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COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON POSTURE OF THE NAVY IN REVIEW OF THE DEFENSE AUTHORIZATION REQUEST FOR FISCAL YEAR 2021 AND THE FUTURE YEARS DEFENSE PROGRAM.

Wednesday, March 4, 2020

Washington, D.C.

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Thursday, March 5, 2020

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

The committee met, pursuant to notice, at 9:32 a.m. in Room SD-G50, Dirksen Senate Office Building, Hon. James M. Inhofe, chairman of the committee, presiding.

Committee Members Present: Senators Inhofe [presiding], Wicker, Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Perdue, McSally, Scott, Hawley, Reed, Shaheen, Gillibrand, Blumenthal, Hirono, Kaine, King, Heinrich, Peters, Duckworth, and Jones.
OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S.

SENATOR FROM OKLAHOMA

Chairman Inhofe: Our meeting will come to order.

Let me apologize to my fellow Senators. You know, I had just gotten back from Iraq, Erbil, Uganda, Rwanda, Ethiopia, Mauritania, felt fine, but I hit the ground here and I got non-contagious bronchitis. So anyway, it is much better today than it was yesterday. Much better, much better.

The committee today will receive testimony on the posture of the Department of the Navy and the fiscal year 2021.

We welcome our guests today: the Acting Secretary of the Navy, Tom Modly; Admiral Gilday, Chief of Naval Operations; and David Berger, Commandant of the Navy. Thanks for coming. Thanks for your long-term service. We appreciate you very much.

With the alarming speed of modernization of both conventional and nuclear forces, China and Russia present a credible threat. And I always make reference to this because when we put this together, this was equal Democrats and Republicans, people who no one could question their capabilities. And so we have been trying to follow this. So I will make several references to this, as will other members. The major thing there is that China and Russia
have passed us in areas that we did not want to be passed.

I am encouraged by some of our witnesses’ public statements and guidance and their subordinates related to reorienting to great power competition.

Thanks to President Trump’s leadership, we reset defense spending in 2017, and we are beginning to rebuild the military after many years of neglect. But the hole is deep and the work has just begun.

I commend our witnesses for submitting a budget that continues to trend the funding in the readiness accounts that support today’s Navy and Marine Corps. However, it is clear to me that the Department of the Navy’s proposed budget is only sufficient to support a fleet of about 300 ships. That is clearly inadequate to the 355 as we find in the manual I just referred to.

Along these lines, I must also point out that the Department has yet to submit a 30-year shipbuilding plan, which by law was required to be submitted to Congress with the budget last month. The absence of this plan makes it impossible to understand how the Department plans to reach its goal and the national policy of a 355-ship Navy. We have got to be smart and not hasty as we modernize our military. I urge each of you to take a long view. Recent history should be our guide because without better acquisition performance, we will fall behind or further
behind, I should say, China and Russia.

Senator Reed?
Senator Reed: Well, thank you very much, Mr. Chairman. And I join you in welcoming Acting Secretary Modly and Admiral Gilday, and General Berger to the committee this morning to testify on the plans and programs of the Department of the Navy in our review of the fiscal year 2021 authorization request. I particularly want to welcome each of you to your first posture hearing before the committee. We are grateful for your service, for the service of the men and women under your command, and for the support of all the Navy and Marine Corps families. So please express to these wonderful Americans.

As the leaders of the Navy and Marine Corps, you face significant challenges as you strive to balance the need to support ongoing operations and sustain readiness with the need to modernize and keep the technological edge so critical to military success.

In addition, because significant levels of funding are being transferred to build the wall on the southern border, you will have fewer resources for modernization.

The Department of the Navy faces serious readiness problems caused by deferred maintenance, reduced steaming and flying hours, and canceled training and deployments. We remember too well the collisions of the McCain and
Fitzgerald and the loss of life that resulted. I will be interested in hearing about the progress the Navy is making in continuing to implement changes that will ensure such incidents will not happen again.

All areas of our naval forces are maintaining an extremely high operations tempo. Demand is overwhelming for attack submarines, air and missile defense cruisers, destroyers, and strike fighter inventories. The Navy is now in its eighth year of operating with fewer than the legally required 11 aircraft carriers. The Ford is listed in the Navy inventory, but that carrier is more than 5 years behind schedule and will not be ready to deploy for many, many months. In addition, during the next decade, the Navy will need to buy the new Columbia class ballistic missile submarines to replace the Ohio class submarines. This is an extremely expensive undertaking that is on a very tight schedule.

The Navy is using authorities such as multiyear procurement authority to conduct modernization programs more efficiently. Congress has approved multiyear procurement authority for both attack submarines and Aegis destroyers. These vessels represent the largest inventory shortfall compared to the goals in the 2016 Force Structure Assessment, with the actual Navy fleet 15 boats below the attack submarine goal and 14 destroyers below the goal for
large surface combatants.

The Navy just recently signed the multiyear procurement contract for the block 5 of the Virginia class attack submarine. This contract provides for buying nine boats of the 5-year period, fiscal year 2019 through fiscal year 2023. The contract also provides an option to buy a 10th boat if the Navy has the resources and the contractors improve performance on the program. Yet, the fiscal year 2021 budget, which had the best opportunity for funding the 10th boat, did not exercise the option. I am concerned that the window of opportunity for buying a 10th boat could close if funds are not provided to the Navy this year to allow them that opportunity. I see that the number one item on the CNO’s unfunded priority list is funding for the second Virginia class submarine in fiscal year 2021, and I would obviously be interested in your thoughts on this issue.

Modernizing ground vehicles remains a priority for the Marine Corps. The amphibious combat vehicle will provide increased force protection and enhanced lethality to our marines, and it will replace the aging inventory of assault amphibious vehicles. The Marine Corps is also partnering with the Army to develop the joint light tactical vehicle, or JLTV, to replace the Humvee, and they have targeted investments in the high mobility artillery rocket system,
HIMARS, in order to provide marines with ground-based indirect fire support. I would welcome an update from our witnesses on how they are balancing the procurement of new systems while upgrading existing platforms to meet current operational needs.

In 2016, Admiral Richardson released a Force Structure Assessment that identified a new force structure goal. We had been promised a new Force Structure Assessment by the end of 2019 that would address implementation of the National Defense Strategy, but that has not arrived. I also understand that the Department has not provided the 30-year shipbuilding plan as required by law. I look forward to hearing when the Department will deliver these important documents.

Again, I want to thank the witnesses for appearing today, and I look forward to their testimony.

Thank you, Mr. Chairman.

Chairman Inhofe: Thank you, Senator Reed.

We have opening statements. Your entire statement will be made a part of the record. And we will start with Admiral Gilday. You are recognized.
STATEMENT OF ADMIRAL MICHAEL M. GILDAY, USN, CHIEF OF NAVAL OPERATIONS

Admiral Gilday: Chairman Inhofe, Ranking Member Reed, distinguished members of the committee, thank you for the opportunity to appear today with Secretary Modly and General Berger. We are thankful for your enduring support of the Navy and Marine Corps team.

Today, three carrier strike groups and two amphibious ready groups, along with 30 percent of our fleet, are deployed forward around the globe. Our Navy and Marine Corps team needs no permission to operate at sea, and their power does not rest in any single location, but rather in our ability to maneuver anytime and anywhere the seas reach operating across the spectrum of military operations.

Without question, our sailors remain our most important asset. We have taken a hard look at what they need to be successful, the equipment and the training that they need to fight and win, as well as support required to take care of them and their families. Over the past 8 months, we have engaged in a deep examination of these issues.

Our balanced approach in our budget submission this year provides a Navy ready to fight today while committing to the training and the maintenance and the modernization to provide a Navy that is ready to fight tomorrow.
Naval power is critical to implementing the National Defense Strategy, but naval power is not just a function of fleet size. It is a combination of the readiness, the lethality, and the capacity of that fleet. Our number one priority remains the Columbia class ballistic missile submarine. This request also heavily invests in our readiness accounts such as ship and aircraft maintenance and modernization, in manpower, in live virtual constructive training, in steaming days, and in flying hours. It invests in new systems to make our fleet more lethal, including increasing our weapons inventory, filling our magazines, bolstering the range and the speed of those weapons, exploring directed energy weapons, and incorporating new technologies like hypersonics. This request grows our fleet in size, generating sustainable, capable capacity.

