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Before the  

COMMITTEE ON  
ARMED SERVICES  

UNITED STATES SENATE  

HEARING TO  
RECEIVE TESTIMONY ON THE POSTURE OF THE  
DEPARTMENT OF THE NAVY IN REVIEW OF THE  
DEFENSE AUTHORIZATION REQUEST FOR  
FISCAL YEAR 2019 AND THE FUTURE YEARS  
DEFENSE PROGRAM  

Thursday, April 19, 2018  

Washington, D.C.  

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Thursday, April 19, 2018

U.S. Senate
Committee on Armed Services
Washington, D.C.

The committee met, pursuant to notice, at 9:31 a.m. in Room SD-G50, Dirksen Senate Office Building, Hon. James M. Inhofe, presiding.

OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S.

SENATOR FROM OKLAHOMA

Senator Inhofe: Our meeting will come to order.

The committee meets today to receive testimony on the posture of the U.S. Navy and its fiscal year 2019 budget request.

We welcome our witnesses, The Honorable Richard Spencer, Secretary of the Navy -- welcome; Admiral Richardson, the Chief of the Naval Operations; and General Neller, Commandant of the Marines. Welcome, all three of you. We thank you for your dedicated service.

The National Defense Strategy aims to build a more lethal and ready force and reform the Department of Defense for greater performance affordability. We look forward to hearing from each of you as to how the Navy and the Marine Corps plan to support these objectives.

I was pleased to see requested procurement increases that align with the new strategy, including 11 more ships, dozens of aircraft, and expanded investment in long-range precision fires, air defense, electronic warfare, and other critical capabilities over the next 5 years. I continue to be concerned about the readiness, with the number of recent air and sea mishaps and the tragic loss of life in results. And I hope you have the chance to talk about that. You know, when we have this accelerated mishaps that we have
had, obviously it has something to do with OPTEMPO, with
maintenance, with training. And it's -- but, it's difficult
to identify just where that is. However, I think it's
something that we need to be talking about.

I'm encouraged to see the Navy and the Marine Corps
prioritizing manning challenges during a time when our
sailors and marines have been asked to maintain a high
operational tempo. We look forward to hearing where you
would use additional end strength to fill in gaps at sea and
support priorities outlined in our National Defense
Strategy.

Finally, recognizing service in the military is
inherently difficult, I'd like to ensure we're doing all the
things that we can do to relieve stress on our sailors,
marines, and families, and prioritize the readiness of the
force.

Senator Reed.
Senator Reed: Well, thank you very much, Mr. Chairman.

I -- and let me welcome Secretary Spencer and Admiral Richardson and General Neller. Thank you, gentlemen, for your service over many, many years, and to all the men and women of the Department of the Navy and their families. We're grateful for that service, and please give them our appreciation.

As the leaders of the Navy and the Marine Corps, you face huge challenges as you strive to balance the need to support ongoing operations and sustained readiness with the need to modernize and keep the technological edge so critical to military success. The Department of the Navy face serious readiness problems caused by deferred maintenance, reduced steaming and flying hours, and canceled training and deployments. We are all keenly aware of the number of ship collisions, and I want to work with the Navy to implement changes that should help to prevent such incidents in future operations.

These challenges have been made particularly difficult by the spending caps imposed in the Budget Control Act. Fortunately, we have a budget deal under the defense top line for 2 years, but additional challenges loom on the horizon, as the Budget Control Act will be back in force for
fiscal year -- FY 2020. I look forward to hearing your testimony on progress you're making in correcting these readiness problems while the funding levels are increased.

All areas of our naval forces are maintaining extremely high operational tempo. Demand is overwhelming for attack submarines, air and missile defense cruises, destroyers, and strike fighter inventories. In addition, the Navy is now in its sixth year of operating with fewer than the required 111 aircraft carriers. And, during the next decade, as a first priority, the Navy will need to buy the new Columbia-class ballistic missile submarines to replace the Ohio-class submarines. I am interested in hearing how the Navy is managing current demands on its assets, and how it plans to manage future modernization demands, particularly how it is using the additional authorities that are granted under the National Sea-Based Deterrence Fund, beginning with the Columbia-class program funding in fiscal year 2018.

The Marine Corps continues to make modernization of ground vehicles a priority by balancing the procurement of new systems while upgrading existing platforms to meet current operational needs. The amphibious combat vehicle will replace the aging inventory of assault amphibious vehicles in order to provide marines with increased force protection and enhanced lethality. The Marine Corps is also partnering with the Army to develop the joint light tactical
vehicle, the JLTV, to replace the Humvee. I would welcome an update from our witnesses on the status of these programs.

Last year, we were presented with a document that identified a new force-structure goal, as recommended by the Chief of Naval Operations. That was the new Force Structure Assessment, the FSA. The Navy's current high-level operations contributed, in part, to the CNO's conclusion in this assessment that calls for increasing the goal for the Navy fleet from 308 ships to the level of 355 ships. The Navy submitted a new 30-year shipbuilding plan with the fiscal year 2019 budget request. While the plan would lead to increasing the size of the fleet, it would not meet the new 355-ship goal. This 30-year plan would achieve the attack submarine force goal of 66 boats in 2048. However, in the same year, we would have a force of nine aircraft carriers, compared to a goal of 12 carriers, and 92 large service combatants versus the goal of 104. We need to understand the steps the Navy will be taking to address these shortfalls.

In addition, a significant factor that bears on our discussions this year is that Secretary Mattis has published a new Defense Strategy that is intended to guide force-structure development and modernization programs through increased capability. It is reasonable to speculate that
the implications of this new Defense Strategy under the Department of the Navy could yield increased demand for naval forces and complicate the Navy's plans to achieve its force-structure goals. I am interested in hearing how the Department is implementing these strategy decisions, and how this might affect future force-structure goals of the Navy and the Marine Corps.

Again, I thank the witnesses and look forward to their testimony.

Thank you.

Senator Inhofe: Thank you, Senator Reed.

Let's start with you, Admiral. Your entire statement will be made a part of the record, but -- so, we'll be anxious to hear your opening statement, and then get to your questions.

Why don't we start with you, Secretary Spencer.
STATEMENT OF HON. RICHARD V. SPENCER, SECRETARY OF THE NAVY

Mr. Spencer: Thank you, Senator, Ranking Member Reed, distinguished members. It -- I want to thank you for the opportunity to come before you today and present to you the posture of the Department of the Navy.

It's an honor -- truly an honor to sit here with Admiral Richardson and General Neller, who, over the last 9 months, ladies and gentlemen, have truly become my business partners in tackling the issues that are facing the Department of the Navy, specifically as they pertain to my Title 10 responsibilities.

On behalf of the Navy and Marine Corps team, thank you for the effort put forth by Congress in reaching a bipartisan agreement to support the President's budget request. We completely understand and appreciate that this stretched people to the farthest extent of their comfort zone, and we are very supportive of this and just want to know that we thank you all for your efforts, collectively.

We look forward to receiving these resources as soon as possible to enhance the readiness and lethality across the team while expending them in a focused manner in support of the National Defense Strategy. Today, 94,000 sailors and marines and 101 ships are forward deployed and stationed using the global maritime commons as a medium of maneuver,
ensuring the maritime lanes of commerce remain free and open, assuring access to overseas regions, defending key interests in those areas, protecting United States citizens abroad, and leveraging -- and preventing adversaries from leveraging the world's oceans against us 24 hours a day, 365 days a year. Our budget request enhances readiness and continues increasing capability and capacity of the Navy-Marine Corps team. As directed in the 2018 National Defense Strategy, our budget submission supports a more lethal, resilient, agile force to deliver and defeat aggression by peer competitors and other adversaries in all domains across all spectrums.

My priorities for the Department center on three categories: people, capabilities, and process.

The ability to accomplish our mission relies on people. Eight-hundred-thousand sailors, marines, Active Duty and Reserve, and their civilian teammates and families, comprise that number. We are building a more lethal, agile, talented, and rapidly innovating workforce as we speak.

The ability to accomplish our mission relies on having capabilities necessary to fight tonight, challenge competitors, deter our rivals, and to win. We're investing in modernization of key capabilities and new technologies to attain this goal.

Lastly, the ability to accomplish our mission relies on
having efficient processes in place that will speed the
value and ability to support our warfighters in more
effective and efficient manners.

We are creating a continuous-improvement mindset in
both our culture and management systems to deliver
performance with affordability and speed. I deliver to you
today a plan with urgency. We cannot and will not allow our
competitive advantage to erode. With your guidance and
help, these planned investments will provide combat-credible
maritime forces for the future. We will ensure we are good
stewards of the money and resources you give us. We will
drive efficiency across the Department to maximize every
dollar and invest smartly in order to leverage the return on
our investments.

I look forward to your questions.

[The prepared statement of Mr. Spencer follows:]
Senator Inhofe: Thank you, Mr. Secretary.

Admiral Richardson.
STATEMENT OF ADMIRAL JOHN M. RICHARDSON, USN, CHIEF OF NAVAL OPERATIONS

Admiral Richardson: Senator Inhofe and Ranking Member Reed, and distinguished members of the committee, thank you for the opportunity to testify today to discuss our Navy.

And I'm honored to be here with Secretary Spencer and General Neller, two great leaders with whom I am working to increase the warfighting lethality and readiness of our Navy-Marine Corps team.

That Navy-Marine Corps team is the Nation's response force, and a strong and responsive Navy matters to America's security and economic prosperity now more than ever. As our National Defense Strategy makes clear, more naval power is essential in a new era of great-power competition. With a rising China and a resurgent Russia, America no longer can enjoy a monopoly on seapower or sea control. Meanwhile, regimes like North Korea and Iran threaten global stability.

Given these challenges, it's absolutely critical that we increase American naval power with a sense of urgency, just as Secretary Spencer said. Every day, we must earn our place as the world's best Navy. To do that, we must take a balanced approach to building the Navy the Nation needs.

The Navy the Nation needs requires a bigger fleet, as you said, Senator, more ships, submarines, aircraft, and special operating forces. Congress agreed with the
conclusions of several thoughtful studies, and a 355-ship Navy is the now the law of the land. This will increase our Navy's ability to protect our homeland and our allies, to expand our influence as America's global maneuvering force, and to support American prosperity by safeguarding access to critical waterways. And, while there will always be a debate about the eventual number of ships to build, we can all agree on one thing: the Navy must get bigger, and we must start building now.

The Navy the Nation needs requires a better fleet, more capability achieved through modernization, networking, and agile operating concepts. The Navy the Nation needs requires a ready fleet, more at-sea time, more flying, more maintenance, and more weapons of increased lethality that go faster and farther. All of these things demand a talented force of sailors and civilians, with officers of character and competence to lead them.

Thank you, to the efforts of this committee and the Congress, the readiness funds in 2017 and the enactment of the fiscal 2018 authorizations and appropriations has put us on a strong trajectory towards increasing American naval power. As we discuss the 2019 budget request today, that will help us achieve a bigger, a better, and a more ready fleet, I commit that your Navy will be a good steward of every precious taxpayer dollar.
Finally, on behalf of all the sailors serving around the globe, I think we all agree and wish Senator McCain a speedy recovery. And I look forward to being grilled by him in this room in the future. I am grateful for his work, and that of the entire committee, to increase our naval power.

We've started down a good course, and I look forward to navigating with Congress to build the Navy the Nation needs, a Navy lethal to our enemies, committed to our partners, and safe for our sailors.

Thank you. And I look forward to your questions.

[The prepared statement of Admiral Richardson follows:]
Senator Inhofe: Thank you, Admiral.

General Neller.
STATEMENT OF GENERAL ROBERT B. NELLER, USMC,

COMMANDANT OF THE MARINE CORPS

General Neller: Chairman Inhofe, Ranking Member Reed,
I would just associate myself with the comments of the
Secretary and the CNO.

You expect a lot of your marines, and 34,000 of them
are deployed right now outside the continental United
States, doing what you expect them to do: prepare to fight
and win. We appreciate the appropriation, and we're hopeful
that we'll get the same in '19 so that we have consistency
and stability in our budgeting process.

That's -- I'll curtail the rest of my comments, because
I think it's more important we get to the questions. And I
look forward to your questions.

[The prepared statement of General Neller follows:]
Senator Inhofe: Well, you know, your last comment was significant, when you say in fiscal year '19. My concern is, fiscal year '20 and fiscal year '21. And I think that we -- maybe during the course of these questions, you'll be asked, What happens if we don't continue what we started with the 2-year budget? It could be a disaster.

Let's start off with China a little bit. A few of us -- four of us on this committee just got back recently from South China Seas, visiting with our allies there and just -- it's -- most people don't know what really is going on with China in that part of the world. You know, they hear about the islands that are out there, and they talk about reclaiming islands. It's not reclaiming, because there's nothing to reclaim. It's building, creating. And now they're up to seven different areas, very important areas for our movement in that part of the world. Everything that we see there is as if they're preparing for World War III. Everything's military -- not offenses, it's defense. And it's really gotten the attention of our allies.

And one of the things that I think all of us would agree on is that, whether it's the Philippines, South Korea, Taiwan, Japan, they're all concerned and kind of covering both bases. This sounds pretty extreme. But, it's almost as if they're trying to decide whose side are they going to be on when this happens. I mean, that's the kind of
preparation that's taking place. And we know that China is producing at least a dozen warships a year, developing new long-range weapon systems and fifth-generations.

