulties in maintaining ships.

9 With only a few exceptions, nuclear powered submarines
10 are maintained by the four Navy shipyards at Portsmouth,
11 Norfolk, Puget Sound, and Pearl Harbor. And then we have
12 private shipyards that deal with most of our surface craft.
13 But the Shipyard Infrastructure Optimization Program, SIOP,
14 which I mentioned, is a 20-year, \$21 billion effort.

15 It is absolutely critical. We need it. In fact, we
16 don't have 20 years. We have got to move very, very
17 quickly. The poster child for this whole issue is the USS
18 Boise that has been tied up since, I think, 2017, waiting
19 for maintenance, denying us a nuclear-powered submarine or
20 attack submarine in the fleet.

21 So, do you have ideas what we can do to expand our
22 capacity quickly?

23 Mr. Guertin: Senator, this is a topic of immense
24 interest to me. Having worked at several of those
25 shipyards you mentioned and having a strong connection with

1 the shipbuilding community, I want to make sure that we
2 aggressively pursue any method we can, but one of the
3 biggest problems with workforce, attracting and retaining
4 skilled trades crafts and engineers that we need in order
5 to, you know, get them out to the waterfronts so we can
6 build these ships and maintain them on time.

7 Our ships don't do us a lot of good in ports and dry
8 docks. They need to be able to respond to the nation's
9 needs. And it is my commitment to make sure that that is
10 aggressively pursued and improved.

11 Chairman Reed: One of the ironies here is you are
12 competing against Mr. Keohane, and I don't think that
13 should be lost upon us because we are looking for
14 essentially the same dedicated, motivated, skilled young
15 man or woman to go into the shipyards as we are to go into
16 the service.

17 So, we have to do that. But I can't emphasize enough
18 the criticality of accelerating and expanding our
19 shipyards' capacity because, you know, it is nice to have a
20 number of x number of ships, but when only the fraction of
21 them can go to sea, we are fooling ourselves. Thank you
22 very, very much, gentlemen. Senator Wicker, please

23 Senator Wicker: Thank you, Mr. Chairman. Mr.
24 Guertin, you said in your statement, I believe we need to
25 think and act differently in order to fill the naval

1 capabilities that protect and enable our nation's strategic
2 interests and economic prosperity. So, talk to us about
3 how we need to act differently and be as specific as you
4 can.

5 Also, I mentioned in my statement that this committee,
6 through statute, had provided certain authorities that in
7 my judgment have not been fully acted on. Would you
8 comment on that? And do you need additional authorities to
9 become more flexible and nimble?

10 Mr. Guertin: Thank you, Senator. An excellent
11 question. Goes right to the core of why I think I can make
12 a big positive difference to the Navy and Marine Corps.

13 Some of the more specific things you asked about, or
14 you asked me to comment on was, you know, what exactly does
15 that mean? What does that look like? We live in a world
16 now where almost everything is software defined or
17 controlled, or even the way we build purely physical things
18 is done through tools and modeling and numerical analysis
19 done in computers.

20 We need to embrace those digital tools used to make
21 these systems. Model based engineering is a critical
22 element of making sure we can build these things faster.
23 And then also to do some of the things I have been doing in
24 my current role in operational testing evaluation, how do
25 we test them using computers to test things more -- in a

1 more automated fashion, using digital twins and other tools
2 of that kind?

3 There are powerful opportunities to take advantage and
4 we need to make sure we bring those into how we do that
5 technology development so we could rapidly field
6 capabilities that work and can also be built to scale.

7 Some of the new authorities Congress has afforded us,
8 things like, you know, middle tier of acquisition, rapid
9 prototyping, reaching out to nontraditional businesses,
10 those are all on the table and I am excited about taking
11 advantage of those authorities in order to improve the pace
12 of delivering capability to the fleet.

13 Senator Wicker: Well, am I anywhere close in saying
14 that the Navy hasn't fully taken advantage of those
15 authorities this committee has provided.

16 Mr. Guertin: Senator, I don't have the details on
17 every single program as yet, but I would be happy to give
18 you a more detailed answers as I get deeper into it.

19 Senator Wicker: Okay. Well, we will do that. And
20 also, if you need further authorities, we mark up a bill
21 and pass it every year. We have a history of doing that
22 for decade after decade. And we have a vehicle available
23 to you in that regard. Mr. Keohane, the Chairman mentioned
24 in his statement basing policies on unfounded allegations
25 which were not helpful.

1 And I guess I came back even a little stronger in re-
2 emphasizing that. So, I want to ask you about that. There
3 has been a -- there has been an effort to just say that
4 there was extremism that needed to be rooted out. We had
5 an extremism stand down day.

6 And as far as I am -- as I can tell, it turned out
7 that after an extensive study and thousands and thousands
8 of man hours, there were only about 100 examples in the
9 entire military system with all of the services. Do you
10 think that stand down day was a valuable use of man hours?

11 Mr. Keohane: Well, Senator, I have limited visibility
12 into the Department and how that went at the end of the
13 day. However, I think certainly extremism is an important
14 issue that we always need to and always will be looking at
15 in the Department, making sure that we are educating. The
16 smallest type of extremism can certainly be problematic.

17 Senator Wicker: Do you think it is helpful, though,
18 when we are trying to get young Americans from all
19 demographics and all economic groups to do as the chairman
20 and I did decades ago and signed up to defend their
21 country, do you think it's helpful to send a message that
22 there is a need for extremism stand down day?

23 Mr. Keohane: Well, Senator, again, I am not familiar
24 with how the whole day went. However, I do believe we need
25 to start our recruiting earlier and making sure that we do

1 citizenship type of activities and have folks focus a
2 little bit more on becoming good citizens before they get
3 to a point of extremism issues.

4 Senator Wicker: Okay. Well, and I acknowledge that
5 this is not a program that you came up with. Let me -- but
6 let me just say, Mr. Chairman, and my time has expired,
7 there is a lot of talk about equity.