Importantly, naval power is not just determined by what we operate and fight with, but how we operate and fight. We are pursuing an integrated approach with the United States Marine Corps in fleet operations and exercises in war games and in experimentation. The net result we believe is integrated American naval power.

I could not ask for a better partner, a better shipmate in this endeavor than General Berger.

Thank you again for your support which has allowed us
to make significant gains in readiness and lethality already. It also allows us to answer our nation’s call every day. On behalf of your active duty, reserve, and civilian sailors and their families who serve our nation, I thank you, and I look forward to your questions.

[The prepared statement of Mr. Modly, Admiral Gilday, and General Berger follows:]
Chairman Inhofe: Well, thank you, Admiral.

Secretary Modly, I probably should have started with you, but you are recognized now.
STATEMENT OF HON. THOMAS B. MODLY, ACTING SECRETARY
OF THE NAVY

Mr. Modly: Chairman Inhofe, Ranking Member Reed, distinguished members of this committee, thank you for your bipartisan efforts on behalf of the sailors, marines, and civilians of the Department of the Navy.

It is an honor to be here today with Admiral Gilday and General Berger, both of whom have demonstrated a great commitment to each other and to each other’s respective naval service as they worked collaboratively over the last several months to lead our integrated American naval force. Consistent with that spirit, we have taken a different approach to the written testimony this year by submitting one unified document instead of three separate documents, which you have seen.

Staying ahead in today’s rapidly changing global strategic environment demands that our naval forces commit to unified planning, clear-eyed assessments, and sometimes some very, very hard choices. In this process, we must harmonize competing priorities, sustain our critical industrial base, and not allow our maritime competitive advantage to erode relative to global competitors and, more accurately stated, aggressive adversaries who wish to hasten our decline as a global force for liberty and for decency.
In the end, this budget submission is a manifestation of the hard choices we had to make this year, but it is centrally about the safety, security, and wellbeing of our sailors, marines, and their families. Ultimately I ask that you recognize that in this submission, we could not make trades that put our sailors and marines on platforms with equipment that are not ready for a fight, if a fight is what is going to be required of them.

While this budget slows our trajectory to a force of 355 or more ships, it does not arrest that trajectory. You have my personal assurance that we are still deeply committed to building that larger, more capable, more distributed naval force within the strategically relevant time frame of no more than 10 years. I look forward to working with this committee and the entire Congress in the coming months as we develop some realistic plans to do that.

Our budget also demonstrates a clear commitment to the education of our people as we implement the recommendations of the Education for Seapower Study that I led as the Under Secretary of the Navy for the last 2 years. We are establishing a naval community college for our enlisted personnel as part of a bold and unified naval education strategy that recognizes that the intellectual and ethical development of our people is critical to our success as a
naval force.

We are also stepping up our efforts to meet our solemn commitment to our military families through significantly more engaged oversight and accountability of our public-private venture housing program.

Finally, I would like this committee to understand that as leaders of the Department of the Navy, we are both vocal and united in our determination to prevent sexual assault and sexual harassment throughout our force. Every sailor, marine, and Navy civilian deserve individual respect, dignity, and protection from this great naval institution. We have some work to do in this regard, but you have my personal commitment that we take it very, very seriously.

We are grateful to the Congress for passing this year’s NDAA which enables many of the priorities identified within this document. In passing this legislation, you have sent a strong signal of support to our people and a very, very stern warning to our adversaries.

We also appreciate the funding stability and the predictability of the last several years. This has saved money for the American taxpayer and given our force the agility and flexibility to address emerging threats while investing in our integrated naval force.

We urge the committee to do what it can to continue
the stability so that we can implement the reforms and investments required to meet great power challenges, protect the maritime commons, and defend the United States of America.

Thank you for your time, and we look forward to your questions.

Chairman Inhofe: Thank you, Mr. Secretary.

General Berger?
STATEMENT OF GENERAL DAVID H. BERGER, USMC,
COMMANDANT OF THE MARINE CORPS

General Berger: Chairman Inhofe, Ranking Member Reed, distinguished members of this committee, I appreciate the opportunity to testify on the posture of your Marine Corps and our priorities for the future. And I am joined by the Sergeant Major of the Marine Corps behind me, Sergeant Major Black, and my wife Donna.

And I will start by echoing Secretary Modly and Admiral Gilday’s thanks for timely funding, as well as your enduring commitment to the marines, sailors, and families through efforts like the hurricane recovery, which you authorized, provided for last year, and your revisions and oversight to our work on the public-private venture housing program which the Secretary mentioned. Your bipartisan support is critical to ensure that we continue to prioritize people as our greatest resource.

Thanks to predictable funding over the last few years, the Marine Corps has made significant progress restoring both availability and readiness. We are now at an inflexion point. We have to pivot now toward modernization while sustaining the readiness that this committee has worked hard to authorize and resource. This pivot in my opinion cannot wait until next year or the following. We must move now or risk overmatch in the future by an
adversary, and that is a risk we will not take.

As the National Defense Strategy directs and Secretary Modly recently emphasized in his first vector to all hands, we have to pursue urgent change at a significant scale. Marines have always sensed when it is time to move out smartly. We do not hesitate. This is that time.

Realizing the bold direction of our strategic guidance requires acknowledging that there are fundamental changes in the operating environment and how we must organize, train, and equip the force. I am confident that most leaders recognize that significant change is required, yet the scope and the pace of that change is seemingly at odds with some historical resource allocations and some of our major acquisition programs which predate the National Defense Strategy.

This budget submission marks the beginning of a focused effort to better align resources that you provide with strategic objectives. Our future budget submissions will build on those investments with informed recommendations for force design, modifications, and adjustments to our programs of record. Together in partnership with my battle buddy, Admiral Gilday, and under the direction of Secretary Modly, we are committed to delivering the integrated naval fleet marine forces your nation requires.
As always, I welcome the opportunity to discuss our findings along the way, and we will keep each of you and your staffs informed as we progress. As always, we will be frugal with the resources we are given. We will ask for no more than we need. With Congress’ commitment and support, we will ensure that your marines continue to have every advantage when we send them into harm’s way.

I look forward to your questions. Thank you, sir.

Chairman Inhofe: Thank you, General.

I was going to start off talking about the fact that we do not have the 30-year shipbuilding plan. I am sure somebody will do that. There are two things that I wanted to get to, though, and one obviously is -- it would not be unexpected -- the USS Gerald Ford. I think most of us around this table here have been down there, have walked it, understand it, but we are also fully aware that that ship -- the original plan to deliver the ship was September of 2015. The ship was going to be delivered fully capable at the cost of $10.5 billion. Now the projected full delivery of the ship would be April of 2021, the cost being at $13.2 billion.

So, Secretary Modly, today is your lucky day. You get to make the next prediction. And I would like to have you kind of share with us where you think it is right now. It is my understanding that a lot of the things -- it is not
just the elevators -- we talk about those -- but also the
catapults, arresting gear, the radar, and I understand now
that the non-skid situation is taken care of from visiting
with you in my office. But kind of go over where we are
today, what your predictions are, and when this is going to

Mr. Modly: Senator, I appreciate the opportunity to
talk about the Ford. I think the history that you laid out
about the Ford is not a good history, and it is one that we
should never allow to happen again. It is not the way that
we should be delivering ships to the U.S. Navy.

That being said, we are where we are with that ship.
And one of the first things I did as the Acting Secretary
was to basically put the fleet on notice that it is all
hands on deck to make that ship ready for sea and ready for
a fight, if that is what we needed to do.