So, I'd like to have -- let's start with you, Admiral Richardson. What do you see those potential challenges in -- what are they up to in this, what they refer to as -- they were reclamation projects that they have, that now exceeds, what, 3,000 acres, I guess?

Admiral?

Admiral Richardson: Sir, I think you've characterized that exactly right, and I would say that the Chinese have been very clear about what they're up to with their discussions of the Belt and Road Initiative, which may begin in the South China Sea, but actually extends around through the Straits of Malacca into the Indian Ocean, up into the Middle East, and into Europe. And so --

Senator Inhofe: Yeah. No, it's all around. We understand that. We know what they're doing right now in Djibouti. This is the first foreign-based operation that they've had, I guess, in recent history. And so, it's not just there, it's in -- it's certainly in Europe, the same. But, that's a place where we recently were, and that is -- it really does affect the Navy's attention more than the other areas.

How about you, Mr. Secretary? What's your thinking
about -- what are they up to over there in the South China Seas?

Mr. Spencer: Well, Senator, I -- we know what their activity is in the South China Seas. I'd like to actually elevate it and tell you what they're -- what we're observing they're doing across the whole spectrum.

Senator Inhofe: I understand that, yes.

Mr. Spencer: Just the other day, we were about to let a contract to one of our primes, and we found out that, in that division that we were going to contract to, Wahweh was a joint venture partner. And we turned around and said, "Whoa, stop the horses. We'd like to know what this means."

Talked to the prime. The prime said, "No problem, we're not going to use any of the assets of Wahweh North Software."

It was a very enjoyable call. And then all of a sudden we said, "Great. Can we see the governance documents of the joint venture?" And things got very frosty. We have now put prophylactic language in this agreement to prevent any creeping further.

I bring this up as an example, so it's not just the South China Sea, it's across the full spectrum that China is coming at us.

Senator Inhofe: Yeah. And I agree. That's why I said-- but, it's -- but, right -- this is fresh in our minds right now, and it's something very overt, and it's one that
is considered serious enough in that part of the world that
our allies -- historically, our allies are kind of divided
as to what they think, where their allegiance may be changed
to. And that's very concerning.

Let's talk a little bit about the pilot shortage. I
know -- I understand it's not quite as serious with you guys
as it is with the Air Force. But, are you looking down the
road, now that we've made some changes, and we're looking at
2 years -- in fiscal years '18 and '19, we're going to be
able to make some changes -- any -- express your concern
right now. But, maybe with you, General Neller, in the
Marines, or --

General Neller: So, we share the same concern. Our
numbers are not as drastic or dramatic as the Air Force, but
we have instituted a bonus that we haven't paid for many,
many years. And we've extended it out to 16 years. We're
looking at different ways to take advantage of people that
might be leaving, to keep them in the Reserves. And we're
in direct competition with the commercial airlines, because
they're -- have a huge pilot shortfall around the world.
It's not just pilots, it's maintainers. We just offered a
reenlistment bonus to our younger maintainers, and a
significant number of them took it, which will give us some
stability, because that's an experience base that you --

Senator Inhofe: What about flying hours? It's been
our --

General Neller: Flying hours --

Senator Inhofe: -- concern.

General Neller: -- Senator, is -- they've gone up. I can show you --

Senator Inhofe: Okay, that's good.

General Neller: Probably 4 hours per model-type series across the force in the last year. I saw a story the other day that said it was really only the forward-deployed forces, so I got the data call on that. Actually, depending upon what model-type series you're talking about, some of the home-station forces are actually flying more than the forces that are forward deployed. Is it where we want to be? No. And this budget that you have given us will allow us to create a steady stream of parts and spares. Because parts and spares, or a lack of --

Senator Inhofe: Sure.

General Neller: -- is the number-one downing requirement for aircraft. Again --

Senator Inhofe: Well, in the Marines, specifically, the F-18 has been a problem, in terms of what's ready to fight. And I know that that's gone up from about 40 to 50 percent right now. Do you project getting on up where you need to be, which I understand to be about 65 percent?

General Neller: We want to get it as high as we can.
We funded, in this budget -- this budget funds parts and
spares and aviation maintenance at a higher level than we
ever have before. So, is -- there's a --

Senator Inhofe: Yeah.

General Neller: -- certain flash-to-bang time on that.
The Secretary has done some work with the depots to require
them to provide back to us, upon completion of depot
maintenance, an aircraft in a better state of condition so
that it's more ready to fly at a sooner time.

Senator Inhofe: Okay.

General Neller: We're resetting the 53s, so you are
correct, it's -- the two most distressed communities in
marine aviation are F-18s and CH-53s.

Senator Inhofe: Yeah. Well, the Secretary and I share
in our backgrounds some of these things, and I think you
pretty much agree with the comments that he's making.

Thank you.

Senator Reed.

Senator Reed: Well, thank you, Mr. Chairman.

Mr. Secretary and Admiral Richardson, I mentioned, in
my comments, the National Sea-Based Deterrence Fund. Could
you tell us how you're using that to provide for the
efficient acquisition of Columbia, which is a -- not only a
big-ticket item, but actually essential to the national
security? Whoever wants to go first.
Mr. Spencer: Senator, I'll go first on that.

Yes, that vehicle does provide us authorities that do provide us the flexibility to address Columbia specifically, which is going to be, as you know, the biggest modernization leg of the nuclear triad. And it is our number-one priority in the Navy. That -- like I said, that vehicle has been very helpful in providing us authorities for future buy, long-lead buy to keep Columbia on track. We will continue to use it, the authorities in there, primarily. And I'll tell you that we now have no margin -- no time margin at all involved in Columbia. And we are marking this program with great sight, going forward, because we can't have any slippage.

Senator Reed: Right.

Admiral Richardson: I would just --

Senator Reed: Admiral.

Admiral Richardson: -- pile onto that, sir. As I see the combination of appropriations and authorities that are going to be required to get this major acquisition program delivered on time, I see that the flexibility of the National Sea-Based Deterrent Fund both lowers cost and lowers risk, at the end of the day. You can buy material at its optimum time rather than the last time, and it allows you to move things to the left as much as possible to buy margin back into the schedule.
Senator Reed: I only would ask, if there are additional authorities or additional techniques that you want to apply because of the importance of this program, please let us know as we go forward.

Commandant -- General Neller, the Marine Corps has a series of accusations and cases of sexual misconduct. You're not the only service that's facing this. But, some of them have been quite notorious -- Marines United, a recent incident involving a colonel who had a record of misbehavior and -- but was only discovered when he abused a young child; and then you have, also, a marine brigadier general whose responsibility included sexual assault prevention, and he made some comments that are -- I think, have drawn appropriate criticism. Can I ask you very seriously -- and with the difficult challenge that you face, is -- how are you addressing a culture that might be contributing to this issue?

General Neller: Senator Reed you and I have talked about this, and I appreciate the question.

Aside from those events, as disturbing as they are, I think today you look at our Marine Corps -- your Marine Corps, we're as diverse, as integrated and inclusive as we've ever been. And I would give credit to members of this committee for holding the mirror up and making us look at ourselves and ask ourselves some hard questions.
So, since the Marines United, we've clarified policies and rules and regulations, so all marines know what's expected of them. We had to clarify commanders, what they could do to hold people accountable. That doesn't mean we're perfect. I've had a couple of my senior officers -- one was an allegation and one was investigated by ourselves, and was substantiated, where I had to say that I didn't have confidence in them to lead their organization. They are not the majority. They're not even close to the majority. And yes, you should expect more from a more senior officer.

So, are we where we want to be? Are we where you want us to be? No. Are we in a better place than we were a year ago? I believe we are. That's on me. And I'd just remind everybody that, in my heart of hearts, I've gone out and talked to thousands and thousands and thousands of marines. And I'm not going to use as an excuse that 62 percent of the Marine Corps is 25 years old or less. That's no excuse. But, it's going to take us some time, and I assure you -- give you my word that anyone who does violate the rules, regardless of whether they're a general or a private, they're going to be held accountable. And, with the help of this committee, we'll continue to work to make ourselves even more inclusive than we are today.

Senator Reed: General, are you concentrating on senior leadership? I know you're addressing the entire Corps, but
making a special effort to ensure that senior leadership is 
fully attuned with your views?

General Neller: Yes, Senator.

Senator Reed: Thank you.

One other issue, too, is, Do you reflect adherence to 
these standards specifically in the efficiency reports for 
marines? Is there some -- something in the efficiency 
report that the rater would have to indicate yea or nay, 
follows Marine Corps policy regarding sexual harassment, 
sexual conduct?

General Neller: If someone -- obviously, if someone 
were to do something which would cause them to -- the 
commander, their senior. to lose confidence, then they would 
receive an adverse report. But, in the actual report, 
itself, that was something that would have to be in the 
narrative. We are in the process of reviewing our, what we 
call, fitness reports or OERs. And one of the categories 
we're going to put in there is something to do with 
diversity or something like that. Because I believe that we 
need a command climate. You know, we're in a tough 
business, and it's taken some people some adjustments. And 
those that can't adjust are going to have to either get 
onboard or get out. But, to answer your question, right now 
our fitness report does not reflect that unless the 
reporting senior chose to write it in. But, in the future,
it will.

Senator Reed: Well, I think that is a -- an important step.

My time is expired. Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator Reed.

Senator Cotton.

Senator Cotton: Thank you, Mr. Chairman.

And thank you, gentlemen.

Admiral Richardson, I want to discuss the littoral combat ship. In my view, it's some concerning news.

According to a U.S. Naval Institute story published this week, the Navy will not deploy an LCS in 2018, 11 LCS ships have been delivered to the Navy as today, but we'll have none deploy. Two days ago, at a Seapower hearing, Admiral Mertz testified, quote, "The typical deployment model is three to five ships to one, to keep one deployed. So, this is really just math. There's going to be gaps that'll fill in over time. We're not concerned about that," end quote.

However, in September, just 8 months ago, the Commander of Naval Surface Forces in the Pacific Fleet said that you can maintain three to four littoral combat ships deployed when you take on the Blue/Gold crew system. What is the answer, here, to the actual deployment ratio?

Admiral Richardson: Senator, I'll tell you. As you know, the littoral combat ship has been a program that has
been through some troubled times. And I would say that, in
the past, we probably pushed that ship out forward deployed
a little bit ahead of its time, before the system -- the
program had stabilized and we'd done the appropriate testing
and gained the confidence. As soon as I got in as the Chief
of Naval Operations, I directed the Commander, Naval Surface
Forces, to take a look at that program, rationalize it, and
make it look a lot more like a normal shipbuilding program
and a ship-operating program. So, this is what led to
changes in the maintenance approach, changes in the
Blue/Gold crewing, the way that we are going to home port
these squadrons, and forward deploy them.

2018 is really a reflection of that shift. And so, it
is -- starting in 2019, we're going to start forward
deploying those. They'll be sustainable, they'll be more
lethal by virtue of the enhancements we're putting on those
littoral combat ships. We have 24 deployments planned
between '19 and '24. And so, you know, it really -- '18 is
a reset year to get maintenance and manning in place so that
we can deploy this in a sustainable fashion.

Senator Cotton: So, starting in 2019, then, which of
those ratios will be correct? Will we be able to keep three
out of four ships deployed, or one-fifth to one-third of
those ships deployed?

Admiral Richardson: Senator, I'll tell you what.
There's a little bit more to the math. If I could get back to you for the record on exactly how that ratio works out, I'll be happy to show you the way this all --

Senator Cotton: I would appreciate that --

Admiral Richardson: Yes, sir.

Senator Cotton: -- for the record.

[The information referred to follows:]

[COMMITTEE INSERT]
Senator Cotton: There's a second question I want to ask, as well. Even by Admiral Mertz's statement of one-fifth to one-third of ships deployed, we should still have two or three LCS ships deployed this year. I think you may have just answered that question, though, by saying that this is a reset year to try to get --

Admiral Richardson: Yes, sir.

Senator Cotton: -- to your future model.

Admiral Richardson: This is part of that plan that Surface Forces put together.

Senator Cotton: We've spent $6 million now on these ships. I think the taxpayer deserves to have them out, performing their job.

Admiral Richardson: Could not agree more.

Senator Cotton: I hope that's the case, starting next year.

General Neller, I want to speak to you about some changes in foot-march standards at the infantry officer course. It was recently changed from requiring infantry officers to pass five out of six evaluated foot marches to only three evaluated foot marches. I find that a little worrisome, given that the overall physical fitness testing standards have increased for everyone, to include enlisted marines, which means we may be lowering standards for our infantry leaders compared to our enlisted marines on
something that is, I would say, a pretty core competency for
an infantry leader. I assume you would agree with that?

General Neller: Senator, there was a change, because
we looked back at the -- at what was going on at infantry
officer course. There's nine foot moves during the course
of that curriculum. At one time, there was -- you had to
pass five of six to graduate. A couple of those six, we
could not relate them to events in the training and
requirements manual for infantry. So, I got a group of my
senior infantry leaders together and I said, "Okay, you
know, why are we doing what we're doing?" A couple of them-
one, in particular, a -- an event, "I thought that the
load was -- I mean, I wouldn't think I would ever have
anybody do that." So, they came back to me and they said,
"Look, these are three that equate. We're still doing all
of them. They're still all done. They are all still a part
of the overall" --

Senator Cotton: But, the -- but fewer are being
evaluated.