8 And it has come to mean and in the regard of this
9 Administration, the equal outcome rather than the equal
10 opportunity. I am concerned about that, and perhaps on the
11 record you might comment. As a matter of fact, I would ask
12 you to comment on your views about that issue as you
13 prepare to take on this responsibility. And I will just
14 let you do that on the record.

15 Chairman Reed: Thank you very much. Thank you,
16 Senator. Senator Hirono, please.

17 Senator Hirono: Thank you, Mr. Chairman. Mr.
18 Keohane, is that how your name is pronounced?

19 Mr. Keohane: Keohane.

20 Senator Hirono: Keohane. Because it looks distinctly
21 Hawaiian to me.

22 Mr. Keohane: I get that often.

23 Senator Hirono: You get that a lot, don't you?

24 Mr. Keohane: I get that a lot.

25 Senator Hirono: Because in Hawaiian we would say Keo-

1 ha-ne.

2 Senator Wicker: She means that as a compliment.

3 [Laughter.]

4 Mr. Keohane: I take it as a compliment.

5 Senator Hirono: Yes. So welcome to both of you. To
6 ensure the fitness of nominees to serve, I ask the
7 following two questions of all nominees who come before any
8 of the five committees on which I sit, and these are
9 foundational questions I will ask you both.

10 Since you became a legal adult, have you ever made
11 unwanted requests for sexual favors or committed any verbal
12 or physical harassment or assault of a sexual nature?

13 Mr. Keohane: No, Senator.

14 Mr. Guertin: No, Senator

15 Senator Hirono: Have you ever faced discipline or
16 entered into a settlement related to this kind of conduct?

17 Mr. Keohane: No.

18 Mr. Guertin: No.

19 Senator Hirono: Mr. Guertin, as you noted in your
20 responses, the Navy's infrastructure has suffered from
21 chronic underinvestment, and the repercussions are crises
22 like the one communities in Hawaii are facing regarding Red
23 Hill, reduce naval maintenance capacity for our force, and
24 untenable living situations for our service members and
25 their families.

1 So, the need to repair our basic facilities is urgent.
2 In your prospective position you will be responsible for
3 sustainment matters for the Navy. Mr. Guertin, what is the
4 impact of underfunding the maintenance of the Navy's
5 infrastructure on the sustainable costs and times?

6 Mr. Guertin: Senator --

7 Senator Hirono: On sustainment costs and times --

8 Mr. Guertin: Thank you, Senator. So, if we don't
9 take care of how we make our systems to fix our systems,
10 then they are less able to do that work effectively. That
11 comes under the general context of technical debt, and that
12 is something we always have to keep our eye on. But
13 unfortunately, it appears that we have let our eye off the
14 ball in that area.

15 The reason we have got now these new programs like
16 SIOP and other efforts that are going on there in Hawaii to
17 improve that infrastructure so we can do a better job of
18 taking care of the people that are going to do this work.

19 Senator Hirono: So, these are entrenched problems,
20 and one would hope that there would be some funding to
21 address these, to fix rather, these -- the crumbling
22 infrastructure that I would say very persistent in all of
23 our services.

24 So, what would-- are you advocating for -- should you
25 get the position, would you advocate for more money for the

1 infrastructure needs of our services or particularly the
2 Navy?

3 Mr. Guertin: Senator is absolutely my intent to go
4 and visit these different shipyards and these activities
5 and see for myself what their conditions are and talk to
6 the teams that are working on these programs like SIOP and
7 find out if they are appropriately funded and if we need to
8 come back and talk to Congress about getting additional
9 resources, if required.

10 Senator Hirono: Well, SIOP -- thankfully, it is a 20-
11 year program and we have to make sure that we continue to
12 fund the modernization, etcetera, of our shipyards. But
13 for example, Red Hill had very little to do with our
14 shipyards. And yet these were -- you know, this is
15 infrastructure built in World War II.

16 So, my hope is that the Navy, and indeed our entire
17 military, will assess the infrastructure needs to make sure
18 that our pipes are not bursting, our electrical systems are
19 in place. And I would look for you to do that for the
20 Navy.

21 Mr. Keohane, in your prospective role as Assistant
22 Secretary of Defense for Manpower and Reserve Affairs, it
23 will be imperative for you to examine all ways to improve
24 the quality of life of our service members and boost
25 retention and recruitment. Both of you have talked about

1 that.

2 A top reason service members leave the force,
3 particularly women, are the additional challenges a life
4 of uniform service has on family planning. If confirmed,
5 what would you do to address recruitment and retention
6 concerns across the force? And I would like you to respond
7 to cryopreservation as a fertility tool for service members
8 who could -- which they could use if they wish to have
9 children in the future.

10 And that certainly, I would say, that could add to the
11 retention and recruitment arguments for our military. So,
12 can you -- would you support cryo -- which, by the way, the
13 British armed forces provides to their members?

14 Mr. Keohane: Excuse me, Senator. I truly believe
15 that providing quality health care to all of our service
16 members is certainly critical and important. I believe
17 that we need to have everything on the table and look at
18 every option. I would certainly be happy to look at that
19 and learn certainly a lot more about it, but I do believe
20 that that does and will impact our recruiting ability with
21 women.

22 Senator Hirono: Yes. And I would ask you to
23 familiarize yourself with what the British armed services
24 does. And they provide this kind of option for women and
25 men in their services. I will submit some of their

1 questions for the record, Mr. Chairman. Thank you very
2 much.

3 Chairman Reed: Thank you very much, Senator Hirono.
4 Senator Mullin, please.

5 Senator Mullin: Thank you, Mr. Chairman. Mr.
6 Keohane, you said at the beginning in your statement that
7 you want to keep everyone and allow anyone that wants to
8 serve, to serve. Is that correct?

9 Mr. Keohane: That meets our stringent standards, yes,
10 sir.

11 Senator Mullin: Underneath the vaccine mandate that
12 was installed on August 24th, 2021, as of November 30,
13 2022, DOD has discharged 8,123 service members based on the
14 vaccine status. Naval personnel separated based on vaccine
15 status was awarded an honorable discharge.