So we have taken several proactive steps over the last
several months to get that ship ready. A lot of this work
was going on already, but one of the main things we did is
we moved the two-star admiral who is responsible for the
PEO for all carriers. We moved him to Norfolk to basically
be there. It is symbolic but it is more than symbolic. It
requires a lot of attention to detail on many of the things
that were lacking on the ship.

I have been down there twice since I have been the
Acting Secretary, once as a surprise on my second day just to see what it is like. And I did not want any admirals there with me. I walked around, talked to the crew, got a good sense for where the ship was. And I also rode the ship in after their last short deployment where they went out and did aircraft compatibility testing.

It has been night and day for me in terms of my perspective and my perception of what is happening with that ship. They have made substantial progress on the elevators. The elevators that are working and certified -- I think there are four of those. They have done thousands and thousands of cycles with those with no problems. They launched close to a thousand aircraft and recovered them with no problems on the EMALS either. So significant progress.

The most encouraging thing to me walking around that ship is talking to the crew. The crew loves the ship. The way the crew and how their jobs have changed, several of them coming from the Nimitz class carrier to this carrier -- it has completely changed the way they do their work.

Chairman Inhofe: And I understand that, and I also talked to the crew. Those are their feelings exactly. I wanted to get one more thing in in my time here. In a recent interview, you stated, quote, I do not know if we are going to buy any of the Ford class after the CVN 81,
which would be the fourth one. We are certainly thinking about the possibility of other classes. Can you elaborate on that statement?

Mr. Modly: Yes, sir. I think we have a duty to look at what will come after the Ford. And the fact that we made a two-carrier buy for the last two, it gives us some breathing room. It gives us a few years before we would have to award the next one, which would be in the 2027-2028 time frame.

Chairman Inhofe: Okay. That answers the question.

General Berger, on the CH-53K, which would be replacing the CH-53E, we are familiar with the cost of this thing and some of the overruns. And I would kind of like to get an update in this brief period of time from you as to where we are, why it is really necessary, and just give us your opinion on that.

General Berger: Thank you, sir.

The requirement for a heavy lift helicopter remains valid, in fact probably more valid in the adversaries, the competitors that we need to face and where you want your forward marines. You have to have the ability to move that force around and its sustainment from ship to shore or shore to shore or back to ship again. So we have a valid requirement.

A year ago, the 53-K was in a different spot. We had
both technical, as you know, engineering problems and cost problems. Today we are in a much better place engineering-wise, technologically. It looks like the 53-E on the outside, but like you know, you pop the hood, it is a completely different aircraft. Everything from the exhaust, gas recirculation, to the other 100-plus engineering challenges, we have either solved or Sikorsky has a solid path forward. So I am very confident that the aircraft is on the right trajectory. Now it is function of cost, as you pointed out, sir, both procurement and the cost to operate --

Chairman Inhofe: Why does it cost more than an F-35?
General Berger: Pardon me, sir?
Chairman Inhofe: Never mind. No, I was making a comment that it costs more than an F-35. When you are talking to the general public, they do not know much about your -- they know about the F-35. Go ahead. So why does it cost more than an F-35?
General Berger: It is a brand new fly-by-wire aircraft.
Chairman Inhofe: Very good. Thank you.
Senator Reed?
Senator Reed: Thank you, Mr. Chairman.
As I indicated in my opening comments, the Navy is critically short of attack submarines, 15 below the goal
established previously and accepted by the Navy, and 14 destroyers below that objective.

And, Admiral Gilday, is there any chance that this demand will lessen over time or increase?

Admiral Gilday: Senator, given the pace of the Chinese right now, I do not think that that threat is going to subside.

I also think, particularly in the undersea, we have an advantage, a significant advantage. And so we want to maintain that overmatch. We do not want to take our foot off the pedal.

Senator Reed: No. I appreciate that.

I think also to, with respect to Russia, their sophistication undersea is another challenge. It is not just simply numbers. It is also more sophisticated vessels. Is that correct?

Admiral Gilday: Yes, sir, much more sophisticated. As you know, the capabilities that we are putting into the Virginia class, the block 4’s and the block 5’s, are significant. They are a significant leap forward for the United States. So our intention is continue to press with that technology and improve it.

Senator Reed: Now, on the block 5 buy, there was a 9-ship commitment, plus an optional ship. One of the concerns I have is the window for this option will close
very quickly and that this might be the best year to
exercise the option. Can you comment on that? Because I
see pressure not only in the construction of the additional
block 5 vessels but from all we have talked about here
before, the aircraft carriers, everything else, destroyers.
This might be the best year. Is that right?

Admiral Gilday: Yes, sir. I believe so.

In terms of the workforce, I was just up in Groton at
Electric Boat a week or so ago, and I left that shipyard
confident about the capability of that yard to produce
boats at the rate of two a year. And they are planning for
the significant increase of the work when the Columbia
build begins in earnest. But that is a passionate, well-
trained workforce up there, and I think that they can
handle two boats a year based on what I have seen.

Senator Reed: Thank you very much, Admiral.

And, Mr. Secretary and Admiral Gilday, the chairman
alluded to this issue, but we are still awaiting these two
significant reports, the Force Structure Assessment and
also the shipbuilding plan. Based on Secretary Esper’s
testimony yesterday, I believe it is at his desk literally.
We are waiting for that. And when will we get it?

Mr. Modly: Yes, sir. I am very anxious to get over
here and talk that through with the committee. Secretary
Esper wanted a little more time to digest it. It is
informed by the 2021 budget but also by the integrated
Force Structure Assessment that Admiral Gilday and General
Berger put together, and I think he just wanted more time
to understand it. We will bring it over here as soon as he
feels that he is ready to do that.

Senator Reed: I think the committee encouraged him to
take adequate time but not a lot of time. So we hope that
will be the case.

General Berger, you have programs with the Army with
respect to the JLTV, the joint light tactical vehicle. The
Army is making some changes in the program. Are you
adjusting to them, or how are you adjusting to them I
should ask.

General Berger: Senator, I am aware of the
adjustments that they are making. We have not made any
changes yet to our procurement, and if we did, it would be
based on the Marine Corps' needs. But we are absolutely
tracking the changes, the adjustments that they are making.
So far, sir, I have seen it down in North Carolina where my
son is. It is a phenomenal vehicle.

Senator Reed: I have had the chance to look at it at
the facility, and it is much more significantly -- well, it
is a good vehicle. I will stop right there.

Secretary Modly, the committee in the last few years
has created the National Sea-based Deterrence Fund because
we understand the industrial base is significant, and there
are problems with the industrial base for every type of
platform. And we think that by going into the industrial
base through the prime contractors not only can we increase
quality, protect from cyber intrusion, but also generate
savings from doing the work right the first time.

Can you just briefly comment? And I do not have much
time.

Mr. Modly: Senator, I agree. We have had some
vulnerabilities in the supply chain across the entire Navy.
It is a vulnerability that our adversaries have figured
out, that is easy for them to get in, and they can piece
information together, and they get a bigger picture even
when a supplier may think that small piece of information
is not relevant. So we are investing heavily in this. We
are developing new strategies for how we do this, how
perhaps we develop capabilities to perhaps create cloud
areas for them that are secure. But it is a big concern of
ours and we are addressing it.

Senator Reed: In addition to that, it is a simple
fact that quality construction at the sub prevents rework
at the prime.

Mr. Modly: Absolutely.

Senator Reed: Thank you very much, Mr. Chairman.

Chairman Inhofe: Senator Wicker?
Senator Wicker: Thank you very much.

I appreciate the service of all three of you. I know you have had to deal with a budget number that you did not arrive at yourselves, and I appreciate you doing that difficult task. We hope we can use our power of the purse here in this committee and in the Congress to help you out on that.

I think Ranking Member Reed expressed, with regard to the 30-year shipbuilding plan, the sentiment of most people on this committee that the Secretary should take enough time but not too much time. So I want to subscribe my views to what he said about that.

Admiral Gilday, with regard to the submarines, let me make sure. You said that the threat will not diminish. Actually the threat is increasing, and you nodded. But that is correct. Right?