General Neller: They're all evaluated.

Senator Cotton: Evaluated is a --

General Neller: They're all evaluated, and overall is
the performance of that officer to graduate from that
course. But, three of three, now, to include the one with
the heaviest load and the time and duration, those three all
have to be passed in order for an officer to graduate from that course.

Senator Cotton: Let me just read you a statement from General Bohn, the commanding officer of the Marine Corps Training Command. He said, quote, "The principal driver behind us making modification to the course, it was not about lowering attrition, it was about making students more successful to compete -- complete the course." I don't really understand the difference between lowering attrition and making students more successful to complete the course. Both of those sound like you're tailoring the standards not to the mission, but to the graduation rates that you have at the course.

General Neller: I'm not going to speak for General Bohn, but my view is, when I was approached with this, says, "This is what we can equate to training in our requirements manual for the infantry. These are the three that we should evaluate as go or no-go for graduating from the course."

And that's what we did.

Senator Cotton: Thank you.

My time is expired.

Senator Inhofe: Thank you, Senator Cotton.

Senator Nelson.

Senator Nelson: Admiral, long ago we learned a lesson from having too many assets in one place at Pearl Harbor.
And today we have six aircraft carriers at Norfolk. But, it's not only an aircraft carrier problem. I understand we face a dispersal problem with other ships, as well, including those that make up the amphibious readiness groups.

I know you'll be releasing a strategic laydown and dispersal plan shortly, so I don't want us to get ahead of that, but what are some of the viable options, as far as home ports, for helping to achieve dispersal objectives when it comes to these ships? And knowing that different infrastructure exist at these ports, once you decide to move ships or to place new ships at a port, typically how long does it take to get that specific base ready for having those ships? And how critical is it that we begin the planning and design now in order to support these ships that will be moving in the future?

Admiral Richardson: Senator, I thank you for that question. And we've had a number of conversations about this critical strategic issue of laydown and dispersal, particularly on the East Coast. And, as you mentioned, we're in the final phases of putting together the strategic laydown and dispersal plan. And I look forward to coming with -- to you with that final plan.

As part of the considerations in that plan, there is not only the warfighting strategic dispersal that we have to
take into consideration, but also the infrastructure in each
of those ports. And so, as we consider Norfolk, Little
Creek, Mayport, for -- primarily for our surface ships on
the East Coast, our submarines there at Norfolk, King's Bay,
and Groton, there is the geographic dispersal from a force-
protection standpoint, there is the infrastructure of the
port itself to be able to accommodate those ships pierside,
particularly under heavy-weather conditions if we're talking
a port like Mayport, and then there's the maintenance
capacity of those ports so that we can keep them repaired
and ready to go to sea.

So, as we -- in terms of how long it takes to get a
port ready, it really sort of depends on where you're
starting and what your goal is. But, 3 to 4 years is not an
unreasonable number to start to consider these sorts of
plans. And as -- you know, the sooner you get started, the
more prepared you are.

Senator Nelson: Okay, thank you, Admiral.
Mr. Secretary, it's good to see you. Thank you for the
good job that you're doing.

We have the E-2D Hawkeye. It's manufactured in
Florida. Knowing that these planes are vital to the Navy
mission in combatant commander requirements, we have an
opportunity to block buy these planes at a significant
savings to the taxpayer. Have you got any comments that we
might have been able to see cost savings when negotiating the next multiyear contract? And, if so, is it in line with industry standards?

    Mr. Spencer: Senator, it -- underway and more to come, I think is the best explanation that I can give you. We will share with you what we see as we come to closure with the options available to us. But, you're exactly right, that is one path that we can extract savings and efficiencies. As you've heard, we've -- we've said it since my feet were on the ground -- we're looking to industry to be our partner now, not simply just a transaction orientation. And, in that light, we hope that we can work together to get the best goal; i.e., What do we both need to succeed? And that's the conversations that are having now.

    Senator Nelson: Thank you.

    Thank you, Mr. Chairman.

    Senator Inhofe: Thank you, Senator.

    Senator Perdue.

    Senator Perdue: Thank you, Mr. Chair.

    And thank you guys for being here today, and for your service. No kidding.

    Secretary Spencer and Admiral Richardson, Admiral Harris, in repeated visits to the Hill in the last couple of years, has previously stated that approximately 230 of the 400 foreign national submarines worldwide are located in the
Indo-Pacific region. And, of those, 160 belong to China, Russia, and North Korea. We've got about 74 submarine capabilities around the world. Without asking how many are in the Pacific, the question I have is, As the NDS focuses more pressure on naval marine capabilities, particularly with regard to the near competitors of Russia and China, how does this bode -- what -- how does it -- what does this -- how does this impact the shortfall in undersea capability?

Talk to us a little bit about unmanned capabilities, in terms of development. I know Admiral Moran has talked to us a good about it. In this setting, can you talk to us about how you're going to mitigate the potential attack submarine shortfalls in the 2020s?

Admiral Richardson: Sir, I'll tell you. We're looking at this from a very integrated approach. And I'll just speak to the U.S. Navy approach, and the Secretary will speak to his efforts with our allies.

The -- maintaining our superiority in the undersea domain is going to rely -- is going to need an integrated approach between manned and unmanned technologies. And so, we're working very closely with the undersea -- the submarine industrial base to make sure that, as we move through the Columbia-class program, as we move through enhancing the Virginia-class submarine with the Virginia payload module and look forward to all those manned types of
approaches, that we are doing so in a way that really
maximizes the capacity of the industrial base to deliver
those submarines at the best possible --

Senator Perdue: Do we have the supply chain now? And,
if not, how long will it take to develop that supply chain
to meet those needs?

Admiral Richardson: The supply chain, particularly the
second- and third-tier vendors, have really -- has really
been leaned out over the past years. And so, the signal
that has started in '18 and hopefully will continue in '19 --
- they had the 18 months of uninterrupted, stable, and
sufficient funding -- will be a tremendous bolster of
confidence to those second- and third-tier suppliers, will
allow them to make some investments to bring that system
back to health.

But, even if we do all that, sir, I don't think that an
only-manned approach is going to get us where we need to go.
That's why I've made a family of undersea -- unmanned
undersea vehicles an acquisition priority. It's in the
accelerated acquisition program for the Navy. And so, you
can start to see this combination of manned enhanced by
unmanned vehicles as being the key to maintaining our
superiority undersea.

Senator Perdue: Mr. Secretary?

Mr. Spencer: Senator, coupled with that, the second

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pillar of the National Defense Strategy is a robust
constellation of partners and allies.

Senator Perdue: Sure.

Mr. Spencer: And I will tell you that we are spending
a good amount of time out there hugging our allies and
partners, to include Australia, Japan, Singapore, Korea,
and, more recently coming into the fold, India and even
Vietnam. And it's going to be a collective effort that's
going to make up any gapping that we have there. They are
committed. They are buying the right equipment. They are
working with us. I invite everyone on the Senate Armed
Service Committee -- this is a formal invitation to join us
in RIMPAC, where you're going to see a complete coordination
of faces and partners.

Senator Perdue: Will China -- I'm sorry to interrupt --
- will China be a part of that this year?

Mr. Spencer: China has been invited.

Senator Perdue: Will they be a part of it?

Mr. Spencer: I don't know what the response was from
the invitation, but they have been invited --

Senator Perdue: Thank you, sir.

Mr. Spencer: -- to select series.

Senator Perdue: With my time remaining, I'd like all
three of you, or certainly Admiral Richardson and General
Neller, to comment on the risk we have with regard to space
and cyber domains. These are the two new domains that you
guys are having to deal with. Particularly with our
precision munitions and our communication capability, on the
ground and on the sea, what are we doing right now to
mitigate the risk that we now are realizing we have in the
space domain and in the cyber domain?

General Neller: Well, Senator, I think you
characterize it correctly. We recognize that we've built a
way of war which is not totally, but significantly,
dependent upon --

Senator Perdue: Yes, sir.

General Neller: -- on space and the network. And so,
we realize that we have to keep our network up, it has to be
resilient, and we have to be able to operate with a minimum
of bandwidth, and we've got to make, in the requirements for
anything else that we buy, that it has more than one way to
find its way to its destination.

Senator Perdue: Yes, sir.

General Neller: So, the cyber piece is first defend,
protect yours and deny the adversary theirs, and then make
sure that the munitions you have are going to operate, even
if that network is degraded or the constellation is
degraded. So, space is a place where we're going to operate
in a different kind of way. If General Hyten were here, he
would tell you that, you know, when -- there is maneuver in
space and there is shaping operations in space, and, other
than that, we'd probably get into a classified --

Senator Perdue: Yes, sir.

General Neller: -- domain beyond -- and beyond my
capacity to explain it to you.

But, clearly it's something that's on everybody's mind.

It's -- the number -- and, for us, in the Marine Corps, and
with the Navy, through the Secretary's leadership, we
realize we've got to have integrated network, we've got to
have a naval grid so that all ships can communicate, and
airplanes can communicate with the ships and ground forces.
And so, that's a big effort, and that's part of the
modernization, and that's partly what the appropriation that
we have is going to help us figure out a way to do.

Admiral Richardson: Sir, I'll just pile on quickly,
because I know we're getting out of time.

Senator Perdue: Yes, sir.

Admiral Richardson: But, I will tell you that, in
addition, the command and control of the entire battlespace,
including those two new domains that you mentioned, has got
to be something that is completely integrated, as well. And
so, we've -- are starting to wargame more and more robustly
how you would command and control those two domains, really
down to nanosecond timing to be effective there.

Finally, just to address your comments on GPS, we're
accelerating our efforts to get precision navigation and
timing techniques that will allow us to continue to operate
in the absence of GPS, if that's the way it goes.

Senator Perdue: Yes, sir.

Thank you.

Senator Inhofe: Thank you, Senator Perdue.

Senator Shaheen.

Senator Shaheen: Thank you, Mr. Chairman.

And thank you all for your service and for being here
today.

Secretary Spencer, I was really pleased to hear your
anecdote about the contract with Wahweh, and how the Navy
handled that. I think, just as we saw with Kaspersky
Software, the threat from our adversaries is not just
external, based on weapon systems and firepower, but it's
also internal, based on information -- disinformation
campaigns and cyber. According to a February 2018 article
in Breaking Defense, the commander of Naval Information
Forces, Rear Admiral Matthew Kohler, said that -- well, he
actually likened the Navy's IT workforce situation to that
of recent ship collisions in the Pacific. He's concerned
about the assumption that if IT professionals are operating
all the time, they're getting all the practice they need,
and they don't need training. So, can you talk about the
extent to which the Navy is looking at training that our IT
professionals need and what you might need also in the way of equipment?

Mr. Spencer: Yes, Senator. We've brought this up -- not only IT, but collectively in the cyber community. We look at the work that N-1 has done with Admiral Burke on our future force needs. We are tailoring. We are looking at new ways to get at this. We're going to be coming in front of you all possibly to nibble on the sides of DOPMA. As an example, the ability to have people come in and out of the service to remain current, this would specifically pertain to our cyber community, and probably also to parts of our IT community. We have to -- and I underscore this heavily -- we have to start thinking outside the box in order to accommodate, access, and retain the talent that we need in these areas.

Turn it over to the CNO, if he had any further --

Admiral Richardson: Thank you, Mr. Secretary.

I'll just pile onto that, ma'am, is -- I would highly encourage you to take a quick visit down to Suffolk, Virginia, where we -- Admiral Kohler has his command, and you get to see the stunning talent that the Secretary alluded to in our sailors and civilians that are actually prosecuting this fight in the cyber domain. Right now, our recruiting and our retention is good there, which is a tribute to the values and ideals and dedication of that
team. But, I do take the point that you cannot assume that, just because you're doing operations, that you're doing the sets and reps that are necessary for full readiness. And so, Admiral Kohler and I, Admiral Tighe and the rest of the information warfare community are looking at that very closely.

Senator Shaheen: Well, thank you. I'm pleased to hear that, and I'm sure this committee is interested in supporting those efforts.

There is a report to Congress on extending the service life of the Los Angeles-class sub. I support this effort. I think it is important to span the gap between 2021 and 2031, where we will need those submarines to address the threat that we face. I was pleased to see that the report proposes that most of the work be done at the Portsmouth Naval Shipyard, which obviously I'm very interested in, and that it includes the need for investments in infrastructure in order to support that effort. But, it doesn't really speak to the workforce that's going to be needed. And, given what we're seeing already at the shipyard, in terms of the challenge of getting the STEM workers that we need for those jobs, can you speak to what your thinking is about how we make sure the workforce is there to do this work on the Los Angeles-class subs?

Admiral Richardson: Yes, ma'am, thank you. And just
a-- kudos to the team at Portsmouth Naval Shipyard. They really do terrific work on our nuclear powered submarine force. And --

Senator Shaheen: Absolutely. I'm going to be meeting with some of the superintendents later. I will share that with them.

Admiral Richardson: Thank you, ma'am.

But, I'll tell you that the workforce is, I think, the central challenge when we talk about expanding capabilities, whether it's in acquisition or in maintenance, repair.