16 However, 93.5 percent of our Airmen, 85.8 percent of
17 our soldiers, 94.1 percent of our Marines were given a
18 general discharge, denying them the GI Bill eligibility.
19 This, obviously, because the Fiscal Year 2023 NDAA, the
20 vaccine mandate was rescinded. Would you consider allowing
21 these individuals, one, to come back and serve, and two, if
22 not at least upgrading them to an honorable discharge?

23 Mr. Keohane: Thank you, Senator. I do understand
24 each of the services does have a process for adjudicating
25 any of these claims. If confirmed, I would certainly

1 encourage any member to petition their individual board to
2 do so.

3 Senator Mullin: Would you advocate on their behalf?

4 Mr. Keohane: I would advocate on their behalf, sir.

5 Senator Mullin: To bring them back into the service?

6 Mr. Keohane: I would look at all that. I need to
7 become smarter in how the services have adjudicated those
8 individual cases. And I would be willing --

9 Senator Mullin: What you mean by smarter by it. I
10 mean, it is pretty clear here. I am not trying to be
11 combatant, I am just trying to say, I don't -- I am trying
12 to follow that clarify, what you are saying.

13 Mr. Keohane: I understand each of the services
14 adjudicating these cases based on their own policies and
15 procedures. I need to get a little smarter certainly on
16 how they came to that fruition at the end of the day. But
17 we would be certainly, if confirmed, work with the services
18 and your office as well to understand better what those
19 cases were and why they are different from one another.

20 Senator Mullin: Would you support bringing them back
21 into the service?

22 Mr. Keohane: If they are eligible. If they are
23 eligible by the standards that we have set forth, the
24 services have set forth, I would.

25 Senator Mullin: Okay. Another question for you, in

1 2018, 30.5 percent of service members reported being
2 sexually harassed and 7 percent reported being sexually
3 assaulted. Had the regulations passed in the wake of the
4 murder of Vanessa Guillen had an impact on how you would
5 continue prevention work?

6 Mr. Keohane: Well, Senator, that topic falls under a
7 different office within the P&R portfolio. However, I
8 acknowledge we work certainly closely together.

9 Senator Mullin: What -- it does play a factor in
10 service members signing up. As a father of three beautiful
11 young ladies who I would encourage all six of my kids to
12 serve, it is a concern of mine when you hear 30.5 percent
13 of the service members in 2018 had been sexually harassed
14 or 7 percent sexually assaulted.

15 That is a huge issue, and for you talking about the
16 workforce, this is a big issue and a big challenge moving
17 forward. Vanessa Guillen's murder obviously brought that
18 to the forefront, and we worked hard on making sure we made
19 some changes in the bill with the Vanessa Guillen bill and
20 ultimately a change moving forward. But I believe this is
21 something that you would have to -- it would fall in your
22 lap.

23 Mr. Keohane: Yes, sir. I am sure we would work with
24 my -- I would work with my colleagues on this. Bottom line
25 is, this is unacceptable and it is offensive that these are

1 happening.

2 I know Secretary Austin has issued recent guidance on
3 a number of steps with the military academies, but this
4 issue is certainly very upsetting and we certainly need to
5 address it. If confirmed, I will address it immediately
6 with my counterparts.

7 Senator Mullin: Thank you. Last question has either
8 one of you reached out to the -- I know you guys went
9 through this process last year. But has any of you, has
10 either one of you all reached out to the new Senators to
11 set up a meeting with anyone or a phone call on you all's
12 behalf?

13 Mr. Guertin: Senator, the legislative affairs team
14 does that reach out to the Senators. My understanding is
15 they reached out to all members of this committee.

16 Senator Mullin: Did they reach out to your office? I
17 checked before I got here and no one had reached out to us.
18 And that is an issue, because if you are wanting our
19 support, it would be a -- it would be beneficial to
20 probably reach out to us.

21 Because I have this kind of unwritten rule in my
22 office. I am not voting for someone that didn't take the
23 time to come meet with me, because I want to know who I am
24 voting for. With that, I yield back.

25 Chairman Reed: Thank you, Senator Mullin. Senator

1 Kaine, please.

2 Senator Kaine: Thank you, Mr. Chair. And to the
3 witnesses, thank you for your service. I want to ask
4 Director Guertin a question. You and I talked about this a
5 bit already. Last year we had in the committee a lot of
6 back and forth-ing over amphibs.

7 And when we had in the Navy posture hearing, and I
8 think it was at the end of April, there had been some churn
9 and a suggestion that the Navy and the Marine Corps, and
10 maybe the SecDef or the White House was not on the same
11 page with respect to amphib requirements that the Marines
12 would need.

13 At the posture hearing, Admiral Gilday, Secretary Del
14 Toro, Commandant Burger said, we are on the same page. You
15 are not going to see us diverge. You are going to get a
16 report from assume that will validate the requirements.
17 That was in April.

18 We got the report in late December, and I thought it
19 was going to be like War and Peace sized because it had
20 taken so long to get it to us, and it was four pages long.
21 It did say that there is a need for 31, which is
22 Congressionally directed. So, that was good, and it had
23 everybody kind of signed on.

24 But I was surprised that it took so long and that the
25 analysis, at least what we were given, was so cursory. The

1 President submitted to us his budget last week, and the
2 budget includes only one LHA. No plan to build an LAPD in
3 the FYDP.

4 So, setting aside that budget, you are not responsible
5 for that budget, but if you are confirmed, how will you
6 approach assessment of the Congressionally directed
7 requirements for 31 amphibious ships?

8 Mr. Guertin: So, Senator, it is not lost on me that
9 this controversy about numbers of ships has been
10 exacerbated even earlier this week, with OSD weighing in
11 on, you know, how many ships were going to be in the budget
12 and what -- and that matter.

13 But for my efforts, working directly with the Chief of
14 Naval Operations and the Commandant of the Marine Corps to
15 make sure we have validated requirements and have those,
16 you know, pushed through the budget process, make sure we
17 get the right numbers of ships that meet the needs of the
18 National Security Strategy.

19 I am perplexed that this has been so controversial,
20 but I am committed to working on that and getting to the
21 root of it, making sure we are building the right number of
22 ships that meet the requirements of the National Security
23 Strategy.