Admiral Gilday: Yes, sir. I agree.

Senator Wicker: And that is not only with regard to the specific question, Admiral, that Senator Reed asked about submarines, but it is actually across the entire fleet. Is that correct?

Admiral Gilday: I would agree with that as well, sir.

Senator Wicker: All right. Thank you very, very much.

I appreciate the fact that the NDAA tasked the Navy
last year to review alternative acquisition strategies. The Navy came back with a report that said significant savings could be achieved by procuring various combinations of amphibious ships.

So let me ask you, Secretary Modly, and General Berger about these findings, particularly as they are related to the three LPDs and the LHA-9. Can you speak to the timeline for awarding the funding of these ships and what are the benefits of procuring these four ships together? And let me just get all my questions out there, and we will see what we can do in less than 3 minutes.

What are the specific capabilities and what is the specific importance, General Berger, of the amphibious ships that I mentioned?

General Berger: Sir, the amphibious ships capabilities-wise in the past, pretty conventional view of what they did in terms of the Navy, the force projecting the marines ashore. And the way that we are going to need to operate in the future, even more challenging, and the role of the amphibious ship I think goes up. Why? Because in order to operate a force inside a contested area, at the unclass level, inside there, you have got to have the mobility and you need the ability to sustain that force for a long period of time in austere conditions and move that force around. Amphibious ships -- people have spoke of
them as sort of the Swiss Army knife. They are because you can move a force from the air, on the water. You got multiple means to do the job. So I think their value to the naval force and their value to the joint force goes up in the future.

Mr. Modly: And with respect to business considerations, Senator, we are looking at all types of options to be able to bundle our buys of ships in order to drive down the costs, provide more stability to the industrial base and that supplier base, which extends far beyond just the shipyards that are doing the primary construction. So I talked to Secretary Geurts about this this morning about how we might be doing this particularly in the amphib area, and we are going to be thinking about that and developing some plans to do that.

Senator Wicker: And specifically the U.S. currently has four DDGs based in Rota, Spain. These platforms provide an advanced multi-mission defense capability. I think we are getting the right testimony with regard to the need there. Do we need the two additional DDGs in Rota, Spain? And tell us about the plans to accomplish that.

Admiral Gilday: Senator, we support the two additional DDGs to Spain. Right now, we are working with U.S. European Command. They are putting together their strategic lay-down of the theater. So when that is
complete, you will be briefed up here in the Congress. And then in parallel, we will be moving through the Office of the Secretary of the Navy and the Office of the Secretary of Defense coordinating with the Department of State and then finally the Government of Spain so they can line everything up to get additional DDGs at some point to Rota. But we are very supportive right now. Our assessment is that the Spanish want us there in greater numbers, and certainly the Commander of U.S. European Command does.

Senator Wicker: And just briefly, General Wolters has testified that we actually have the infrastructure there at Rota that is able at this point to house the two additional destroyers. Is that correct, Admiral?

Admiral Gilday: Yes, sir.

Senator Wicker: Thank you very much.

Chairman Inhofe: Senator Blumenthal?

Senator Blumenthal: Thank you, Mr. Chairman.

Thank you all for being here, for your service, and thank you, General Berger, for your wife’s presence here today. Donna’s presence I think points to the importance of our military families and the service and sacrifice that they make so that we can be the greatest and strongest military force in the world.

And in that connection, I would just like to mention I did not have a chance to question General Milley or
Secretary Esper yesterday about the tenant bill of rights for military housing which, frankly, is somewhat mystifying to me in failing to set forth three of the essential rights that we incorporated in the NDAA last year. And I want to emphasize again the importance of military housing and raising it to the standards that we think are important. I am going to be submitting questions in writing to them. I do not want to take time on it this morning, but any responses in writing you have on that issue I would certainly welcome.

General Berger, I appreciated your response to Senator Inhofe about the CH-53K, and I agree with you totally on the importance of this aircraft. In fact, as you may know, today literally marks the birthday of Connecticut’s Sikorsky Engineering, which was established March 5, 1923. It has provided 97 years of capability for our nation’s defense, including the CH-53K, which is a marvel of engineering.

And I want to suggest that the cost of each aircraft would come down if the pace of production is increased. If we go from seven to nine, which I would advocate, the cost per copy would come down. Would you agree with that point?

General Berger: I would agree with the math, yes, sir.

Senator Blumenthal: Thank you.
Admiral Gilday, I want to thank you for your visit to Groton which was enormously meaningful and inspiring, and your very insightful questions -- and I agree with you completely that we have one of the great, passionate, dedicated workforces in any engineering facility there at Groton.

But I am deeply concerned by the graph that you and I saw of the worker demands, the production, and employment capabilities that we are going to see and the troughs, the deep dips in employment and particularly during 2023 to 2024. I would like to know what the Navy can do to mitigate those troughs. I know that time will not permit you to give a full answer, but I am going to ask for a full briefing. I asked for the charts and some of the underlying data while we were there, and I wonder if you could respond to that point.

Admiral Gilday: Yes. I would just say with the lack of an additional submarine in fiscal year 2021, what we would do and we are doing right now is to take a look with Electric Boat at how we might be able to put some of their workforce that would otherwise potentially be furloughed to work whether that be at Portsmouth, New Hampshire in our facility up there or down at Newport News, Virginia.

And so I will tell you this, that we believe that the defense industrial base, particularly the work that is
being done with ships and submarines is absolutely the
crown jewel in the defense industrial base. And so we want
to work very closely to make sure that we do not hit a
trough that we cannot recover from quickly because that
industry just is not very elastic. And so we lived through
this before, and we have to be more responsive.

Senator Blumenthal: As you know, there has been a
furlough of about 300 workers in the last few months, but
that is minuscule compared to the thousands that we will
see going down and then coming back in terms of the demands
on that workforce. So the lack of that second submarine in
2021 is really going to be impactful. You are absolutely
right. It is the crown jewel, and I think we are really
playing with fire if we fail to make sure that workforce is
sustained.

Admiral Gilday: Yes, sir.

Senator Blumenthal: Thank you.

Thank you, Mr. Chairman.

Chairman Inhofe: Senator Cotton?

Senator Cotton: Thank you, Mr. Chairman.

Thank you, gentlemen.

General Berger, I want to return to the chairman’s
question about the 53 kilo. Given its costs, can you just
tell us in a little more detail what is the long-term
outlook for this helicopter?
General Berger: Sir, our program of record is 200 aircraft. That is our requirement. And the two costs, as most folks in here are really well aware of, are the APOC, the individual cost upfront, and then the flyaway recurring cost. The math, as outlined accurately before -- when we get on schedule for a buy and the learning curve continues up, then the cost starts to come down. But we have to close that gap because I owe you an honest answer that this is an aircraft that we can afford. This is an aircraft that we can sustain over the lifespan of it.

So far, again, the engineering part I am very comfortable with. Now it is a function of closing the gap to where I can convince you that this is the best use of our resources for an aircraft we definitely need.

Senator Cotton: So you are saying that you owe us an answer and you need to convince us. It does not sound like you are yet fully convinced yourself?

General Berger: I think there is room still to close the gap, and Sikorsky agrees as well. The learning that happens on the first of anything, of course, they are going to drive down the cost just because they are going to produce it more efficiently and the engineering cost that is going to the first batch of research and engineering models is going to go down.

Senator Cotton: When do you think we might get that
answer?

General Berger: The next contract is due to be awarded I think in the August-September time frame. We will know then.

Senator Cotton: I want to turn to another item that was in the President’s budget request, which I found interesting. You are going to buy Tomahawk missiles this year. Specifically, I see the Marine Corps in fiscal year 2019 asked for zero Tomahawk missiles. In fiscal year 2020, you asked for zero Tomahawk missiles, and in fiscal year 2021, you have requested 48 Tomahawk missiles. I presume you are not planning to launch those off any of your amphibious ships. So could you tell us what you plan to do with those 48 Tomahawk missiles?