Finding those talented people is the principal challenge. We are on a plan to increase our shipyard workforce up north of 36,000 nationwide. We think that that will be the proper number to get our arms around the workload, which includes the potential life extension of Los Angeles-class submarines. One is in the budget, and we're looking at the engineering basis for more.

We address this through, one, you know, heavy-duty recruiting, but also successful intern programs and all of those -- the word escapes me right now, but the schools that really go out to the community and bring these people in and give them the essential training that they need to be effective shipyard workers.

Mr. Spencer: I want to just put a footnote on there, Senator, which is addressing workforce. One of the -- I
find one of the beauties of this job is to go incognito and wander around the assets. And, two weekends ago, with my bluejeans on and a hat, I wandered into the STEM festival, which was going on at the Walter Washington Convention Conference. And, first of all, I was wildly invigorated seeing the number of kids that were there. But, on the first floor, front and center, is Lincoln Welding, with its welding exhibition. And had to them -- and I went up to them, and I said, "Bravo. This is exactly what we need to get people interested in science, technology, engineering, mathematics, and manufacturing." So, it's happening.

Senator Shaheen: Absolutely. And I applaud the Navy's work to support those kinds of programs, like the CPARS challenge that Admiral Richardson and I were talking about.

Mr. Spencer: Yes, ma'am.

Senator Shaheen: Thank you.

Thank you, Mr. Chairman.

Admiral Richardson: These apprentice programs is the thing that --

Senator Shaheen: Yes, absolutely. That's critical if we're going to get the workforce we need for the future.

Senator Inhofe: Thank you, Senator Shaheen.

Senator Wicker.

Senator Wicker: Thank you.

Secretary Spencer, how often do you go around
incognito?

[Laughter.]

Senator Wicker: And do you feel safe?

[Laughter.]

Mr. Spencer: I do. I do, Senator.

Admiral Richardson: I don't when he does that.

[Laughter.]

Senator Wicker: Okay.

Well, let me ask both of you. The Navy is at 324,000 Active Duty sailors. I'm told that is the lowest in almost a decade. The Navy reportedly is 11,000 sailors short of the required manpower levels in the near term, and 50,000 short of the estimated force needed to crew a 355-ship Navy, which is the requirement that was set by the admirals and generals. The -- Senator McCain and I have introduced the Surface Warfare Enhancement Act. And, Secretary Spencer, you and I have discussed this previously. The legislation, among other things, includes provisions to help the Navy retain critical personnel by offering some relief from DOPMA and Goldwater-Nichols. What steps do each of you recommend that we take in Congress to help the Navy attract and retain the personnel required to operate a 355-ship fleet?

And I might mention, thank you for the decision to extent the service lives of destroyers. Of course, this will give us 355 ships much earlier, but we must also
accelerate the end strength of the force. So, if you would
discuss that. And I guess we'll begin with you, Mr.
Secretary.

Mr. Spencer: Thank you, Senator.

I think starting with 355 and working down, you know,
we will get there. We've told you we'll get there, and I
think, when -- in October, when we came to a coalescim on
this, we said there were a couple of plans underway. You
see the extension of the DDG-51s for 45 years, Los Angeles-
class. We also have some other plans we're working on. So,
stand by. And we also realize that we have to drive the
anvil and build new, also, and we're going to work every way
we can to find the resources necessary to do that.

When, in fact, we do sign up for new platforms -- i.e.,
ships -- just putting my business hat on, that's just one
tube, that's just one column of the resources needed. We
also need the maintenance column, and we also need to have
on the graph the personnel column, so -- to really have the
full lifecycle cost of the weapons platform, itself. If you
see --

Senator Wicker: But, let's talk about the sailors --

Mr. Spencer: Yeah.

Senator Wicker: -- aspect.

Mr. Spencer: As we see -- I'm working into that -- as
we see 7500 that we're asking for, going forward, we are
going to have to work in -- at tooth and nail, because we're fishing in the same pool as the Air Force and the Army. We believe we have a very compelling story. We believe we have the ability right now to attract those necessary. We're not seeing a tremendous stress yet, although we are going to prepare for it. "Forged from the sea" is the message going out there. And right now, we believe that the 7500 we're looking for is within reach and not threatened by any targets to date.

Admiral Richardson: Senator, I'll just pile onto what the Secretary said.

As you know, the budget does request 7,500 new sailors this year, which is really more -- you know, more than -- an increase in the end strength, which really is regulated by about the maximum capacity that we can bring them through the training program and get them to be useful sailors.

With respect to DOPMA reforms, I can't thank this committee enough for their support in our proposals to allow-- I would say, sort of, three things would provide some tremendous flexibility. One is sort of merit reordering so that we can get our talent to go to the top, and accelerate that talent. One is the opportunity to maybe postpone your board for promotions so that you can make sure that you've got all of the wickets met before you go before the promotion board. And then, finally, the opportunity, as
we've hinted at earlier, to bring in talent horizontally, particularly in areas like cyber and those niche skills that would allow us to inject, you know, those highly skilled people at the appropriate level.

Again, you know, the committee's been very supportive in these efforts, and I -- you know, I thank you for that.

Senator Wicker: Thank you.

General Neller, the -- let's talk about lethality and the tag line, "If it floats, it fights." Do you have any thoughts for us on increasing the lethality of our amphibious ships?

General Neller: Well, Senator, I think every surface combatant is exactly that, as -- it's a warship, and there's capabilities that we could leverage on -- LPD hull form, for example.

Senator Wicker: What if we put the vertical launch system on the Flight II LPDs?

General Neller: I think that's a great idea.

Senator Wicker: Do you agree, Secretary Spencer?

Mr. Spencer: Most definitely.

Senator Wicker: All right.

Thank you very much, gentlemen.

Senator Inhofe: Thank you, Senator Wicker.

Senator King.

Senator King: Thank you, Mr. Chairman.
I just want to be clear, for the record, that the Portsmouth Naval Shipyard is in Kittery, Maine. We just want to clarify that.

[Laughter.]

Senator King: Senator Shaheen is -- have some -- she and I sued each other over that, 20 years ago.

[Laughter.]

Senator King: United States Supreme Court solved that question.

[Laughter.]

Senator Inhofe: How many years ago?

Senator King: It was about 25.

Senator Inhofe: Who won?

Senator King: The answer is contained in the fact that it's Kittery, Maine.

[Laughter.]

Senator King: First, I want to compliment our naval personnel for having the foresight to hire the pilot of the Southeast Airlines who did such a marvelous job landing that plane, who, by the way, was rejected by another armed service, which we won't mention in this hearing, at the time, who did not take female pilots. The Navy did. And the training and work that she performed in the Navy saved a lot of lives this week. So, I want to acknowledge that.

Admiral, can you give us a quick update, given the time...
constraints, on the collision review, what happened, root
causes, and what's -- what we're doing to prevent that kind
of tragedy in the future?

Admiral Richardson: Yes, sir. Thank you, Senator.

I'll tell you, I'd just echo the impressive performance
of the pilot, and representative of the professionals in --
naval aviators, men and women, in all parts of our naval
aviation force right now.

With respect to the collisions, you know, we are moving
out briskly on the plan that addresses, to our very best
ability, the root causes of those collisions. Those root
causes being, you know, the fact that, as we discussed
earlier, you must spend some time on just -- first of all,
completing the maintenance completely, and then, once out of
maintenance, doing the training required to get those
skillsets up to where they need to -- to do the combat
missions and just the basic operations, and then certifying
that that training has met all of the requirements before
you go on out and do that. And so, we've taken a number of
steps, from examining the career path of surface warfare
officers to make sure that they are getting the requisite
time at sea as they execute their career and go on up to
becoming competent and confident commanding officers. Along
that career path is not only at-sea experience, but also
education and certification. We've adjusted the command-
and-control structure to make sure that we've got firm
advocates for training and certification in each of our home
ports.

Senator King: Let me interrupt, because of the time
constraints.

Admiral Richardson: Yes, sir.

Senator King: Could you supply, for the record, a --
an outline of where you are?

Admiral Richardson: I'd be happy to, yes, Senator.

Senator King: And next steps -- root causes, next
steps.

Admiral Richardson: Yes, sir.

[The information referred to follows:]

[COMMITTEE INSERT]
Admiral Richardson: And, as you know, we've committed to come over and briefing both the staff and the members quarterly on our execution of that plan. The Vice Chief of Naval Operations and the Under Secretary have already provided the first of those updates. And we look forward to continuing those.

Senator King: Thank you.

Mr. Secretary, the Navy and the Marine Corps are undergoing their first full audit. Can you give me a quick update on where that process is and any lessons learned, thus far?

Mr. Spencer: Yes, Senator. You'll find out here, if not today, that we, at the Navy side, will have a qualification announced by the auditors. And I want to manage everyone's expectations as to what that means. As we said originally, the audit process is not only creating a tool for us to manage by, but it's also an educational process. As the auditors get in there and start drilling down, we are already started learning.

The qualification comes from the fact that -- the number of transactions the Navy has, the dissimilar systems that we're using to actually collate this information. And it's -- I believe this is actually a benefit, because what the auditors must stop doing is sample testing and actually get down to rolling up the sleeves and doing individual
education on systems to understand how the buildup comes.

Senator King: When can I tell the people of Maine we're going to have a final audit?

Mr. Spencer: A clean audit?

Senator King: Yes, sir.

Mr. Spencer: Maybe 5 to 7 years.

Senator King: But, you're in the process now of --

Mr. Spencer: We are clearly in the hunt.

Senator King: Thank you.

I spent some time earlier this week with the joint force in Florida that does drug interdiction. And this is just a request. We are only able to interdict 25 percent of drug shipments by sea that we know of. In other words, we have intelligence to tell us there are 100 units out there; we can only stop 25 of them. The problem is assets, particularly in the Coast Guard. My request is simply that you think creatively, cooperatively with the Coast Guard to see if there's a way to improve that miserable record.

Mr. Spencer: Senator, timely observation requests, the CNO and I have been working on this now for a couple of months to see what we can put down there as usable resources, because we're painfully aware of the situation. It's not a quick and easy fix, in that we -- you have the difference between our titled responsibilities, and we will have to cooperate, and gladly cooperate, with not only the
Coast Guard, but with the Department of Homeland Security.

Senator King: Well, I understand the limitations, but in the -- since we've been talking for the last hour, four people in America have died from drug overdoses. And we're under attack. And this is a place where we should be able to shore up our defenses. So, thank you for taking that initiative, and I'll look forward to updates.

Mr. Spencer: Yes, sir.

Senator King: Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator King.

Senator Ernst.

Senator Ernst: Thank you, Mr. Chair.

And, Secretary Spencer, Senator King brought up some great questions about incidents and collisions at sea. And I'm going to move that up a little bit. Let's go to the air. I've been closely following the physiological episodes, those incidents that have plagued the Air Force and the Navy aviation platforms. And just yesterday, it was reported that the T-6 Texan II trainer aircraft pilots have experienced 12 PEs since the 1st of March. I know that you're working with the Air Force to solve the problem, but, going back to Senator King's point earlier, is -- what is that root cause? We still don't have a root cause for those physiological episodes. And so, can you please update our committee on the efforts to identify and remedy the Navy's
physiological episodes?

Mr. Spencer: Senator, I'd be more than happy to, for the record, put our latest update, which has -- it's quite voluminous, as far as efforts. I will provide a topical overview, though, which is fascinating when you come to a numbers analysis.

[The information referred to follows:]

[COMMITTEE INSERT]
Mr. Spencer: We are not -- the Navy is not witnessing the same failures that the Air Force is witnessing in the same type aircraft. And I'm not saying that one's better than the other. We -- we're doing the same type maintenance and analysis, and we're -- this is kind of a confounding issue. We are working the root causes. We are replacing parts -- OBOGs. We are replumbing. We are resoftwaring. When it comes to the F-18, as you know, some of those depressurizations were just due to age of aircraft. But, it still means we have to come to solutions. We are at it. We are tooth and nail. And we are also reaching across to the Air Force to work hand in hand with them.

Senator Ernst: And I appreciate the collaboration on that.

Is there a way that Congress can provide additional supports in that effort?

Mr. Spencer: We will definitely let you know when we --

Senator Ernst: I'm sure you will.

Mr. Spencer: -- find more, yes.

Senator Ernst: I expect it. Okay. Thank you, Mr. Secretary.

General Neller, through my work as chairman of the Emerging Threats and Capabilities Subcommittee, which has jurisdiction over SOCOM, I've really learned a lot about the
care and the treatment programs that our special operators have, as well as their families. And one of the programs that I feel that has been very, very helpful in this regard is the Preservation of the Force and Family, which is also known as POTFF. Senator Heinrich and I recently held a hearing with our SOCOM and -- with the SOCOM and its component commanders, and they all agreed that this particular program of POTFF has been very, very successful in getting our warfighters back into the fight.

Would you be able to speak to the value that POTFF provides for MARSOC? And then, as well, is this a program that you think could be expanded to the rest of the Marine Corps?

General Neller: Well, clearly the Preservation of Force are in the efforts that SOCOM is able to deliver, as far as mental health and fitness to their family, because their smaller numbers is a big deal, and because of the frequency of their appointments, albeit shorter, and the type of actions that they take when they deploy, it's very critical for them to keep those soldiers, sailors, airmen, and marines in the fight.