24 Senator Kaine: I look forward to working with you on
25 that. And I know other members of the committee feel the

1 same way. Mr. Keohane, I appreciated our visit yesterday,
2 and one of the things we talked about was mental health
3 care, suicide prevention. We have had a string of really
4 challenging instances in Hampton Roads.

5 Sailors connected to the George Washington, which has
6 been under a very long refurb, multiple suicides in that
7 portion of the fleet. And then a number of sailors who had
8 been assigned limited duty status at the Mid-Atlantic
9 Regional Maintenance Center on the Norfolk Naval Base, also
10 died by suicide, four within about a 45-day period.

11 That one caused the light bulb to go off in my head
12 that should have probably gone off before. If somebody is
13 in the Navy and they have an MOS and they really are
14 trained to do this thing, but then they are not doing that
15 job because their ship is in a seemingly endless refurb or
16 because of something, it might be a broken bone or a
17 pregnancy, they are assigned into a limited duty status,
18 and it is unclear exactly when that status will end, will
19 they go back to the fleet, will they receive a med board
20 and exit the military.

21 Periods where people aren't doing the thing, they
22 train for can lead to some sort of hopelessness or
23 confusion, or what is my place. And then that can
24 exacerbate other issues and lead to significant mental
25 health challenges.

1 Should you be confirmed, talk to me a little bit about
2 what you want to do to have appropriate mental health
3 services available for all of our military members and
4 their families, but particularly maybe some of those who
5 are in a limited duty status or in another status where
6 they are not necessarily doing what they thought they were
7 going to be doing.

8 Mr. Keohane: Thank you, Senator. So, within the
9 Department and under the umbrella of the M&RA shop, there
10 is the military and family life counselor program. It is
11 the largest mental health counseling program in the
12 Department, 2,600 people worldwide.

13 The great part of that particular process is an
14 individual can go seek counseling on any number of issues
15 without having any PII collected on them. So, it frees up
16 that level of burden on an individual. I think, if
17 confirmed, I would work with the team to promote that
18 better within the departments, within the services out in
19 the field, so people are more aware of that.

20 Additionally, I think this is a great opportunity
21 where the family programs can step in and offer external or
22 highlight other M&AR programs, things like that, that would
23 also get some of these service members out and about, out
24 of their box, thinking a little bit differently.

25 Senator Kaine: I appreciate that. I look forward to

1 working with you on it. Thank you, Mr. Chair. I yield
2 back.

3 Chairman Reed: Thank you, Senator Kaine. Senator
4 Budd, please.

5 Senator Budd: Thank you, Chairman. And good morning,
6 gentlemen. Director Guertin, assuming for a moment that
7 China intends to invade Taiwan in 2027, you know, this may
8 be the last year to initiate buys on critical capabilities
9 that could make the difference in deterring or denying an
10 amphibious assault across the Taiwan Strait.

11 So where do you think the Navy can and should assume
12 risk in its acquisition process to field these systems more
13 rapidly? Are there ways to move faster while still buying
14 down the risk?

15 Mr. Guertin: Senator, I am a particularly big fan of
16 using some of the things I have been successful with and
17 projects that I have worked on and led in the past, things
18 like open architectures and using modularity to focus the
19 efforts necessary for delivering capability and making sure
20 it works excellently, and then integrating it into other
21 things that are also used.

22 And as we do that more and more throughout the force
23 and fleet, will be able to upgrade and improve those
24 systems as more of a matter of course, since that is
25 something that is extraordinarily different.

1 So, using those kinds of engineering tools in order to
2 put those capabilities out where they can be as quickly as
3 possible is something I am particularly interested in.

4 Senator Budd: Thank you for that. The Navy is making
5 -- and continue on with you, the Navy is making historic
6 investments in munitions and the industrial base, but we
7 are still overly reliant on single production lines for
8 some of the most critical capabilities, and there is a lot
9 of risk in that. So, if confirmed, what will you do to
10 increase the capacity and resilience across our industrial
11 base?

12 Mr. Guertin: So, Senator, that is another great topic
13 of mine. Thank you for both of these questions. One of
14 the things that I want to make sure we do more effectively
15 is to use competition to improve outcomes, and also to be
16 able to produce things with different vendors.

17 The best way to do that is to more rigorously apply
18 the government's rules on intellectual property so we could
19 share the necessary pieces while preserving industry's
20 ability to innovate and secure their, you know, golden
21 tickets, if you will, but also to use the information
22 coming out of where the government has invested its money
23 so we can get more vendors into the game of building
24 munitions specifically.

25 Senator Budd: Very good, thank you. Mr. Keohane,

1 Fort Bragg currently has a waiting list of more than 800
2 families for childcare. We need more child development
3 centers, we know that, but they take time to build. So, if
4 confirmed, what would you do in the short term to reduce
5 the strain on military families?

6 Mr. Keohane: Thank you, Senator. That certainly, I
7 can tell you, is an issue dear to my heart as a small
8 business owner that plays just as importantly. I think the
9 Department has been doing a good job of late and I would
10 expand upon this. They try to think outside the box with
11 childcare.

12 Not lowering the standards that we expect of our
13 childcare centers, but working with the States, either
14 spending money, giving money to the States to work with
15 their -- to work with the facilities within the State to
16 meet our standards.

17 I also think that there are other issues such as
18 emergency backup care, that could also play an important
19 role for some of our military families, especially while
20 PCS or exceptional family members. So, there are a number
21 of things that I would look forward to working on, if
22 confirmed.

23 Senator Budd: We appreciate that and look forward to
24 your effort in that. Mr. Chairman, I yield back. Thank
25 you.

1 Chairman Reed: Thank you very much, Senator Budd.
2 Senator Rosen, please.

3 Senator Rosen: Well, thank you, Chairman Reed. I
4 appreciate you having this hearing. I want to thank the
5 nominees for testifying today and for your willingness to
6 serve. And so, I want to talk -- I will talk about
7 childcare, too, in a minute. But first, I want to talk
8 about commuting assistance for service members.