General Berger: Yes, sir. Part of the homework that the Navy and Marine Corps have done over the past 6 months is how we think we are going to need to operate in the future as an integrated naval force. And that means the Marine Corps assumes the role, which we have not had in the past 20 years, which is how do we contribute to sea control and sea denial. The Tomahawk missile is one of the tools that is going to allow us to do that.

Now, it is much like the MQ-9 Reaper for us. It could be the answer. It could be the first step towards a longer-term answer 5, 6, 7 years from now. But what we
need is long-range precision fires for a small unit, a series of units, that can from ship or from shore hold an adversary’s naval force at risk. And that missile is going to help us do that.

Senator Cotton: And is it safe to say that this decision is a result of our withdrawal from the Intermediate Range Nuclear Forces Treaty that you can explore these options?

General Berger: I would assume so. I had not linked the two together. We just knew we need long-range precision fires beyond the range that we were restricted to before. Yes.

Senator Cotton: And most particularly in the western Pacific, given China’s long-range precision fires since they were never a party to that INF Treaty?

General Berger: Absolutely, yes.

Senator Cotton: Okay. I am glad to see that you are exploring those options. I am sure a lot of your marines would think it would be awesome of you launched them from amphibious ships, but probably not what you have in mind. But obviously, we face a pretty significant fire power gap in the western Pacific given China is stockpiling thousands of missiles, and it is good to see your service beginning to address that. Thank you.

Chairman Inhofe: Senator King?
Senator King: Thank you, Mr. Chairman.

First, in a hearing like this, you always get comments and questions about things that are left out. I want to start with a compliment, the fact that you have increased the R&D budget, because we are in not only a competition of forces and ships and troops, but a competition of innovation. And if we are going to stay ahead in terms of the technology of future conflicts, R&D is going to be critical. Directed energy I think is an enormously important potential part of our naval force. Hypersonics we have discussed, and I think that is something we are going to be discussing or I am going to be talking, Admiral, with you and your staff on in a classified setting. Unmanned craft. I mean, there is just a lot of new technology that has to be developed over the next several years, and I compliment the Secretary and the Department for putting some emphasis on R&D and innovation.

Now, for the other side of the coin, I am concerned that we are talking about trying to get to a 350-ship Navy, or actually, Mr. Secretary, I think you have talked about a 390-ship Navy. And we are also talking about developing a new large surface combatant. And yet in the new FYDP, we are losing four destroyers, which are sort of the workhorse of the surface combatants. And I am worried about a gap. I am worried about a fall-off not only in shipbuilding but
in the industrial base. Can you speak to that concern?

Mr. Modly: Senator, thanks for the question. I think one of problems we have this year is we have sort of a confluence of bad timing on a lot of different things. We started on this integrated Force Structure Assessment last summer. It was delivered to me in January, and it sort of came to me after we had already completed most of the work on the 2021 budget submission.

So what we found in this Force Structure Assessment is that there is a demand for a 355-plus type of scenario.

Senator King: And part of that 355 are large surface combatants.

Mr. Modly: Yes, they are.

Senator King: Like DDGs.

Mr. Modly: Yes, they are. Most of everything that we have right now is going to be part of it, but there are new things that General Berger alluded to, a new, smaller amphib, a new, smaller combat support vessel that can help support distributed maritime operations. Of course, the new frigate will be a key element of that strategy and in that new force structure. And then the unmanned platforms, both undersea and on the surface, will be part of that future force mix. We are just in process of trying to educate and help the Secretary understand what this might mean, and then we will move out with a strategy for how we
get there. That is a challenge for us.

But in any scenario, we are talking about a significant expansion in the size of the fleet. And we are looking at a flat top line, and that mathematical equation is difficult for us to bridge.

Senator King: Well, one of the problems is that we are trying to recapitalize through operating budgets. Any other business in the world would say a 40-year asset like a Columbia class submarine is a capital investment as opposed to a drain on current operating cash flow. It is the bulge in the process of the modernization and the rebuilding of the nuclear deterrent that is really causing a lot of this squeeze as I see. Admiral, do you agree with that assessment?

Admiral Gilday: Yes, sir, I do. The Secretary has challenged us with finding $8 billion this year in our existing budget so that we can put that towards not only shipbuilding, but all the other pillars that support it, the manpower, the weapons, the training, et cetera, so that we can increase our numbers.

With respect to the legacy ships that we are looking at decommissioning, we get to a point, sir, where the return on investment -- we are just not going to get the return with respect to lethality. And some of these hulls are over 30 years old. And so numbers are important, but
in the end, we would rather have a ready, capable, lethal fleet over --

Senator King: Of course. Lethality is the measure not absolute numbers. I understand that.

By the way, if you are talking about decommissioning ships, give them a few more years. Then send them to Caribbean and Pacific where we can interdict some of these drug shipments. We are now interdicting 25 percent of the drug shipments we know of -- we know of -- and 75 percent are going by, even though we know they are there because of a lack of assets. So if you got spare ships, Admiral, I know where you might want to send them.

Admiral Gilday: Sir, we are sending ships to Southern Command and in discussions right now about what those numbers ought to look like. In fact, we are deploying two littoral combat ships this year.

Senator King: Because that is a war we are in right now and Americans are dying in that war.

Admiral Gilday: Yes, sir.

Senator King: And I sincerely hope you and SOUTHCOM and the Coast Guard can really get together and make a dent in that traffic.

I am out of time, General, but perhaps for the record, you could give me your thinking on the reduction of your end strength by 2,100 marines, given the demands on the
Chairman Inhofe: Senator Rounds?

Senator Rounds: Thank you, Mr. Chairman.

Gentlemen, thank you for your service.

General Berger, there have been reports that the Secretary of Defense will move the Close Combat Lethality Task Force from an element the director reports to him to one that reports to the Army. This is an organization that is examining the full range of capabilities from material solutions to physiological performance to improving policies in order to provide the overmatch to the 4 percent of the members of the joint force who have experienced 90 percent of our combat deaths since the end of the Second World War. This is obviously a joint problem, one that the Army, Special Operations Command, and the Marines need to have full visibility on and where solutions need to be joint and Department-wide.

Can you provide me with your best professional military advice on what about this move could work and what about this might not work for the Marine Corps?

General Berger: Sir, I am very familiar with it.

When it was initially stood up and since, it was run by a retired Marine colonel, who I know really well, from Fallujah, Iraq. So for the Marine Corps, we have been
involved in the task force from day one and still are.

The move to shift it into the Army I am not concerned about. We work laterally on a lot of programs like the joint light tactical vehicle. It is not an issue at all. But parking it in a service is a good thing because they know how to run a program. They know how to resource it, and there are great working relationships between services already. We remain tied in on that task force. We have marines as part of that task force within the Army now. That will continue for all the reasons that you said. That is where the casualties occur.

Senator Rounds: Thank you, General.

Today in the way that we fight our wars, the electromagnetic spectrum is essential in terms of how we do battle. And we use multiple parts of the spectrum. I want to refer to the Secretary’s HASC testimony on February 26th. Secretary Esper said that the DOD is willing to share -- and I emphasize share -- spectrum with 5G networks in the mid-band range of 3 to 4.2 gigahertz.

Secretary Modly, what systems does the Navy have that might be affected and how could sharing that spectrum space impact homeland defense? I would like to specifically point out we are talking about sharing and not vacating that space.

Mr. Modly: Senator, it would have a profound impact
on our Aegis system. And of course, we cannot abandon that spectrum. It would have profound negative implications for that system. So as the Secretary stated, we are willing to share it, but we have to be very protective of that because it is critical to our ability to defend ourselves as a nation.

Senator Rounds: Thank you.

Admiral Gilday?

Admiral Gilday: Sir, I have nothing to more to add to the Secretary’s comments. I completely agree. We need to protect that portion of the spectrum for Aegis for homeland defense.

Senator Rounds: Thank you.