So, we fully support that. I'm in -- I was talking to General Mundy, our MARSOC Commander, about what they're doing, as far as health of the force. Several years ago, the Marine Corps, from our aviation community, used that.
We adopted almost -- every unit has a -- what's called a Force Preservation Council, where they sit down with -- the leadership sits down -- when a new marine checks in, they go over, they review their record, any stressors in their life. When people have an issue or something happens that would elevate -- whether it's a discipline or something like that-- then they become reviewed by the Force Preservation Council to see, "Okay, what do we have to do to help this individual marine?" We have the Marine Life Intercept Counselors that go. And we do this -- we're still -- the mental health capacity of the force is much better than it was 15 years ago, but it's probably never going to be what we want it to be. So, I think that that type of activity has transitioned itself into the Active Duty or the conventional force.

Senator Ernst: Okay.

General Neller: And -- but, we work with it, but we're never going to get the results we want, which is everybody's healthy and nobody -- everybody's successful as they can be.

Senator Ernst: I think the point is that we try to do the absolute best we can for our warriors. So, if there are best practices that we can take from Preservation of the Force and the Family, we certainly would like to make sure that those are extended into the Marine Corps and then, as well, of course, across the Navy, as well.
Admiral Richardson: Working with Naval Special Warfare, they also have a very vigorous --

Senator Ernst: Yes, they do.

Admiral Richardson: -- Preservation of the Force and Family, and ask that exact question, What can we do across the entire Navy to adopt best practices?

Senator Ernst: Absolutely. And if there are ways that we can support it, we certainly want to do that.

Thank you, gentlemen, very much for being here today.

Senator Inhofe: Thank you, Senator Ernst.

Senator Warren.

Senator Warren: Thank you, Mr. Chairman.

And thank you, to our witnesses, for being here today.

So, the Defense Department spends hundreds of billions of taxpayer dollars every year on goods and services provided by contractors. Federal workplace safety inspectors have found that some companies, including Navy shipbuilding contractors, have endangered their workers, resulting in deaths, extensive burns, and other serious injuries, and they keep right on getting massive government contracts. We have plenty of laws requiring these Federal contractors to operate more safely, but all the laws on the books won't do any good unless there's serious enforcement.

So, Secretary Spencer, I appreciate your willingness to work with me to ensure that American workers employed by the
Navy can work in safe conditions. Can you briefly describe the efforts that you've directed the Navy to undertake to improve contractors' compliance with worker protection laws?

Mr. Spencer: Thank you, Senator. When I first testified to take this position, I think you and I had this conversation.

Senator Warren: Yes, we did.

Mr. Spencer: And I promised you that we would take action. What we have done -- this really is a whole-of-government solution, and I'm certainly not taking the responsibility off the back of the Navy whatsoever, but OSHA is in here, front and center. And they, like many organizations, have their constraints, both fiscally and manpower -- does not alleviate the fact the situation is being focused upon. We have spoken to those that we are contracting with that have violations and said, one, we will not tolerate this on our next -- if, in fact, there is a breach from normal safety manners to cause accident and/or a detriment to the workers, we have the ability, through funds, to correct behavior.

Senator Warren: Okay. So, I'm glad you've started with them in a conversation, but I think we're going to have to be systematic about this in order to make sure that they keep everyone safe.

Let me ask you about some examples. To comply with
Federal rules, Navy contractors must have a safety officer onsite to identify dangerous conditions and enforce occupational safety standards. But, the person could be anyone, from a trained and certified professional to the most junior person hanging out at the site. So, when the Navy signs a contract, the contracting officer can designate a list of key personnel. These are specific skilled or technical individuals who are identified as being critical to the success of the work.

Secretary Spencer, for contracts that meet a threshold of cost or complexity, do you think that the Navy should consider designating the safety officer as key personnel?

Mr. Spencer: Yes.

Senator Warren: Good. I like that. And are -- the contractors need to know that the Navy expects them to protect their workers if they're going to get taxpayer dollars. Last year, the NDAA required the Government Accountability Office to study DOD's procedures for evaluating workplace safety records for the contractors. But, we don't have to wait for a GAO report. We can start now. And I appreciate your help on this.

Mr. Spencer: Most definitely.

Senator Warren: Good. So, let me ask about another area.

The Trump administration recently released National
Defense Strategy says that, quote, "Long-term strategic competitions with China and Russia are the principal priorities for the Department of Defense." The strategy stresses the need to invest in advanced capabilities for a high-end fight. The Navy has a number of ambitious technological goals in the coming years, from unmanned autonomous systems to electronic warfare to nanotechnology. Today, a lot of this cutting-edge technology is not developed within the Pentagon, it comes from the commercial sector or laboratories at our colleges and universities.

So, Secretary Spencer, how does the Navy intend to capitalize on commercial and academic developments in advanced technology? And can you just say a brief word about what steps you're taking to make sure that the Navy is closely tied to outside innovators?

Mr. Spencer: Senator, it's a -- it warms my heart to answer this question, because we do have --

Senator Warren: Good.

Mr. Spencer: -- a tall task in front of us. One of the things we're doing right now, just to start at the top, is, we are binning our science and technology investments to align with the National Defense Strategy, the ten buckets that Mike Griffin is helping us identify and bin. It is imperative that we do not only our work internally within the Office of Naval Research, but it is imperative that we
reach out into the -- our private-sector community. As you
know up in Massachusetts, between Lincoln Labs and other
efforts we have up there, Woods Hole, we have some amazing
research going on outside the organization.

One of the things that I have taken on at the turn of
the year was a crown jewel, Senators, that we have in the
Navy, which is the Naval Postgraduate School. It is a
research-oriented educational institutional. We are now
supercharging it to put it into its next orbit. We had
conversations with the likes of Eric Schmidt and some others
from the Innovation Board and said, "We continue to try to
have a relationship with you and drive up and say, What can
we buy? What we can we do together?" And the thesis that I
had was, What better way to create a relationship than to
research -- basic, relevant research, where we can get two
organizations working together on a solution? If, in fact,
they commercialize that solution, we'll take a licensing
agreement and provide some value to us and value to them,
and then we can take that intellectual property and apply it
within the DOD. The Naval Postgraduate School will be the
center of excellence for this for, not only the Navy and the
DOD, but, we hope, all of government.

Senator Warren: Good. I'm very glad to hear this,
Secretary Spencer. You know, the Navy needs to stay closely
integrated with our innovators, whether they're in
government or out of government. I'm glad to see you take this approach.

Mr. Spencer: And, actually, the conversation I had just last week, Senator, was with Bob Millard at MIT, who -- Senator Warren: Yeah.

Mr. Spencer: -- welcomes this and looks forward to doing what he can do with the Naval -- Senator Warren: Good.

Mr. Spencer: -- Postgraduate School.

Senator Warren: Well, let us know how we can help. Thank you.

Senator Inhofe: Thank you, Senator Warren.

Senator Graham.

Senator Graham: Thank you.

Thank you all for your service.

That was a good discussion about the high-end fight. I want to get down to the trenches on how we protect this Nation from radical Islam.

To the American people, you may be tired of fighting these people, but they're not tired of fighting you. You can build a wall on the southern border, but that's not going to protect you from Mid-East threats. If some of us are not over there working with our partners, they're going to come here again.

So, that's my general theme. If you want to be safe
against radical Islam, you need to be in their backyard so they're not in our backyard. Does that make sense to the Marine Corps?

General Neller: We don't want to play any home games, Senator.

Senator Graham: Great answer.

What about the Navy? Just say, "I agree with the Marines."

Admiral Richardson: I agree with the Marines, sir.

[Laughter.]

Senator Graham: Never thought I'd hear the Navy say that.

[Laughter.]

General Neller: I think that --

Senator Graham: Okay. So, this is a --

General Neller: -- goes without saying --

Senator Graham: -- breakthrough moment.

General Neller: -- doesn't it?

Admiral Richardson: There's no daylight between us.

No daylight between us.

Senator Graham: He objects.

So, let's talk about what that means. Do you support a residual force in Iraq to make sure ISIS never comes back if the Iraqis would agree to that force?

General?
General Neller: If the Iraqis were to ask us to stay, it would be my opinion that that would be a good decision for us.

Senator Graham: Thank you.

Syria. We have 2200 people in eastern Syria, working with the Syrian Democratic Forces to make sure ISIS is destroyed. Is that correct, General?

General Neller: The mission of that force is to defeat ISIS.

Senator Graham: Right. About 250 marines. Is that correct?

General Neller: I'd rather not get in the -- Senator Graham: That's all right.

General Neller: -- exact number of marines.

Senator Graham: Some marines.

General Neller: There are some marines there, yes, sir.

Senator Graham: Okay. So, here's my question. To hold the territory, there has to be a holding force, or they'll come back.

General Neller: If there's a vacuum, then they will move into it, yes.

Senator Graham: I like partners helping us hold. Do you believe it would be smart for America to be part of that holding force?
General Neller: In order to get to some sort of a political settlement at Geneva or elsewhere, there -- we have to have stability. And if the decision were made that our partners were to come in there, I think our present -- we cannot create a vacuum, because it'll be filled by somebody that we don't want.

Senator Graham: Right.

General Neller: And so, I think that that would be part of the negotiation as to who would be in there. But, I agree with you, there has to be stability. Someone's got --

Senator Graham: Right.

General Neller: -- to be there.

Senator Graham: So, as to that "someone," would you agree that we have capabilities no army in the region has, and that we add some value that probably can't be replaced by somebody else?

General Neller: I would agree with that.

Senator Graham: Okay.

Secretary Spencer, on 12 June '17, Secretary Mattis said, "No enemy in the field has done more to harm the combat readiness of our military than sequestration." Do you agree with that?

Mr. Spencer: I do.

Senator Graham: Would you tell every member of this committee, without hesitation, "Don't put me back into
sequestration”?

Mr. Spencer: Don't put me back in sequestration.

Senator Graham: There you go. Y'all are really good.

[Laughter.] 

Senator Graham: I think it's the single biggest mistake I've seen since I've been here. And that's saying a lot, given Congress's record for the last 20 years.

Navy. Do you agree that a bigger Navy provides more deterrence, Admiral?

Admiral Richardson: I do, sir.

Senator Graham: Have you ever seen a time when we need more deterrence than now?

Admiral Richardson: It's as complex as it's been in my career.

Senator Graham: So, as a matter of fact, the threats have gone up since sequestration, not down. Is that fair to say?

Admiral Richardson: Absolutely.

Senator Graham: So, as we cut our force, the threats did not reduce proportionally, did they?

Admiral Richardson: The assumptions of the security environment didn't pertain. It got more complex, not less.

Senator Graham: So, as we were trying to deal with the chemical weapons attack in Syria, I think a -- more than a handful of ships were sent to the region to provide that
capability and deterrence. Is that correct?

Admiral Richardson: Yes, sir.

Senator Graham: So, a bigger Navy means that you'll have more ships in more places, which will hopefully make some of our adversaries think twice. Is that a fair statement?

Admiral Richardson: That's a very fair statement.

Senator Graham: So, you think 355 ships in 2030 gets the job done?

Admiral Richardson: That's the best estimate we've got right now. In light of the National Defense Strategy, we're going to reassess those numbers in the context of great-power competition and the other threats that face us.

Senator Graham: So, final question. A bigger Navy and a bigger Marine Corps provides more deterrence, more capability. Don't you think it also improves the quality of life for those who serve, because they don't have to be gone so much and they'll have more help?

Admiral Richardson: Absolutely. You get that rotational math going, and you get more time to recover.

Senator Graham: Do you agree with that, General?

General Neller: We would like to get back to a three-to-one, because it's better for the preparation, the training of the force, and it's better for our families.

Senator Graham: Well, I think the Department of the
Navy should be proud of what it's done. And you're the best
in the business. And, pound for pound, the Marine Corps is
the best on the planet.

So, thank you all.

Senator Inhofe: Thank you, Senator Graham.

Senator Peters.

Senator Peters: Thank you, Mr. Chairman.

And thank you, gentlemen, for being here today, as
always.

I'd like to take an opportunity to follow up on Senator
Cotton's questions regarding the LCS. And I think I agree
with Senator Cotton that those ships need to be out to sea,
they need to be deployed. I certainly understand that this
may be a reset year, as described by Admiral Richardson, in
terms of that deployment. But, I would follow up to say
that shipyards don't get a reset year, as you may have with
deployment. And today's Navy's acquisition strategy
certainly underpins the ability to deploy for many years in
the future.

Secretary Spencer, earlier this week, I joined my
colleagues, Senators Baldwin, Stabenow, and Johnson, as well
as a number of House members from Michigan and Wisconsin,
including Speaker Ryan, in sending you a letter on
acquisition strategy for the littoral combat ship in fiscal
years '18 and '19. We're all concerned that, under the
current acquisition strategy, the Navy may be missing out on a variant that provides the best value when accounting for differences in capabilities, service life, and total lifestyle cost. Given the transition from LCS to the competition for a new frigate, the decisions that are made today will impact the shipbuilding industrial base for years to come, as well as impact the Navy's ability to grow to the fleet size that it needs in an affordable and timely way.

And I know the Navy has used an alternating contracting strategy for LCS, awarding two ships to one shipyard and then one ship to the other in alternating years, which the shipyards have optimized for. But, my question to you, Mr. Secretary, as I look forward to your response, certainly, to the letter, but, in the meantime, could you please provide an update on LCS acquisition strategy? And, specifically, will the Navy award two Freedom variant LCSs across the FY18 and '19?