9 So, Mr. Keohane, I would like to ask you about a
10 problem facing Airmen stationed at Creech Air Force Base
11 and also the service members that are stationed in remote
12 areas, rural, remote areas.

13 They have to commute many miles from the base to where
14 they live. Creech has very limited housing nearby, so the
15 vast majority of the Airmen, well they live in Las Vegas,
16 which is about 45 miles away. It is an even longer commute
17 for those who have to drop off their kids. And sometimes
18 they utilize childcare, sometimes it Nellis Air Force Base,
19 which is on the opposite end of town.

20 And so, to your knowledge, does DOD have the existing
21 authorities to provide these service members with possibly
22 a gas stipend or something similar to make their commute
23 less expensive as they are dealing with rising costs? Or
24 this is something that you might need help from Congress to
25 address? And if you are confirmed, can I have your

1 commitment to work with me on easing this type of financial
2 burden and others on our troops?

3 Mr. Keohane: Thank you, Senator. First and foremost,
4 absolutely. If confirmed, I would love to work with you
5 and your staff on this issue. I think it is an important
6 issue.

7 I think it is one that probably doesn't get a lot of
8 attention because a lot of our facilities are located in
9 remote areas, and it is an extreme burden, especially
10 during today's economic environment, with high inflation
11 and costs, for our service members and their families.

12 I am not familiar with the details, to be honest with
13 you. I don't think I can give you an answer that you would
14 deserve. But if confirmed, I would absolutely like to look
15 into that and get back to you.

16 Senator Rosen: Well, thank you. And I want to build
17 on what Senator Budd was talking about, because not only
18 are the commuting costs and availability of affordable
19 housing nearby in these remote areas or further away from
20 an urban area. But childcare, accessibility and
21 affordability really important.

22 So last week, Senator Ernst and I reintroduced our
23 Small Business Child Care Investment Act. This is
24 bipartisan legislation that would increase the availability
25 of affordable, high-quality childcare to families by

1 allowing nonprofits, those nonprofit childcare providers to
2 qualify as small businesses and participate in all the SBA
3 programs that would be available. And so, as you are
4 aware, as was mentioned, it is really an acute challenge
5 for our service members to access affordable and high-
6 quality childcare.

7 And so, I know you said this to Senator Budd, but
8 committing to finding creative solutions like partnering
9 with loan eligible nonprofit childcare providers, other
10 kinds of creative solutions, we want to ease the burden for
11 people to serve in their transportation, in their housing,
12 and in their childcare. Do you have any other suggestions
13 that you might like to share with us today?

14 Mr. Keohane: Senator, I think you are absolutely
15 right. Those are priorities. We need to focus heavily on
16 those. If confirmed, I will do so. Again, I think the
17 Department has done well the last few years trying to think
18 outside the box.

19 Most importantly, not lowering the standards of our
20 expectations for taking care of our military families and
21 childcare. But certainly, look forward to working with
22 yourself and the services as well, and outside entities to
23 try to brainstorm what makes the most sense, especially
24 post-COVID.

25 I think we really need to understand better perhaps

1 the voices of the military families and what they need in
2 this environment.

3 Senator Rosen: Well, I think this all helps with
4 recruitment and retention of a quality people, and their
5 quality of their ability to serve our and our nation and
6 protect us. So, really important. I would like to move
7 with the time, a little bit of time I have left, over to
8 the submarine industrial base capacity and workforce needs.

9 So, Mr. Guertin, and I will turn it over to you. This
10 week the President announced that Australia is expected to
11 purchase at least three, possibly up to five Virginia class
12 submarines in the 2030s. This deal would deepen the AUKUS
13 pact, a landmark defense agreement between the U.S.,
14 Australia, and the UK, United Kingdom.

15 In addition, this deal sends a healthy demand signal
16 to our suppliers all along the sort of submarine industrial
17 base. So, construction of Virginia and Columbia class
18 submarines is operating under a schedule dictating that two
19 Virginia class submarines must be delivered per year
20 through 2033 and one Columbia class submarine must be
21 delivered per year beginning in 2026.

22 Does the U.S. currently have the industrial capacity,
23 the skilled workforce, to keep up with this demand and
24 these deadlines, especially in light of this new agreement?
25 And if you are confirmed, how will you address the

1 workforce and capacity issue that we might be facing?

2 Mr. Guertin: Senator, excellent questions. One of
3 the things that I want to make sure that I do, if confirmed
4 to the position, is to review how we are in terms of
5 timeliness of delivery. My understanding is that we have
6 most of the industrial capacity to keep up with the
7 laydown, but we are really struggling in the workforce
8 area, as we have discussed earlier.

9 We want to make sure that we are getting these skilled
10 trades, new people coming into the workforce, and learning
11 and growing, and have these great careers building these
12 amazing warships. It is a great opportunity for young
13 people that I want to make sure they can find an
14 opportunity to get a part of and be a part of something
15 better -- bigger than themselves, by building these kinds
16 of ships that we need so very much.

17 Senator Rosen: Well, thank you very much. I don't --
18 I can tell you, every single committee I am on, every time
19 I testify, I hear from a witness. It is always about the
20 workforce, people, pipeline. No different here. Thank
21 you.

22 Chairman Reed: Thank you, Senator Rosen. Senator
23 King, please.

24 Senator King: Thank you, Mr. Chairman. Mr. Guertin,
25 I want to follow up on some of the questions that you have

1 had about industrial base. It seems to me that's one of
2 the lessons we have from Ukraine, is maintaining the
3 industrial base and being sure that there are consistent
4 demand signals that will allow the private sector to make
5 the investments necessary to have the industrial base ready
6 and able when we need them. Do you -- what do you take
7 from Ukraine?

8 Mr. Guertin: So, Senator, first of all, watching what
9 is happening in Ukraine is a tragedy, and the rigor and
10 fight, the patriotic fight that the Ukrainian people are
11 putting up against this is amazing. What is also amazing
12 is how fast they are burning through munitions.

13 And if we get an opportunity, if we are forced into an
14 opportunity where we have to deny an adversary something we
15 want to be a part of, we are going to have to have deep
16 bunkers.