Let me go back a little bit and talk about submarines. We have talked about building new submarines. I would like an update, if I could get it, with regard to the mid-life refueling on the submarines, the nuclear attack submarines, that we have right now. I want to point out -- and I have done this in the past -- we are talking about the USS Boise. Now I understand there are three more that are waiting at dock to be able to sequence into dry dock to be actually refueled and made available for service again. The need I believe is still there, and you can correct me if I am wrong, but with these particular submarines, we still want them. This could mean that the USS Boise may
very well have been out of service for a period of 8 years
waiting for refueling before it is back in operation again.

Can you tell me what we are doing to expedite the
process to bring these submarines back on and where we are
at in that process?

Admiral Gilday: Sir, we are going to begin
maintenance on Boise this May and then we will get under
contract for extended maintenance.

At the time that these decisions were made on Boise,
we had a capacity issue in our public yards. And so we
started to then send some of that work to private yards.
We are now at the point -- and I know you are aware of this
-- in the public yards, we have increased that workforce by
10,000 workers in the past 10 years and some 4,000 in the
last 3 years I think. And so we have the capacity back.
We are actually taking one of our availabilities from a
private yard and now moving it back into the public yard.

I do not want to imply that we are out of the woods
yet. We are watching it very closely. I think we are in a
better place now than we were 2 and 3 years ago.

Senator Rounds: If I could say, we will not have the
same problem with the next three in line that we had with
the Boise?

Admiral Gilday: We do not anticipate it, sir, but I
will go back and take a look and we will brief you in more
detail on what that lineup looks like and any challenges that we think we may face.

Senator Rounds: Thank you.

Thank you, Mr. Chairman.

Chairman Inhofe: Senator Hirono?

Senator Hirono: Thank you, Mr. Chairman.

Mr. Secretary, I want to thank you for visiting Hawaii, and I especially would like to thank your wife for the time that she spent with the family of the people who were shot at the shipyard and also the survivor. Please extend my thanks to her.

Over the past few weeks, I have met with several of your colleagues, including Assistant Secretary Geurts -- in fact, that was only 2 days ago I think or yesterday -- to discuss the importance of modernizing our shipyards. And of course, the delay in repair and all of that was just touched upon by the admiral. So I cannot overemphasize the importance of us continuing to go through with the modernization plan.

And just to let everybody know, the Pearl Harbor Shipyard, which is one of the four public shipyards in our country, contributes nearly $1 billion to Hawaii’s economy every year and employs close to 6,500 personnel, including nearly 1,000 engineers. It is the largest employer of this kind in Hawaii.
And due to the current inefficient arrangement at the shipyard, it is necessary that the optimization plan be implemented to provide much needed updates. And so I know you are very well aware we need a new dry dock and a production facility.

Funding the critical shipyard modernization program will require a significant portion of the Navy’s budget. Does the Navy’s fiscal year 2021 budget fully fund the shipyard modernization plan so that it will be implemented on time? And I am talking about the four shipyards, not just the one in Hawaii.

Mr. Modly: Yes, Senator. This is a high priority for us in the Navy, and it is a 20-year commitment of $23 billion I believe over 20 years. So as long as we are here, we will continue to push for this. We are sequencing in the work in the most logical possible way that we can to address the things that you mentioned, which is how the work flows through the shipyards to make sure that we do not do work now that then we are going to have to take out as part of the longer-term strategy. So, yes, it is funded. I believe we are spending almost $600 million on this this year, and that will continue.

Senator Hirono: Is $600 million enough to keep to the timelines that we have for the modernization program?

Mr. Modly: I believe it is. I think when we looked
at this and we thought about the work and how we would push it through the four different yards, it made sense to do it in this way. Obviously, we would love to have more to be able to do more, but we also had to think about how we do not disrupt the current work that is in there at the same time.

Senator Hirono: Now, of course, in Hawaii I would like to see some concrete actually being poured for the dry dock and the production facility sometime soon.

Mr. Secretary, in conversations that I have had with subcontractors that support our shipbuilding programs, I have heard that the guidance associated with the cybersecurity maturity modernization certification, CMMC, has been somewhat confusing making it difficult for businesses and contractors to comply. What can you tell me about the current state of the CMMC framework? I am told by the subs that there are changing requirements that come down the pike and they do their best to try and comply, but with regard to the new one, which is the CMMC, what timelines are in place for educating, certifying, and auditing our defense industrial base, keeping in mind that there are thousands of suppliers? And I assume that all of them need to provide certification regarding the security requirements.

Mr. Modly: Yes, Senator. That is a great question.
If you would allow me to get you specifics on where we are on the implementation to that, I will do that.

We have elevated our cybersecurity awareness to the highest levels in the Department with a new office there. I am sure they are monitoring this, and I can get you specific details.

We understand there is pushback from the supplier base, particularly the smaller subs who see this as an additional cost for them, and we are trying to figure out ways that we can help them perhaps create some shared services for them that they could use at that level. But let me get you a specific answer.

Senator Hirono: I think that is really important because we have literally, as I said, thousands and thousands of suppliers. And I know there is always that weak link possibility if we do not provide them with the kind of support they need to comply.

Last week, Admiral Aquilino -- he is the Commander of PAC Fleet -- issued guidance instructing Navy vessels departing from port visits to remain at sea for at least 14 days before pulling into another port in order to monitor sailors for coronavirus symptoms. And this week, the 6th Fleet followed suit.

How is the Navy preparing for coronavirus, and how do you anticipate that the virus will impact the Navy’s
ability to operate overseas? Admiral?

Admiral Gilday: Senator, we are following the Department’s guidance, which essentially tries to minimize contact, particularly in those areas where we know there is a heavy concentration of coronavirus. And it manifests in different ways in different geographic locations. We are receiving excellent reporting from the World Health Organization through to CDC and down to the Department on specific areas. Italy and Bahrain are really good examples. The Korean Peninsula is another good example. And so we are trying to be preemptive and preventative in terms of limiting numbers of large gatherings as an example. On a day-to-day basis, we are making decisions on closing DOD schools based on what we are seeing in terms of caseloads at local hospitals.

All of our medical personnel have been trained in the symptoms, and if they suspect that somebody does have corona, we test for it and then we send that off to a lab to be confirmed. But we also quarantine those people and their families until we ascertain whether or not they are actually infected.

Senator Hirono: Do you have test kits?

Admiral Gilday: No, we do not. We do not yet. But that is not just a problem for DOD. But I think that we are getting to a better place in terms of the production to
allow us to be able to distribute those out to the force.

Senator Hirono: Mr. Chairman, thank you for your indulgence and allowing me to go over. And I do have some other questions for the record. Thank you.

Chairman Inhofe: Senator Ernst?

Senator Ernst: Thank you, Mr. Chair.

And thank you, gentlemen, very much for being here today. And, Secretary, I will start with you.

Many businesses across America depend on predictable shipbuilding requirements to maintain a trained workforce and develop manufacturing lines. And you are probably not surprised to learn that in Iowa we do not build ships. We do not. But my landlocked home State of Iowa is part of the Navy’s inventory and pipeline of talent. And Carver Pump, which I love to highlight, and its team of 110 hardworking Iowans supply pumps to almost every Navy ship in the active fleet, and they are being installed in many ships currently in production. And in total, Iowa is home to eight submarine industrial base suppliers. So we are very proud of that. While we are not providing the end product, the finished ship, we do have those suppliers.

And so I do understand that the Navy must utilize its funds and invest in assets that reflect the NDS of today, the goals to modernize our fleet. How are those conversations going with industry to ensure that their
production capabilities can meet the requirements in this new era of great power competition?

Mr. Modly: Well, we have an amazing supplier base in the country, but it is under pressure to some extent. And so we have to ensure that we are maintaining a steady flow of work through them. The carrier program alone, if you look at the Ford program right now, employs almost 60,000 people across the United States in 46 different States. And so when you think about a program like that, not just the employment but the type of employment, this is all high technology. We are bringing in workers, young people, training them in a trade that they can continue to contribute to this process over time.