Mr. Spencer: Senator, I've said this before, and I'd - I just want to highlight it. One of the jobs, and one of my responsibilities wearing the Title 10 hat, is to care and beware and nurture, when necessary, the industrial base. I want to make sure that everybody in here knows that that does not mean it's a welfare situation and that our pocketbook is open just to be open. It is not. We will use the contracts that we have in the most meaningful manner to
keep everybody healthy within the bounds that we can. And we are portfolio managers. There is a lot of demands, obviously, on our resources, and we have to manage a full portfolio of acquisitions.

That being said, Senator, we will provide you the letter.

[The information referred to follows:]

[COMMITTEE INSERT]
Mr. Spencer: The overview is that there will be the ability for the Secretary to be involved in the allocation of the ships and the awarding of the ships. As you know, when it comes to Wisconsin, the Saudi award is up there. One of the other levers that we'd like to see what we could do is see how do we pull that to the left, how do we manage the industrial base with all the tools available to us in light of the awards that we have? But, rest assured that the health of the -- both -- all the organizations involved in supplying goods and services to the Navy are being taken care of and analyzed.

Senator Peters: Thank you, Mr. Secretary, I appreciate that.

General Neller, as you are well aware, the future of warfare will be changing dramatically. We've had the -- those discussions on many occasions, as I've had with the other two gentlemen here. But, as we bring in new technology, whether it's autonomous vehicles or AI systems, you need to make sure that you can actually deploy those, and that the men and women who are out in the field are able to integrate that into doctrine and tactics.

And I was taken by an article that recently came out that showed the Marines are giving quadcopters to every squad, that are actually integrating that technology into the field as we speak. Could you speak to that and the
importance of it and how we need to continue to be looking
at integrating this technology in our units every day?

General Neller: Senator, thanks for the question.

That's a fact, that we are going to deploy, whether we
make them ourselves in our own fab labs or we procure them,
that every rifle squad is going to have this ability to fly
a quadcopter in front of them so that they can get a better
appreciation of what lays in front of them. But, it's not
just that. It is all the things that you mentioned, whether
it be autonomy, robotics. I think we're still trying to
figure out what AI can do, as far as the analysis of big
information, making decisions, the future of biomedicine,
things like that.

So, the way we're doing it -- and I think the other
services -- certainly my shipmate, Admiral Richardson's
folks are the same -- where you take an exercise that we're
going to do, and we'll take some technologies, and we'll
apply them in that exercise so we don't have to create
another event. And we'll use the exercise as an experiment.
And whether it be autonomous ships or undersea vehicles or
swarming drones under the water to find mines or to find
pathways or to destroy mines, unmanned aircraft provide
radio relay or electronic warfare, or to give you better
ISR, all those things are doing on. And what we're trying
to do is, we realize that we need it to go faster.
And, as was mentioned about the development of technology in the commercial world, we all have officers out in Silicon Valley. They maintain contacts through an office called DOAX. There's also one in Boston and Austin that was developed by the previous administration, Secretary Carter. So, we're out there kind of doing reconnaissance of what's out there so that we know what's happening. We look at these different technologies and we take a chance and play with them. We make a bunch of small bets, and then, if anything works and we let the Marines look at it, and they say, "Yeah, this is good," or, "This is not," and then we'll try to figure out how we're going to put some money down on it and further develop it.

Senator Peters: Thank you, General, appreciate it.

Senator Inhofe: Thank you, Senator Peters.

Senator Sullivan.

Senator Sullivan: Thank you, Mr. Chairman.

And good to see you, gentlemen. Thank you very much. I really -- very much appreciate your fine leadership, as demonstrated by your decades of service to your country and by your testimony today. I think it's been outstanding and direct.

I want to get back to this topic of the National Defense Strategy and the return to great-power competition, which means countries like Russia, China, North Korea -- not
that they're a great power, but that kind of battle. And, as you know, gentlemen, through history, that also means, particularly when you're looking at that part of the world or those countries, that means cold weather, that means mountainous terrain, that means large-scale maneuver in high-end fights. The last time we did that as a country was in the Korean War. I know all of you have read T.R. Fehrenback's "This Kind of War," but, as you know, that didn't go so well initially in that fight, because we weren't ready.

So, a couple of questions that relates to getting back to that. You may have seen, in the Arctic Strategy that was required by this committee, Secretary Mattis stated that, "The Arctic is key strategic terrain. Russia is taking aggressive steps to increase its presence there. I will prioritize development of an integrated strategy and training for the Arctic."

Two questions. General Neller, I was glad to see that the Marines had just taken part -- I think several hundred marines -- in Arctic Edge 2018, up in Alaska. And I would welcome your thoughts on more cold-weather training, more large-scale maneuver training, lessons learned, perhaps, from your Alaska training, more opportunities for training in cold-weather places, like Alaska, which has enormous ranges, as you know.
And, Mr. Secretary -- Secretary Spencer, I would like to get your views, just on -- you know, the NDAA last year required the DOD and DHS to look at the strategic Arctic port idea. The Arctic Strategy talks about FONOPS in the Arctic, which Admiral Richardson has mentioned. It's a good idea, but right now we don't have the capacity or capability. So, your thoughts, actually, both of you gentlemen, you know, on the 355-ship Navy, the idea of ice hardening. I mean, what are we doing, in terms of a strategy? A high-end, great-power competition fight could be in the Arctic, certainly could be cold-weather mountain training, large-scale, high-intensity. What are the Marines and Navy doing? Basically, focused on those questions, maybe, General Neller, if we can start with you, sir.

General Neller: Well, Senator, you know that we've gotten back into the cold-weather business. When Soviet Union was the only pacing threat, we were at a mission in Norway as part of the defense, the NATO mission. And whether it be at the end of Desert Shield, Desert Storm, and the dismemberment of the Soviet Union, and then operations in Iraq and Afghanistan, you know, we just kind of went away with it. We still sent units up there, because going to cold weather is a good training -- is a good discipline-builder. But, the skillsets, the equipment, and the expertise atrophy, and we've --
Senator Sullivan: Particularly at the large scale up -

General Neller: -- to lead to more than small units.

And so, we realized we needed to get back into it. So, part of it was what we did up there on Arctic Edge. We've had engineers, as you know, up there, working on a road project. We've got 300 marines in Norway. We're waiting for the Norwegian government to potentially give us the opportunity to send more there to work with our NATO partners, because it's an opportunity to learn from them, because they really do understand how to operate and move large formations.

There will be a large exercise in -- NATO exercise this fall, called Trident Juncture, which will be a big amphibious exercise, where the Navy -- many navies will be there, operating in a cold environment, for all the reasons you say. We can't assume that we're going to fight in a desert. It's not going to be a temperate climate. It could be in the Arctic. It could be in the northern edges of any portal latitude or longitude of the world.

And so, we're working hard on that. The whole force is not going to be able to get trained in that. We need -- just need enough people who know what they're doing so, if we get there, particularly the maneuver forces are able to function in -- effectively in that type of an environment.

But -- we're a work in progress, but we're headed in the
right direction.

Senator Sullivan: You see more opportunities for training in Alaska?

General Neller: You know, I've been up there with -- at your invitation, in Alaska. We send our aircraft up there, because, at Eielson Air Force Base, the range up there is three times the size of the range at Nellis. It's a great place for our partners to go. But, I do think we're going to try to do our very, very best to get certainly more deployments for training up to Alaska to take advantage of the terrain and the climate.

Senator Sullivan: Thank you.

Mr. Spencer?

Mr. Spencer: Senator, you and I have spoken about what Alaska has to offer. And suffice it to say that I'm a bull in that regard. You have infrastructure up there, you have the ranges up there. And we have the ability, as the Commandant just said, to access that. And we look forward to seeing how we can maximize that, going forward.

When it comes to the Navy and the Arctic -- how we're handling the Arctic -- as you know, in 2014, we had our Arctic Roadmap. And now you will see, this summer, we will deliver the Navy's Arctic Strategy. In October of last year, one of my first trips, OCONUS, was to go to the Arctic Conference in Reykjavik. And before that, I stopped off
with our terrific allies in Norway who are just doing yeoman's work monitoring the gap. But, they opened my eyes as to what's going on in the Arctic. I had read about it, but, when you see what's going on there, what Russia is doing, repaving 12,000-foot runways, 10,000 spetsnaz up there in Barracks 4, search and rescue, we need to have presence up there.

The complication, as you well know, because we've talked about this, is -- icebreaking is one of the complications. It's not a mission of the Navy. We are working hand in hand with the Coast Guard. In fact, we have just finished helping them design in requirements for the next class of icebreaker. But, that is their mission.

That being said, we do not have ice-hardened ships. There is a new terminology up there, called the Blue Water Arctic, that there now is open blue waters up there. The CNO and I have talked about, How do we have presence up there? We're working on that. And when we see our strategy roll out, you will see more this summer.

Senator Sullivan: Great. I appreciate it.

Thank you, gentlemen.

Senator Inhofe: Thank you, Senator Sullivan.

Senator Gillibrand.

Senator Gillibrand: Thank you, Mr. Chairman.

Admiral Richardson and General Neller, General Milley
told me, last week, that there were, quote, "precisely zero reports of issues of cohesion, discipline, morale, and all sorts of things in the Army as a result of open transgender service." Are you aware of any issue of unit cohesion, disciplinary problems, or issues with morale resulting from open transgender service?

Admiral Richardson: Senator, I'll go first on that. You know, by virtue of being a Navy sailor, we treat every one of those sailors, regardless, with dignity and respect that is warranted by wearing the uniform of the United States Navy. By virtue of that approach, I am not aware of any issues.

Senator Gillibrand: General Neller?

General Neller: Senator, by reporting, those marines that have come forward -- there's 27 marines that have identified as transgender, one sailor serving -- I am not aware of any issues in those areas. The only issues I have heard of is, in some cases, because of the medical requirements of some of these individuals, that there is a burden on the commands to handle all their medical stuff. But, discipline, cohesion of the force, no.

Senator Gillibrand: Can you amplify what burdens on the command are related to medical issues?

General Neller: Some of these individuals -- and, you know, they've resolved whatever it was that -- as they went
through the process of identifying other than their birth sex, and so they're going forward. And I think those that came forward, we have a -- we have to honor the fact that they came out and they trusted us to say that, and that we need to make sure that we help them get through that process. Some of them are in a different place than others. And so, there is -- part of it's an education, but part of it is that there are some medical things that have to be involved as they go through the process of transitioning and real-life experience and whatever their level of dysphoria is. So, for commanders, some of them have said, "No, it's not a problem at all." Others have said that there is a lot of time where this individual is -- may or may not be available.

So, we're all about readiness. We're looking for deployability. But, in the areas that you talked about, no, I have not -- I have not heard of or have reported to me any issues.

Senator Gillibrand: Have you had the opportunity, General Neller, to meet with any of your transgender troops?

General Neller: Yes.

Senator Gillibrand: And what did you learn from those meetings?

General Neller: I learned that -- I learned a lot about the experience that they had. I learned that -- I met
with four -- actually, one was a naval officer, one was an
Army staff sergeant, one was a marine officer, and one was a
Navy corpsman -- and I learned about their desire to serve.
I learned about, you know, where their recognition of their
identification opposite their birth sex. We had a very
candid, frank conversation. And I respect -- as CNO said --
respect their desire to serve. And all of them, to the best
of my knowledge, were ready and prepared to deploy, and
they-- as long as they can meet the standard of what their
particular occupation was, then I think we'll move forward.

Senator Gillibrand: Thank you, General Neller.

Admiral Richardson, what are you doing to ensure
readiness at the personnel and unit level, in light of this
new policy that's come forward from the White House, in
terms of a new burden placed on transgender sailors and
marines?

Admiral Richardson: Ma'am, I will tell you that we're-
it's steady as she goes. We have a worldwide deployable
Navy. All of our sailors, or the vast, vast majority of our
sailors, are worldwide deployable. We're taking lessons
from when we integrated women into the submarine force. And
one of the pillars of that was to make sure that there were
really no differences highlighted in our approach to
training those sailors. That program has gone very well.
And so, maintaining that level playing field of a standards-
based approach seems to be the key to -- a key to success, and that's the approach we're taking.

Senator Gillibrand: Thank you, Admiral.

You and I had a long conversation about military justice. And we talked about some of the sexual harassment and assault issues that are within the Navy. We had an issue with regard to "Bad Santa," as you know, where your public affairs officer was allowed to stay in his position for several months despite his clearly inappropriate behavior. Do you have a sense of what message members serving under you received from him being allowed to stay in that position? And have you changed your approach because of that incident?

Admiral Richardson: The beginning of that approach was really defined by making sure that we got a thorough investigation into a complicated scenario there with allegations and counter-allegations. So, that -- the investigation took some of the time.

Having said all that, I've become acutely aware that that may have sent a bad message, particularly to the survivors of the behavior. And so, that -- you know, my radar has been completely retuned, in terms of sensitivity to that message. And I hope that we've arrived at a good place at the end of the -- at the end of this event. It took longer, in hindsight, than it should have. If I was
going to do it again, I would move faster.

Senator Gillibrand: Thank you, sir.

Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator Gillibrand.