17 In order to do that, we are going to have to really
18 ramp up the quantity of weapons that we have available to
19 us. So, if confirmed, I look forward to working with
20 industry to send a strong demand signal, and that extends
21 over time, so they know how to invest and how to position
22 themselves so they can build more affordably and at scale.

23 Senator King: Well, the term you used is extend over
24 time. Multi-year procurements, it seems to me, is one way
25 to send that demand signal. Is that -- do you agree?

1 Mr. Guertin: Absolutely. My current colleague, Dr.
2 LaPlante, Undersecretary for Acquisition and Sustainment,
3 he has been doing some excellent work in this area to take
4 advantage of some of the authorities the Congress has
5 provided in order to get those longer-term deals
6 established.

7 Senator King: One of the issues that I am concerned
8 about particularly is the transition from the DDG class
9 destroyer to whatever the new surface combatant is, to be
10 sure that there is not a trough, if you will, of demand,
11 which would cause us to lose skilled personnel. And you
12 can't, it is very difficult in this economy to get them
13 back. So, I commend to you close management of that
14 process so that there is not a gap between the
15 constructions of the new, of the DDGs, and then moving on
16 to the new surface combatant.

17 Mr. Guertin: Yes, Senator. Absolutely. We want to
18 make sure that we continue that production smoothly from
19 one to the other. My understanding is that right now, the
20 two contractors that are most likely to be in that business
21 are working together with the government, with the Navy,
22 to, you know, bide down risk, to improve the understanding
23 of what that design is going to be so that they can step
24 right into building them effectively when that time comes.

25 Senator King: And I hope you will support that

1 process.

2 Mr. Guertin: Absolutely, yes, sir.

3 Senator King: Final question on procurement. In this
4 day and age, it seems to me when we buy platforms, we
5 should also be sure that we are buying the IP. My vision
6 is a 3D printer on every ship. We shouldn't have to go
7 back to the original manufacturer to make a part of a valve
8 or a pipe or whatever.

9 So as part of the procurement process, we should be
10 buying the IP so that we can then do a lot of the
11 maintenance and upgrades in our own capacity rather than
12 having to have these long refurbishment programs.

13 Mr. Guertin: Senator, that is a particular interest
14 of mine, is better use of the intellectual property rights
15 the government gets when we have contracts with industry.
16 And my commitment to you is to more aggressively utilize
17 those rights.

18 And when those rights don't get us that information
19 just naturally as a part of the business deal, where we
20 need to purchase additional intellectual property, where it
21 is something that is related to, you know, unique
22 investments that industry might do, that we can have a
23 reasonable discussion with industry about how that is in
24 their best interest to make sure that their equipment is
25 managed and maintained effectively over time.

1 Senator King: Thank you. Mr. Keohane, one of the
2 issues -- I have been meeting with a lot of veterans
3 lately, and one of the issues in personnel is the
4 transition out of the military.

5 We have the TAP program, but the consensus I am
6 getting is that there are gaps, there are problems with it,
7 and the suggestion is that the military should, the
8 Pentagon should spend as much time and money and effort on
9 transition out as they do on recruitment in.

10 I hope you will focus on that issue because of the
11 disproportionate number of veteran suicide take place in
12 the first two or three years after separation, and things
13 like notifying the State veterans services that people,
14 somebody is coming so they can be literally met at the
15 airport. I hope that is something you will pay attention
16 to.

17 Mr. Keohane: Yes, sir. Transition assistance and
18 those programs have been something I have paid attention to
19 for years, been very passionate about. I certainly think
20 they have gotten a little bit better, but we need to do a
21 far better job. I think that trying to bridge that
22 educational process earlier in than waiting till the last
23 few months of someone's time within the service is
24 certainly helpful.

25 When they return home, perhaps they should be required

1 to go to their local armory and pick up their final
2 paperwork. You know, do a soft handoff when appropriate.
3 I think we need to start thinking a little bit different
4 based on how the world really is today.

5 And if confirmed, I look forward to working with the
6 team, and certainly you and your staff as well, Senator, to
7 work on this issue.

8 Senator King: Thank you. I think this is very
9 important and I agree. I commend your attention to it, and
10 we will look forward to following up with you.

11 Mr. Keohane: Thank you, sir.

12 Senator King: Thank you, Mr. Chairman.

13 Chairman Reed: Thank you, Senator King. Senator
14 Blumenthal, please.

15 Senator Blumenthal: Thank you. Thank you both for
16 your service and welcome to your new jobs. I think you
17 will have overwhelming support for these positions, and you
18 certainly have mine. Mr. Guertin, thanks to your
19 Connecticut family. I hope you will visit Groton, and we
20 can combine our visit with one to East Haddam, where your
21 sister is a teacher.

22 Public service runs in your family and thank you for
23 your service in the Navy as well as now in the Department
24 of Defense. And you have answered many of my questions
25 already, so I am not going to repeat them. But I would

1 like to just focus for a moment on, number one, the
2 industrial base, the need to train the workforce.

3 I am very glad that you are committed to that
4 challenge and meeting that challenge. And second, in terms
5 of getting the Virginia class submarine production back on
6 track, making sure that we do build two submarines a year.
7 We are a little bit late on that timetable. I have raised
8 with you the indemnification issue.

9 The Navy has reversed 40 years of precedence. I know
10 you are not responsible for it. But it refuses to provide
11 for and award those already negotiated Block V ships in
12 terms of indemnification. And I believe that the delays on
13 the Navy shoulders, I think that there has to be a
14 resolution to this indemnification issue.

15 And just want to ask you, if you are confirmed, will
16 you commit getting those Block V submarines under contract
17 expeditiously? And will you commit to working with the
18 industry to find a mutually acceptable path toward
19 resolving that indemnification issue?

20 Mr. Guertin: Yes, Senator, you have my commitment on
21 that.

22 Senator Blumenthal: Thank you. Thanks, Mr. Chairman.

23 Chairman Reed: Thank you, Senator Blumenthal.

24 Senator Cotton, please.

25 Senator Cotton: Mr. Keohane, I know you have already

1 addressed the recruiting crisis a lot this morning. I just
2 want to register my concerns about it as well. We missed
3 our goals last year by almost 15,000 in the Army and the
4 other services also struggled in various ways.