And so we have to be really, really careful when we talk about decisions in this space because that national asset that they create is the ship that we see, but the national asset they contribute to is the national asset of manufacturing capability and high technology that exists in the country that follows them. So we have to continue to worry about that and think about it.

When I go out and speak to industry, what I find more often is that I find businesses that are not currently doing defense work that are really interested in doing defense work, and how do we make it easier for them to do that? And so we are working on that.
Senator Ernst: Right, absolutely. And I do appreciate that.

We look at examples like the Ford. We get very concerned about that because as Members of Congress, we are watching those taxpayer dollars. So we are reliant on industry as well to make the recommendations to make sure we are producing the necessary requirements for our fleet but get it out in a timely manner, and on time, on target is always best. But always having those discussions with industry is important. So thank you for that.

We are all familiar as well, Mr. Secretary, with this committee’s concern for the health and wellbeing of all of our service members. And last year, when Congress passed the NDAA for fiscal year 2020, we included a provision that directed the Department of Defense to document blast exposure history in the medical record of all service members.

And we have made significant improvements in this area on how we are treating, documenting, and understanding the effects and causes of traumatic brain injuries. The progress is encouraging. We still have more that we can do and where we can potentially negate the impact of TBIs.

Can you maybe explain to this committee what the Department of the Navy and the Marine Corps is doing to improve the understanding and prevention of traumatic brain
injuries and specifically those coming from blast injuries?

Admiral Gilday: Ma’am, I can say about 80 percent of the TBI injuries that we see are off-duty related. And because military medicine has benefited greatly from what we have experienced from Iraq and Afghanistan, so we are able to return about 85 percent of those sailors back to work just based on the high proficiency of our medical teams.

Senator Ernst: Very good. I know that in SOF, we are actively baselining many of their members, which is something that we would love to do across the conventional forces as well.

General Berger, would you like to address it, please?

General Berger: Just three quick parts to that.

First, the protect part, the equipment that we wear, the vehicles, the aircraft, a lot of improvement over the last 3 or 4 years. We have a lot of room still to go there.

Second is the detection part, which you mentioned. Really difficult, which relies wholly on baseline up front, which we do as well. All of us who have been to Iraq and Afghanistan in the last 6-7 years, all baselined. We did not do that the first deployment. I was not either. You have to do that because you cannot measure any change from that.
And the last part is the treatment, which the CNO mentioned, and it cannot stop initially. This is an enduring -- the impact of that could be lifelong. So it is different than some other ailments, some other issues that we have. We have to treat it as a long-term issue.

Senator Ernst: Thank you very much.

And, General Berger, you are spot on. It does create complications further down the road especially if we are not treating that TBI.

So thank you, gentlemen, very much.

Thank you, Mr. Chairman.

Chairman Inhofe: Senator Jones?

Senator Jones: Thank you, Mr. Chairman.

And thank you to the witnesses for being here today and for your service.

Secretary Modly, I want to ask you about the frigate. You mentioned the frigate as a key element in our future ship fleets. I have got folks down at Austal down in Alabama trying to put together a great design and compete for that contract, but it seems that the process timeline has been a little bit of a moving target. Can you tell us right now where we are in that process and the timeline for the frigate contract award?

Mr. Modly: Senator, thanks for the question.

The plan had been to award the contract sometime in
the latter half of this fiscal year. I have asked Secretary Geurts to look at possibly pulling that forward if everything is done properly and everything is thoroughly vetted and evaluated. And so he is looking into that. So there is some possibility that we may pull that award a little bit sooner.

Senator Jones: All right. Could you let me know if that is the case?

Mr. Modly: Yes, sir.

Senator Jones: I noticed in the FYDP that it includes only nine frigates, although originally there were going to be 10 in the first block. Does this mean that the total ship procurement is being reduced or just the procurement timeline?

Mr. Modly: No, sir. I think this is part of the discussion that we have been talking about earlier about the new integrated Force Structure Assessment and how the frigate plays in that. Based on current plans and current thinking, this is where we are. But I anticipate as we look at this in more depth and the Secretary of Defense can get comfortable with it, we are going to look at ways to possibly purchase more of these over time. But right now, that is sort of where we are in terms of our thinking.

Senator Jones: Okay. So the total numbers have not changed, just in this first block. Is that a fair
statement?

    Mr. Modly: No, sir. Nothing has changed.

    Senator Jones: All right. Thank you.

    Sticking with Austal for a minute, I would like to
talk a little bit about the expeditionary fast transport,
the EPF. Can you give me an idea, Admiral Gilday, where
those are being used and how they are being used right now,
the EPFs?

    Admiral Gilday: So those ships are great. We put
adaptive force packages on them, and so some of them are
highly classified missions. Others are to move troops or
we just used two in an exercise called Pacific Partnership
in the Indo-Pacific where we used them for humanitarian
assistance and disaster relief.

    And the two that we have in the budget -- what we are
trying to do with those ships is to give them the medical
capability where they would actually have a 750-room
hospital, as well as 12 operating rooms. And so because of
the cubic space that you have in those ships, you can
really do a lot with them, including their flight deck.

    Senator Jones: Well, I am asking because you got two
in this budget, but the President just took away one that
was set to be awarded I think in April of this year. It
was a $260 million contract again. I am curious as to if
that particular ship could have been used the same way, why
was it taken out?

Admiral Gilday: Sir, I cannot tell you directly why it was taken out. I know that those decisions were made at a higher level based on strategic priorities. And so I just do not have the direct answer for you on the why.

Senator Jones: All right. I may submit a question because Secretary Esper’s answer was just not satisfactory yesterday, especially in light of your testimony today. And I want to emphasize again I just think taking the funds away from our sailors, soldiers, and airmen is just wrong. It hurts our men and women in uniform, and it quite frankly hurts my community in Mobile where we are taking away that because we got a lot of folks down there that are dependent on Austal and the ships that they build.

Secretary Modly, let me just ask you real quick. You mentioned last week -- I want to just talk about the 355 ships may no longer be the right number for our force. And you mentioned that it could be as high as 390. Can you kind of give me some ideas of where all this is coming from and how you are making those assessments and what you are looking for?

Mr. Modly: Well, sir, it is strategy-based. It is based on the threat, what we see the threat that is emerging, how we would want to counter that threat not just in terms of a warfighting scenario but in terms of
deterrence and presence. And so that is what is driving it.

What is driving the change in the numbers is some of the things that I mentioned earlier in terms of the requirement for a new, smaller amphib, a new combat support vessel as well, possibly more frigates, as you mentioned earlier. That is where sort of the numbers are elevating when we start looking at the difference between this and the 2016 assessment.

Senator Jones: All right. Are we going to be able to see that 30-year shipbuilding plan and Force Structure Assessment pretty soon?

Mr. Modly: I hope so, sir. I have seen it. I just need to make sure the Secretary of Defense is comfortable with it.

Senator Jones: Well, I would encourage you to try to get that to us as soon as possible, please. Thank you.

Thank you, Mr. Chairman.

Chairman Inhofe: Senator Perdue?

Senator Perdue: Thank you, Mr. Chairman.

Thank you for being here.

You know, these concerns and the wringing of the hands about this budget would have a whole lot more credibility if we had heard that when the three times in the last 50 years we had three Presidents in the late 1970s, in the
mid-1990s, and just recently cut our military spending by 25 percent. That is what this is about. Today we are trying to recover. You have done a marvelous job in the Navy and the Marines getting our readiness back. I want to commend you guys for that. Today I want to talk about shipbuilding.

When we get this budget, we are supposed to get a shipbuilding plan. Secretary Modly, when should we expect that?

Mr. Modly: Sir, I am hoping to get it over here as soon as possible, but frankly, it is not my call. I am waiting for the Secretary of Defense to allow us to bring it over.

Senator Perdue: I understand.

Admiral Kilby, this week, yesterday, as a matter of fact, did a great job explaining his requirements, Admiral. He talked about four priorities: Columbia class, readiness recovery, lethality, and capabilities we can afford. I respect that.