Senator Scott.

Senator Scott: Thank you, Mr. Chairman.

And thank you, to the panel. Thank you all for your service to the country.

Secretary Spencer, good to see you again. I'm sure that you're fully aware of the Navy Working Capital Fund created back in 1949. These working capital funds insulate the military services from government shutdowns, labor strikes, and other destructions. They ensure many of our government-owned repair depots and facilities can stay operational and keep our most highly skilled workers employed when Navy requirements for similar work slows down.

We have some of the greatest capabilities in and around Charleston. SPAWAR, to be specific. The capitals -- their capabilities are pretty powerful. My question is: As you look at the restrictions on the work that the SPAWAR and other facilities like that can do outside the scope of the Navy -- I know that there were some restrictions placed on how those resources can be used -- do you see any restrictions being lifted? Because, as I think through the process of finding the talent that we see at SPAWAR, it's
really difficult to replace that talent if we don't use and
maximize their potential outside the scope of the Navy.

Mr. Spencer: Senator, that's a question that is front
and center when it comes to our human resources allocation
and what we're going to do to keep people. Obviously,
whether a pilot, you want to give them flight hours; whether
an IT technician, you want to give them challenges, you want
to provide work; whether SPAWAR is doing exploratory work,
you want to keep them engaged, because that's the quality of
life, that's what they're there for. We are working right
now at any way possible to make sure that we're at 100
percent capacity for the people, to give them the desire to
stay and have a career in the Navy.

Senator Scott: Does that suggest that looking for work
in other service branches outside of the Navy is something
that's on the table?

Mr. Spencer: If, in fact, we have the bandwidth, yes.

Senator Scott: Okay.

I understand that Russia is building several new
classes of submarines. Are you concerned that Russia may
develop an advantage in this area?

Mr. Spencer: Always concerned, Senator. If you look
at the era that we're entering now with the power
competition, they did not put down their research pens and
pencils over the past 20 years. They have launched a new
submarine that I can safely say is closing the gap on some
of our technologies. But, we are hard at work, also, to
make sure that gap does not close and that the rate of the
gap does not increase.

Senator Scott: All right. Thank you.

Thank you, Mr. Chairman.

Senator Inhofe: Thank you.

Senator Hirono.

Senator Hirono: Thank you, Mr. Chairman.

General Neller, I share Senator Reed's concerns
regarding what you are doing to address sexual harassment
and assaults in the Marines, and the importance of staying
the course. So, thank you for what you're doing. Keep
doing it. And, of course, the concern regarding sexual
harassment extends to the other services and -- as brought
out by Senator Gillibrand.

I have a question for Secretary Spencer. The Navy has
laid out an ambitious plan to spend $21 billion over 20
years to modernize our public shipyards, which I applaud,
because, as you know, Hawaii has one of these public
shipyards. But, I am concerned that, as we talk about
shipbuilding and service-life extensions to get to the 355-
ship Navy, we might lose focus on maintenance capacity and
capability. What is the impact on the shipyard
modernization plan now that the Navy is pursuing service-
life extensions of five attack submarines? Will the
modernization timeline be sufficient to meet this new demand
in addition to other work already programmed and still meet
the biggest challenge of being ready to handle the Virginia
payload module-equipped ships in the future?

Mr. Spencer: Senator, the maintenance equation in the
three pipes that I talked about -- platform, people, and
maintenance -- is front and center. Just last week -- we
have a terrific repository of institutional knowledge in a
fellow by the name of Ev Pyatt, who worked under the Reagan
administration in building and maintaining the Navy's growth
during that period of time. He has been charged by me to go
look specifically at the present state of shipyard
maintenance and what is needed going forward with our
projected plan to grow the fleet and maintain the fleet.

Right now, as we look at the steady-state, as the
report said, we can accommodate what we have now. As we
grow, we're going to obviously need to not only fix -- and
when I say "fix," that means improve the flow through our
existing yards -- and also enhance the processes available
to our existing yards. We're going down to speak to -- it's
fascinating -- speak to some of our civilian counterparts to
talk about flow control. And that's the key thing when it
comes to maintenance through yards.

Senator Hirono: Well, I'd like to have your commitment
that we will continue to focus on the need to modernize and increase the capacity and capability of our people at the shipyards, because they are all ready and eager to go, but they need the tools in which to proceed. And I'd also like to point out that the Pearl Harbor Navy Shipyard has a special challenge, in that a huge percentage of that shipyard is historically preserved. So, you know, it takes more to get the kind of modernization infrastructure changes that we need to do at Pearl Harbor --

Mr. Spencer: Senator, I will put a footnote on there that we are going to have to come back to you all about historical preservation, because historical preservation and industrial modernization do not go hand in hand.

Senator Hirono: Often there is --

Mr. Spencer: Yes.

Senator Hirono: -- big tension there. I am well aware. So, I want to work with you to figure out how we can make sure that our shipyard in Hawaii gets what they need also.

Admiral Richardson, in your written testimony, you mentioned that the Navy was able to arrest the decline in readiness with the request for additional appropriations, RAA in 2017, while using 2018 and 2019 funding to further restore readiness. How long will it take to get fleet readiness to an acceptable level that we are able to
sustain?

Admiral Richardson: Ma'am, thanks. A lot of that's going to depend on the continuation of stable and adequate funding and, you know, the passing of budgets on time. The most toxic thing to readiness has been continuing resolutions and the Budget Control Act. And so, you know --

Senator Hirono: Assuming that we give you adequate funding and it's not a start-and-stop every 3 months of CRs--

Admiral Richardson: Yes, ma'am.

Senator Hirono: -- how long will it take?

Admiral Richardson: We see -- you know, it took some time, a decade, to get into this. We anticipate in getting out of this in about half of that time. And so, I look to the early 2020s -- '21 and '22 -- to start getting back to that level of readiness.

Senator Hirono: And totally dependent on the steadiness of our funding.

Admiral Richardson: One-hundred percent --

Senator Hirono: Understand.

Admiral Richardson: -- dependent on that, ma'am.

Senator Hirono: Secretary Spencer, you noted in your written testimony that the Department has taken risks by underfunding infrastructure investment in installation operations over the last decade. And I'm pleased to see the
budget request includes the largest request for MILCON in quite some time. Besides the public shipyard plan, how long and how much MILCON funding will be required to dig out of the hole we have in infrastructure and installations? And again, let's assume steady funding.

Mr. Spencer: Yes. Underscoring, again, steady funding. Right now, Senator, we're going to -- I think that that what -- the number is, we're coming up to funding 80 percent of our needs, which, to me, is an anathema, but I realize we are portfolio managers. Our infrastructure is a key component of readiness, and we have to address it in such. With the present line, you're probably looking at the same for readiness with the fleet, which is in the early '20s.

Senator Hirono: Thank you.

Thank you, Mr. Chairman.

Senator Inhofe: Thank you, Senator Hirono.

Senator Tillis.

Senator Tillis: Thank you, Mr. Chairman.

Gentlemen, thank you for being here and for your service.

General Neller, I had the pleasure of sitting next to Ms. Neller yesterday in a meeting with a few dozen military spouses. I tallied up the number of years that they have experience, about 467 years of experience in the room as
military spouses, some as -- in your case, as far as 40
years back. Can you tell me a little bit about your belief
or agreement that making sure that we take care of the
families and we take care of the issues of multiple
deployments as having some effect on the readiness of the
marine?

General Neller: Well, Senator, first, thanks for
taking the time to meet with our spouses. A lot of
experience in the room, a lot of wisdom, a lot of PCS moves,
a lot of overseas time, a lot of time without us being
around. But, clearly, we all know, when we serve, that --
or even in the corporate world -- I think you recruit the
individual, and then you've got to retain the family. The
family's got to be onside with doing what they're doing,
particularly this kind of a life. So, I don't think they
expect everything, but they do have a certain expectation
that there's going to be housing available and schools
available, and they're going to be able to live their lives,
and that those that wear the uniform are going to be around
on occasion.

And if they have a profession -- and the demographics
has changed. When I came in, not that many, particularly of
the officer spouses, worked. Now that's very different.
And so, there's an expectation that they'll have an
opportunity at least to compete for a job. And certain
places where we are, you know, we're in a more rural area or
more isolated area, finding that job, particularly if you
have a profession, is difficult. And so, I don't think they
expect special treatment. I think they just would
appreciate, you know, recognition and some opportunity.
Obviously, in a place like Washington, D.C., or in southern
California, it's not anywhere near the issue as it is in
some place like Camp Lejeune, North Carolina, or 29 Palms.
So, we have to work to make sure that, not just the
servicemember wants to stick around, but the family does,
too. And so, that's part and parcel, whether it be
facilities or recreational opportunities or schools or stuff
for the children, mental health. Medical is a big deal.
All those things go together as a whole package to try to
retain the best and most capable members of our force.

Senator Tillis: Well, we're working with the staff on
some specific ideas that came out of the meeting yesterday,
and that I've heard time and time again. But, I think that
many -- people need to understand that the unemployment rate
among military spouses, depending upon which numbers you
want to believe, is somewhere between 12 and 28 percent.
National average is about 4. That's a problem. If you've
got a marine worried about paying the bills and putting
their kids through school, that's a problem. It's a
distraction they don't need. So, we're going to work on
that, but I think we're -- we also need to gather better
data so we can be directed. It's not only the professional
positions, it's somebody that just wants a job. And we've
got to figure out a way to do it, make them more mobile,
make it less costly and less disruption to them as they're
deployed.

In my remaining time, one, Mr. Secretary or Admiral,
I'd -- the -- we tend to get caught up with numbers here,
and we have a checklist. I know the magic number for the
Navy is 355. I believe that we're going through a period of
time now that I'm more worried about the capabilities that
that current 355 number looks like than the number 355. So,
as you move forward and you think about modernization over
time, I'd be kind of curious to see how you're going to come
back to us and say, "Guys, the number is a little bit
different, because we've got -- we may have to have fewer or
more, but we're going to a capability for the least amount
of money spent, particularly because Congress is not
particularly good at completing its mission, giving you
certainty over funding." So, I'd like to get your thoughts
on exactly how you're going to deal with that. Because
you're not going to go to another hearing in the foreseeable
future where people aren't going to be ticking off, "Where
are my ships going to be built, particularly if it's in my
State? How am I getting to that 355 number?" And I want to
really start changing our thinking on that so you're focused
on capabilities and not hitting one number target.

Admiral Richardson: Senator, that's a great question.
And I would tell you, as I think about it, it's about naval
power. And naval power has a lot of components: capacity -
- you know, we -- there is a big convergence of intellectual
thought that says we do need a bigger Navy, right? --
capacity, quantity has a quality all of its own. But, to
your point, we also need a better Navy, right? We need a
more capable Navy that incorporates new technologies,
directed energy, high-power microwave, hypersonics, you
know, and so forth, that make each one of those platforms
more capable. And then, finally, we need to find a way to
increase the power of that force by networking it together
to allow it to adapt and reconfigure on the fly in the face
of threats. So, there's much more to naval power than just
number of ships.

Senator Tillis: Thank you.

Mr. Spencer: Senator, I'd just reverberate that. I
mean, the whole goal is, whether in a F-22 in the air,
targeting a target and pushing a button and the GMLRS
rockets hit it, or the Tomahawk out of the submarine hits
it, or the Standard Missile 6 off the DDG hits it, it's all
going to be intertwined. And that is the game-changer. So,
it's power we're really focused on. Yes, we need a goal to
increase the capacity, totally agree. But, we need to focus
on the power, which is exactly what -- we're going to use
technology as a force multiplier.

Senator Inhofe: Thank you, Senator Tillis.

Senator Kaine.

And Senator Tillis, presiding.

Senator Kaine: Thank you, Mr. Chair.

And thank you, to the witnesses, for your service and
your testimony.

General Neller, I was also at the event yesterday with
Darcy, who is a great example, and the folks around the
table were really, really sharp in offering us perspectives.
I have two pieces of bipartisan legislation, the Military
Spouse Employment Act of 2018 and the Jobs and Childcare for
Military Families Act, that have been introduced with
bipartisan colleagues on this committee, that we're hoping
to add to the NDAA as we work in the coming weeks. But, I
appreciate Ms. Neller's leadership in this area.

I want to ask each of you sort of a budget question.
I'm happy with the budget we passed, the FY18 budget, in
terms of support for investments to do the kinds of things
you're talking about. But, there can always be a challenge.
When the budget gets done 6 months into the fiscal year, and
then the money comes at the end of the fiscal year, there's
the question about whether you can spend the money and do it
responsibly. So, we want to increase the investment. We also want to do it responsibly. We made that challenge harder by being so late. What are you doing to grapple with that issue?

Mr. Spencer: Let -- I'll start at the top, Senator, and then defer to my two business partners, here.

But, we have started the message, before the turn of the year, with the BSOs, in saying, "We are going to hopefully have the pressure to put resources out in a very responsible manner, so get your teams lined up. At this point, large -- let's start executing to 100 percent of where we were, which, at that point, was FY17, and get the muscle movements correct." We now have the new dollars and cents, the curve is now working on the FY18 curve. We have teams set up, and the arc now of de-obligating money down to a -- much more of a science than we had before, to be very frank with you, and if, in fact, teams are saying, "I don't think I can make my goal," we're going to come back to you -- we're going to hit the BTR at 25 percent or we're going to come back to you for the reallocation. And we're having the other projects lined up so we can use as much of these funds as totally possible. And that's the mindset everyone's working at in both services.