5 They are shifting around manpower so they looked like
6 they hit theirs. I don't think there is any signs that
7 this year is going to be better. I worry that the
8 recruiting crisis is soon going to become a retention
9 crisis in the years ahead, as you don't have a pipeline of
10 young soldiers to replace junior NCOs and they -- more and
11 more is demanded of them. Can you give me your thoughts on
12 what the key causes for this crisis is?

13 Mr. Keohane: Thank you, Senator. I think there is
14 probably a number of them. Certainly, the last handful of
15 years, our military has not been able to get out and be
16 present with a lot of communities, with our youth, with our
17 teachers, with our coaches. A lot of those typical areas
18 that we would normally build that relationship.

19 I also think that there have been a number of
20 challenges, even with BRAC and others where we have deserts
21 of places within the country that we don't have a military
22 presence which exacerbates the whole problem in general.

23 I do think when it comes to the marketing and so forth
24 that has been done traditionally, we need to do a better
25 job. The Department needs to do a better job and utilize

1 technology and think a different way of reaching out to the
2 youth of today, deal with things certainly much differently
3 than I did when I was their age.

4 Senator Cotton: What role do you think advertising
5 and marketing plays in this? The Army has just debuted a
6 new set of ads harking back to its 1980s, Be All You Can Be
7 ads. What role can different marketing strategies play in
8 trying to recruit more young men and women in the military?

9 Mr. Keohane: Sure. And I think in this instance,
10 Senator, one of the best things to do is also look at the
11 private sector and how they are marketing to their
12 potential new employees and so forth.

13 I think there is a technology aspect that we probably
14 don't use, the Department doesn't use well enough, and that
15 is either let's say somebody has been clicking on a number
16 of photos of a submarine. Does the Department capture or
17 marketing process capture those individual's statistics,
18 and be able to push the right marketing materials to them,
19 get them to see if they are interested?

20 I understand fully that that might require some
21 additional approvals from Congress to make sure that we are
22 staying within the confines of appropriate handling of
23 information. But technology is out there that we need to
24 look at.

25 Senator Cotton: Okay. We hear a lot, especially from

1 senior uniformed leaders, about a low percentage of young
2 Americans are actually eligible to serve in our military.
3 Do you know what percentage that is? What percentage of
4 young Americans are eligible to serve?

5 Mr. Keohane: Senator, off the top of my head, I think
6 it is fairly low, probably in the 20s.

7 Senator Cotton: Yes, I think that is right, or maybe
8 even the teens. I have to say, I think that is too low. I
9 mean, do you think that is too low?

10 Mr. Keohane: You know, I think, you know, in the
11 macro level, it could be right. I haven't really looked
12 into it, but I know it is -- sadly, it is low. It is too
13 low.

14 Senator Cotton: I just, I mean, all of our recruits
15 should, over time should be honored and celebrated. Maybe
16 my favorite recruit of all time, the teenage boys in World
17 War I and World War II lied about their age so they could
18 enlist and get a shot at the title overseas. And that we
19 should be encouraging as much as we can every young
20 American to join and to be eligible.

21 And I think most of us have probably had experiences
22 of deep frustration with the military services throwing up
23 roadblocks. You know, a young man who was a top tier
24 college athlete and had a knee or a hip injury and
25 recovered, and continued to be a top tier college athlete,

1 yet the Army says he is not eligible.

2 Or a kid whose parents got divorced when he was 14 and
3 some doctor prescribed some mood-altering drug for six
4 months, and five years later he is told it is still
5 disqualifying. I am just saying, like we can't have people
6 who are, you know, half blind or fat or flat footed or what
7 have you in the military.

8 I guess in the second category, they can get in shape
9 and join. But I think we should look at ways to try to
10 make more young men and women eligible, especially those
11 who are trying to serve. So can I just get your commitment
12 that you will look at -- this tendency that the service
13 has, it is almost like a boast I think, that like only 14
14 percent or only 21 percent are eligible.

15 Again, like, it can't be serious felons or people half
16 blind, but we need to do a better job of opening up a
17 bigger pool of recruits, especially when it comes to
18 problems that are temporary or manageable, like old
19 injuries or old psychological diagnoses when kids were, you
20 know, mere adolescence.

21 Even kids that have had some run ins with the law, you
22 know, nonviolent or juvenile run ins with the law. I think
23 we need to make a pool bigger so we got a bigger pond to
24 fish in. Can I get your commitment on that?

25 Mr. Keohane: Absolutely, Senator.

1 Senator Cotton: Okay. Thank you both, gentlemen.

2 Chairman Reed: Thank you, Senator Cotton. And in
3 fact, let me associate myself with your remarks. I think
4 they are right on target. Thank you. Senator King,
5 please.

6 Senator King: I wanted to follow up, Mr. Keohane, on
7 recruitment and retention. So, we had a very interesting
8 hearing yesterday with General Saltzman, the head of the
9 Space Force.

10 And they are doing something that is unheard of in the
11 military, which is lateral hires. They are bringing people
12 in at a higher level because of the expertise that they
13 need. The other thing they are doing is having a
14 relationship with the reserves so people can do their
15 private sector job but then are available when needed given
16 particular skills.

17 Is that something that could be applied more broadly
18 in order to deal with this recruitment problem?

19 Mr. Keohane: Senator, I think it is absolutely --
20 everything should be on the table. I think that as our
21 military changes, the way in which we fight wars change, we
22 need to have the flexibility, we need to modernize some of
23 our policies so that if you have a certain MOS, perhaps you
24 can move back and forth easily between the reserve and
25 active duty. But we need to make sure that we have

1 everything on the table to understand how we can better
2 pull those folks in based on what the needs and
3 availability are.

4 Senator King: And following up on Senator Cotton's
5 questions, it may be that the physical requirements aren't
6 as important if you are going to be a cyber warrior.