Senator Kaine: Admiral Richardson and General Neller, you want to add to that?
Admiral Richardson: Sir, I'll tell you, it's like that quote about real estate. For us, it's just -- the three most important things are execution, execution, and execution. And we are monitoring that day by day to make sure that we are, one, you know, executing those funds; two, executing them on things that are going to deliver naval power; and the -- three, executing them in a way that is auditable and transparent to you.

Senator Kaine: General Neller?

General Neller: Sadly, we're getting pretty good at this --

Senator Kaine: Yeah.

General Neller: -- because we've gotten a lot of practice. And we had a -- kind of a game, last FY, where we got the money late, and we had to spend a certain amount of money every day, and everybody kind of raised their game up.

It would be nice, one year, to just get the money at the beginning of the year and have the whole year to spend it. I think we'd make better decisions. I think it would settle the force down. I think everybody would realize that, hey, we're going to get -- it's going to be there. I think our vendors would appreciate it.

But, to answer your question, Senator, you know, we were -- we're pre-stage, we're ready to go, we watch it every single day. And, at a certain point, if people can't
spend it, then we'll move it to other people who have other
things that are viable that we can put on contract.
Contracting is kind of the long pole in the tent, just to
write the contract in a proper way so that the money is
spent properly. And we're not going to go out there and buy
furniture and carpet. You know, we've got other really more
important things to do.

Senator Kaine: General Neller, I want to ask you just
an example of this, because it affects readiness. And I'm
looking at your written testimony, how you're dealing with
this challenge. Page 12, "Our most acute readiness issues
are in aviation units. A combination of aging aircraft, a
lack of ready basic aircraft, an unresponsive supply of
parts and spares, and maintenance backlogs at the depots
contribute to high overutilization rates of available
aircraft needed for training and certifications. This, in
turn, hastens the induction of these aircraft into
maintenance cycles. Lack of predictable and stable funding
effects industry. Often, when funding becomes available
late in the year through CRs, the industrial base is not
energized to meet demand." Talk a little bit about how
you're trying to grapple with this aviation issue in light
of the budget that we just passed.

General Neller: There are a number of things that
we're trying to do, the most important of which is buy new
aircraft and make sure that the aircraft we get are of sufficient quality that we can replace old aircraft and we don't have to spend money twice to buy new and -- but, there will be, in a legacy fleet -- you're always in a legacy fleet, whether it's ground equipment or air equipment. So, first, buy new. Second, we've funded readiness in this budget at a much, much higher level than we ever have before, so we got more money for parts and spares. The flight-hour program is out there. Flight hours are up -- not yet to where we want it to be. It's hard to say that you could ever fly too much. But, we've -- part of our recent readiness issues, and some of the things that have happened is, we've got a whole, like, 5 or 6 years of pilots who were -- used to be, if they were senior captain and major, they are, like, 1500 to 2,000 hours; now they've got under 1,000, because they haven't been flying enough. And so, we're trying to remedy that. And, just like CNO said, if we didn't -- it didn't happen overnight to get to this point, it's not going to get fixed overnight.

So, steady, consistent funding is what's going to allow suppliers out there to get us parts, because they're going to believe that the government's going to be there, that they can keep their workforce, they can order the stuff that they need to build the parts, and then we can get it faster and get more airplanes and other equipment ready.
Mr. Spencer: Senator, let me add something on there.

One of the things that we've been working on, obviously, is a statement that I make that the best solution provider for a problem is the person looking at the problem. And this bubbled up through the wings all the way up to our depot maintenance.

And we have a new pilot program underway, called Depot Readiness Initiative. What we were finding out was, in the case of a legacy plane, it goes up into depot, it's 1,000 man hours to take it apart and do the depot-level maintenance, while, back at the squadron, the calendar maintenance clock was still running. So, down the plane comes back to the squadron, and you've got to spend another 500 hours taking things apart and putting things back on to make sure that it's brought up to certification. Why not do that up at the --

Senator Kaine: Right.

Mr. Spencer: -- depot-level maintenance? Sounds like a very simple thing to do, but there were funds that had to be arranged from different pools of money. We're trying this. The flow is increasing. We think this is something we're going to do. But, this is an example of how we're getting at it.

Senator Kaine: Excellent. Thank you.

I'm over my time. I appreciate it, Mr. Chair.
Senator Tillis [presiding]: Senator Kaine, I also wanted to thank you for participating in the marine spouses meeting yesterday morning. Appreciate your focus on the issue.

Senator Blumenthal.

Senator Blumenthal: Thanks, Mr. Chairman.

And I want to reiterate my thanks to all of the families. As the numbers of deployments have increased and the proportion of Americans involved directly in these wars over the last 15 years has diminished, we've been fighting a longer period of time in our history than ever before, with a smaller part of the population, which exacts a heavy toll on our families. And I appreciate your sensitivity to those issues. And we need to do more, and do better, to support them.

Mr. Secretary, in last year's NDAA, I required, through an amendment that I offered, or the NDAA did, the Navy to submit a report on how the maintenance backlog will be addressed. I know there's been some discussion already this morning. The report, delivered in February, stated, quote, "The Navy intends to execute all the workload programmed at the naval shipyards with no availabilities moving from public to the private sector."

In the House Armed Services Committee just last month, you stated and acknowledged that private yards have to be
more involved with maintenance. It's a simple fact that there's more work than the public yards can be done. Is that still your view?

And just for the record, let me state my view, that, with respect to submarine maintenance, the private yards are tremendously important, and use of them is vital, not only because there's more work than the public yards can do, but also because our defense industrial base, our workforce, needs to be retained and, in fact, enhanced because of the need to smooth the maintenance work and new work, and keep those people on the job. So, perhaps you'd care to comment.

Mr. Spencer: I'd -- I'm going to use your statement as my answer, Senator. Definitely, the way that we are looking at it is, we'll load the public yards to 100 percent, and then we have to look at elsewhere to relieve the pressure. This goes in concert with not only the efficiencies that we'll get by putting ships through the maintenance process on a flow-control basis, but this also addresses your concern, and mine also, which is the health of the industrial base.

Senator Blumenthal: So, you would commit to shifting a number of near-term backlog maintenance availabilities to the private yards to help smooth out the workload.

Mr. Spencer: If -- yes. If, in fact, Senator, we have the workflow charts that we can actually work with to make
sure that we're not overloading someone, yes. We're going
to do it for efficiencies.

Admiral Richardson: Yes, Senator. I --

Senator Blumenthal: Admiral?

Admiral Richardson: -- think, in fact, we've already
decided to do some of that, so our behavior is really the
biggest indicator of where our thinking is. And it's just a
plain fact that we've got to work together to get this done.

Senator Blumenthal: Well, I agree that actions speak
louder than words, and I'm glad those actions are taking
place.

Mr. Spencer: And the public yards -- I mean, behind
the private yards, Senator, are also very engaged in this.

Senator Blumenthal: Let me ask you -- General Neller
and I spoke a little bit yesterday about the F-35. Could
you give me your assessment, in terms of the Navy and the
Marine Corps, about the capabilities of the F-35 and your
commitment to continuing that program?

Mr. Spencer: Senator, the F-35 is an amazing piece of
gear in many fronts. In fact, I'll say all fronts,
including the procurement side and the sustainment side.
It's proving out, in the Marine Corps, to be what we've
advertised it to -- what they advertised it to be. It's
hitting the requirements. I would not be -- I'd be remiss
if I was to say that we don't have our challenges, as far as
procurement price and sustainment, which we are working on
tooth and nail right now, from the Deputy Secretary on down
to the JPO, Ms. Lord, and the service secretaries, Air Force
and Navy.

You saw our latest move that was made. We are going to
be a responsible client, and we are not going to accept gear
that is not of quality. We will work with the prime to make
sure we come to a conclusion on how we're going to handle
that. But, going forward, all parties are focused on, as I
said earlier, not only the acquisition cost, but, almost
more importantly, the sustainment costs.

Senator Blumenthal: And I think there's agreement
among all of the contractors, from the prime to the subs,
that driving down the cost is a priority. The war on cost -

Mr. Spencer: Exactly.

Senator Blumenthal: -- as it's been called, is a
common objective, here.

Mr. Spencer: We are partners in that regard.

Senator Blumenthal: Thank you.

Thank you very much, Mr. Chairman.

Senator Tillis: Senator Donnelly.

Senator Donnelly: Thank you, Mr. Chairman.

I want to thank the witnesses for being here with us.

And, Secretary Spencer, I've had the privilege of
having Admiral Richardson and General Neller at Naval Surface Warfare Center Crane. I am hopeful that you'll be able to come out, as well, and see the hard work of all those good people.

Mr. Spencer: Most definitely. It's on the list, Senator.

Senator Donnelly: Thank you very, very much.

Additionally, Admiral Richardson and General Neller, I appreciate all the work you've done on addressing military suicide. You know that suicide risk, it often isn't tied to deployments or combat experiences. We can't be restricting our most rigorous mental health assessments just to the deployment cycle. You've been incredibly helpful in all of this and in implementing legislation. You told me, last year, that your services were on track for full implementation of the Sexton Act requirement for the annual mental health assessment by October of 2017. Can you confirm that you've reached that milestone? And were there any difficulties, or are there any other things that you feel we might be missing in this area on this end?

Admiral Richardson: Sir, we've reached that milestone, last July. And so, we -- you know, ahead of the October deadline. We've conducted close to 100,000 of these types of assessments. I will tell you that it is a vexing problem. And last year was not a great year for us --
Senator Donnelly: Yeah.

Admiral Richardson: -- with respect to suicide in the Navy. And it is not linked, all the time, to deployment cycles, as you say, or even deployment in any sense.

I -- we've also had some tremendous, I guess, stories, where servicemembers have seen their shipmate in trouble, have intervened, and have saved a life. And I think that that is where the center of gravity of our efforts are, is at that peer-to-peer --

Senator Donnelly: Pushing it down.

Admiral Richardson: Exactly right, yes, sir. And so, those are the people that have the most sensitivity, the most awareness. I think that they are the most capable, in terms of stepping in, making feel -- making that sailor feel like they're not alone, there's hope at the end of the tunnel, here, and shepherding them through that hard time.

Mr. Spencer: Senator, as an example -- and I'll throw out a vignette, because I think it's important -- last Christmas holiday time, one of our sailors out at Joint Base Andrews was coming back from an engagement with a fellow airmen and noticed something was wrong. They checked into their rooms, and the sailor went back to knock on the door and prevented a suicide.

Senator Donnelly: General, how is the Corps doing?

And is there anything on our side here that we can do to be
of help to you, sir?

General Neller: With regard to suicides, like the Navy, we -- you know, we, despite our best efforts -- I mean, your goal is none. We know we're never going to get to zero. The people that have issues, then we do the health assessment, that are willing to come out and say they have issues, then we get them help, and there's things that we can do. All too often, though, we find -- I mean, in some cases, when someone is -- does take their own life, you know, there was some knowledge -- the command. In many cases, though, Senator, there's -- it comes as a complete surprise, despite our best efforts to know our people, then get involved through force preservation, particularly the more senior. We've had a number of officers, some senior enlisted, and not everybody just kind of sits around and goes, "I mean, I just talked to him or other the other day, and we can't explain it."

So, I think the Congress, and you particularly, have been very helpful. I think we have all the tools that we need. And this is -- you know, it's a mystery of life. I don't -- I'm not going to blow it off. We're never going to stop trying to get to zero and make sure that people know if-- that if they have an issue, you know, there's no problem that can't be solved if you're willing to come forward and talk about it.
But, we're kind of -- it's kind of a steady-state. I'm not saying that's --

Senator Donnelly: Right.

General Neller: -- where we are, but I could show you the numbers, and it's been pretty consistent over the last few years.

Senator Donnelly: Well, please let us know if there's anything else we can do here to be of assistance to you.

I just want to mention quickly, Mr. Secretary, Admiral, yesterday the USS Indianapolis was launched. And our city is very proud of it. Our State is very proud of it. And it is going to be going into harm's way, and you have extraordinary crewmembers, an extraordinary group of people who are serving to make that successful.

I just want to follow up on Senator King's discussion about opioids, very quickly, and the role the Coast Guard is playing and anything you can do to help. We lost 60,000 young people last year, 40,000 to opioids, another 20,000 on top of that to overall losses to drug abuse. And so, this product's coming in from Mexico. It's coming in through our shores. And at the end of the road on each of these is somebody who makes a tragic decision, where we lose the next nurse in Jennings County or the next teacher in Marion County or the next sailor or marine from Evansville. And so, anything you can do as you coordinate with the Coast
Guard, as you work with them to help with this scourge, and anything you, as you look at -- and do it in a very unvarnished way -- anything you see that we can do better -- because, as I said, 60,000 this year, and next year's expected to be even more. And it is an American tragedy and an American crisis.

I want to thank you both for all your service. Mr. Secretary, also, you for your service. It is the highest honor, and we're really grateful to have you here.

Thank you.

Senator Tillis: Thank you, Senator Donnelly.

Gentlemen, thank you for being here, for your service. This committee is adjourned.

[Whereupon, at 11:39 a.m., the hearing was adjourned.]