7 Mr. Keohane: Yes, sir.

8 Senator King: And we need to be thinking about that.
9 On the issue of recruitment, I have seen data recently that
10 it used to be that recruitment and people joining the
11 military were fairly evenly distributed geographically
12 across the country.

13 That has changed dramatically in the last 10 years,
14 where the military has become essentially Southern and
15 Southwestern. One of the problems in the Northeast is
16 there are no bases anymore so people don't grow up, young
17 people don't grow up seeing, in my hometown of Brunswick,
18 we don't see people with naval uniforms on anymore, and I
19 think that is a real problem.

20 I hope in your recruitment efforts, you think about
21 this geographic dispersal, concentration actually, which
22 is, I believe, not healthy. We don't want our military to
23 be a regional body. So, can you give me some thoughts on
24 this?

25 Mr. Keohane: Senator, I completely agree. I have

1 heard you speak in the past as well about the unintended
2 consequences of BRAC and exactly what you just described.
3 I think we certainly need to do a better job of making sure
4 that our military is more familiarized to our communities.
5 There is probably a number of ways we can do that, but
6 certainly technology needs to be one of them.

7 Senator King: But you can also direct recruitment
8 efforts in certain areas. In Buffalo, New York or in
9 Cleveland, as opposed to the Phoenix and Atlanta.

10 Mr. Keohane: Yes, sir. I think, again, everything
11 should be on the table. We need to really look at this
12 with fresh eyes and figure how we can better reach the
13 population that we need.

14 Senator King: Thank you. Thank you, Mr. Chairman.

15 Chairman Reed: Thank you, Senator King. Senator
16 Warren, please.

17 Senator Warren: Thank you, Mr. Chairman. Mr.
18 Guertin, you have been nominated to manage the Navy's
19 acquisition programs. In other words, how the Navy buys
20 things to build and to maintain the fleet.

21 So, let's start with something easy. When the
22 military makes a purchase, should it pay whatever the
23 company demands, or should we be using taxpayer money only
24 to buy things where a price is justified by costs and we
25 receive a quality product on time?

1 Mr. Guertin: Well, Senator, the nature of the
2 contracts for the things that we use to buy this military
3 equipment absolutely should be rigorously applied. You
4 know, we should make sure we are paying for the things we
5 get. There is a variety of different contract types, and
6 they all have their ways of managing costs to make sure
7 that the work is equitable and fair.

8 Senator Warren: Right. But I just want to be sure
9 that we are saying the same thing, that what we are looking
10 for before we agree to pay for anything is that the price
11 is justified by cost and that we have a right to expect on-
12 time performance. Basically, right?

13 Mr. Guertin: Basically, right. But, Senator, let's
14 make sure we are not talking about, you know, different
15 kinds of animals. There is fixed price contracting, in
16 which case I completely agree with you. Then when we are
17 -- there is more technical risk, where the outcome is more
18 uncertain, then that may be a better place to put cost plus
19 contracting, where the cost might not still be --

20 Senator Warren: Okay, but that is still justified by
21 costs --

22 Mr. Guertin: Absolutely.

23 Senator Warren: They are just different ways to
24 calculate it. That is all I am getting at. Because one of
25 the tools that DOD uses to get things made faster is what

1 is called progress payments.

2 And that is where I want to ask more. So rather than
3 pay for a project when it is fully complete, a company that
4 is getting a progress payment gets advanced funding before
5 they have finish building a ship or a plane so that they
6 can cover the large capital investments that they need to
7 make in order to do the job.

8 I understand that. One of the ways that DOD responded
9 to the pandemic was to hide the rate of advanced payments
10 to contractors so they got even more upfront. Now, let's
11 be blunt. There was no data to suggest that that was
12 necessary, but I understand that DOD was trying to help
13 workers and the defense industrial base withstand an
14 unprecedented emergency. I get that.

15 But DOD is conducting a study now to determine how to
16 reform progress payments now that the pandemic has eased.
17 So, do you agree that if the study shows that increased
18 payments did not help DOD, that we should reevaluate using
19 this method?

20 Mr. Guertin: Well Senator, as you might imagine, my
21 current role, it is all about the data. We want to analyze
22 using data and make sound decisions based on actual
23 information. And so first of all, I think you are really
24 on to something. I bet there is a pony in there somewhere.
25 But I think we should make sure we have the data that backs

1 it up.

2 Senator Warren: Okay. As long as we will act on
3 those data, the data show the progress payments are not
4 really helping us here. You know, I don't say this very
5 often, but I think the Trump Administration had a really
6 smart idea for how to make progress payments work even
7 better.

8 They were sick of programs being behind schedule and
9 over cost so they proposed tying the size of the progress
10 payment to program performance and then sharing cost and
11 pricing data. Companies that deliver on time and provide
12 all the data would get their money up front.

13 The industry hated President Trump's reform proposal
14 and they managed to defeat it, but I think it is worth
15 reviving. So, let me ask, would you support conditioning
16 or lowering the progress payment rate if it means that
17 ships and airplanes will be cheaper and are more likely to
18 arrive on time?

19 Mr. Guertin: Senator, first and foremost, I am all
20 about getting the best possible deal for the American
21 people, no question. And I am also very interested in
22 innovative business models that get us to that end. And
23 that sounds like a great opportunity, and I would love to
24 explore it.

25 Senator Warren: All right. You know, look, failing

1 to conduct proper oversight to control costs hurts our
2 national security, and it hurts our ability to build the
3 force we need to support our National Defense Strategy.

4 We need to ensure that our acquisition policies are
5 getting a good deal for the military and not just lining
6 the pockets of giant contractors. Let's work together on
7 that. Thank you. Thank you, Mr. Chairman.

8 Chairman Reed: Thank you, Senator Warren. Gentlemen,
9 thank you for your testimony. Thank you for your
10 willingness to serve the nation, and the men and women who
11 defend us every day. And I know that is an effort not only
12 individually, but your families also.

13 And we look forward to moving with your nominations,
14 and certainly I think you have my support. And with that,
15 I will adjourn this morning's hearing.

16 [Whereupon, at 10:49 a.m., the hearing was adjourned.]