The question that -- I want to highlight the NDS. The 335-ship number was developed in 2016, prior to the NDS. Is the 355 number consistent with the NDS requirements put on the Navy and Marines?

Admiral Gilday: It is low, sir.

Senator Perdue: An honest man.
Admiral Gilday: Thank you, sir.

The short answer. So since the time that that assessment has been done and if you consider the fact that we are integrating much more closely with the Marine Corps and within the joint force, you have to consider not only what we are going to fight with, the capabilities, but also how we are going to fight. And so that is translated against a threat that has increasing capability into a larger number of ships, a larger number of more capable lethal ships.

Senator Perdue: So it has to do with several things. Right? What is your responsibility against emerging threats. You said that. How are you going to fight the force, and then what kind of lethality you have. So you are working on that we are not hamstrung by INF. We know that China -- they out-stick us today. Is that fair?

Admiral Gilday: In some areas, sir, yes.

Senator Perdue: Secondly, they have about 350 boats today to our 296 by my math. I think that is correct. If you look at what they have said publicly, by 2030 they will have 425, and if that same gradient goes out, by 2034, which is our planning period behind the current shipbuilding plan, we would be at 355 by 2034. That is the 2016 plan. That may change in the current shipbuilding plan I understand. We have an 80-boat shortage right now,
and we have responsibilities in multiple AORs. They pretty much have one. Are you concerned that our shipbuilding plan is not going to be able to do what we need to do over that 15-year period, particularly against the buildup that we see China -- they deployed more boats in the last 30 months than they have in the last 30 years. So we see their activity. They are telling us what they are doing.

Admiral Gilday: Yes, sir. So it simply really comes down to our top line. And that is our biggest constraint in terms of growing a bigger Navy. Since I have been in uniform, the size of the United States Navy has been dwindling. Over the last few years, we have come up in numbers a bit, but not a lot. And so we believe, based on the NDS and for all the reasons we just stated, that it is time to reinvest in the naval force.

Senator Perdue: And it would be one thing if we could fund it. What I am worried about -- let us take submarines, for example. Your number one priority is Columbia class. I am proud that Georgia hosts one of the two nuclear bases that hosts those. But we lost in the last decade 17,000 submarine vendors, down to 3,000 vendors. Even if we were to push the money toward this goal to get to where we need to be, can we rebuild the supply chain fast enough to accommodate that?

Admiral Gilday: Sir, based on what we know, we think
we can. Based on what we are projecting in terms of
submarines, as an example in terms of what we are
procuring, that vendor infrastructure is in place to
support that.

Senator Perdue: Can I move on to one other thing?
The Air Force is developing ABMS right now, and it looks
like they have had one demonstration across the services.
I think there is another one coming up in April. How
involved is the Navy in looking at this from the service
needs, as well as the data that the Navy will be creating?
Obviously, as I understand this, this is a very classified
development. Can you give us an update about the Navy’s
involvement and the Marines’ involvement on that?

Admiral Gilday: Sir, so the problem set is that we
have netted weapons and we have netted platforms and netted
C2 nodes, but we do not have a net. So all the services
have come together under a concept called joint all domain
C2, and we are putting heat on it, a Manhattan Project like
effort, so that we are not delivering this in the mid-2030s
but in the 2020s. All the Joint Chiefs are flying out to
Nellis in early April to take a look at this together to
make sure we understand how we are going to get after it.

Senator Perdue: Thank you so much. Thank you, sir.
Thank you, Mr. Chairman.

Chairman Inhofe: Senator Heinrich?
Senator Heinrich: Thank you, Chairman.

Secretary Modly and Admiral Gilday, I am quite encouraged to see the priority that the Navy continues to place on hypersonic weapons. As you know, Sandia National Lab has played a critical role in developing this technology over a number of years now. How would you characterize the combined Navy and inter-service effort to transition hypersonic glide bodies out of the labs?

Mr. Modly: Well, thank you for that question. I actually was in Sandia a few months ago and got to see what they are doing out there, and it is really amazing work. And I am actually very encouraged about the fact that we are working together with the Air Force and the Army on this because it is an expensive proposition, and we need to pool our resources and our brain power to get after it. So I think that the progress is good.

We have asked for a significant step up in funding this year in order to do this. As I look at the test schedule, it looks aggressive, but I think it is doable.

So that is probably all that I can talk about in an open forum. I would be more than happy to come over and have our team brief you on how we are doing on that.

Senator Heinrich: Would there be value in collocating the development and the production of those capabilities so that we could fully leverage synergies, expertise, and
frankly shorten the feedback loop in that transition from
development to production?

Mr. Modly: Well, I think anything that we can do that
can accelerate the process of getting these fielded would
be important. I think one of the biggest challenges we
have right now is not the technology and how to develop
these missiles, but it is the production. How do we get
this into scale over time? And that is a challenge because
we do not have an industrial base that can really do that
right now. So we are looking at ways that can help
accelerate that through some incentives, et cetera to put
some funding out there so that we can accelerate the
creation of the industrial capacity to produce at scale.

Senator Heinrich: Well, I hope you will consider us a
partner in that effort.

I want to switch gears now to the Navy has been
conducting live fire tests of its experimental
electromagnetic railgun at White Sands Missile Range in New
Mexico over the past year. But the fiscal year 2021 budget
includes pretty minimal funding for this capability. What
is the Navy’s plan to continue developing this program and,
for that matter, to mount it on a ship for at-sea testing
as well? Admiral?

Admiral Gilday: Yes, sir. So the testing is going
rather well. What I would like to do, sir, is come back to
you in a classified setting and talk to you in more detail about where we are with that and where we want to go.

Senator Heinrich: Okay. In this setting, can you comment on the resourcing in this particular budget?

Admiral Gilday: Sir, the resourcing right now we think is adequate based on the amount of effort that we have ongoing. So we saw more money in the budget last year based on what we needed to do in terms of R&D, but we are more at a steady state at the moment going into 2021.

Senator Heinrich: Okay.

Let us talk Columbia class for a moment. I think this committee understands the importance of that modernization to the nuclear triad. What are your contingency plans if the Navy does not make the already very tight timeline for Columbia, and where would you accept risk?

Admiral Gilday: Sir, that would be best handled in a classified setting. I will say that we have had those discussions with the Secretary of Defense, and you cannot just consider one leg. You have to consider the triad and how you balance risk across that triad based on challenges you would face in the modernization efforts across each of those legs. We are having those discussions, sir.

Senator Heinrich: Thank you, Chairman.

Chairman Inhofe: Senator Tillis?

Senator Tillis: Thank you, Mr. Chairman.
Gentlemen, thank you for being here and for your service.

General Berger, I will ask you just one detailed question. I got a few others hopefully I will have time to get to.

With some of the military construction money -- I think it was somewhere around $40 million -- affecting Camp Lejeune as a result of the executive order, I understand there were two projects down there that have been pushed somewhat to the right. Can you give me the current status of those projects and whether or not we are in any critical timing in terms of backfilling the funding?

General Berger: I am familiar with both projects. Both were deferred. We will have to postpone the second radio battalion building and the second project as well. Right now, not critical, but if they got pushed farther, then it would become a significant issue.

Senator Tillis: If I could get just for the record specific dates on when that really hits the critical path, I would appreciate it. Then-Secretary Spencer assured me that it was not a challenge now, but it could be. I would like to know the specific timing. Thank you for that.

Now, I have got something that would be for Admiral Gilday and you, General Berger, and maybe the Secretary as the tiebreaker. And it is the discussion we are having
with FRC East, getting the funding to be best prepared for
the F-35. We have got a bit of a stalemate there. We made
some progress with the security fence with the lift fan
facility, but a lot of the infrastructure is sort of Navy-
owned facility, Marine requirement. Every time I ask a
question about who is going to actually own that and how we
are going to get the funding, I get you need to talk to the
Navy or you need to talk to the Marines. Do we have a
definitive answer on that and where this sits on the
priority list?

Admiral Gilday: Sir, I can say that FRC -- of our
three, it is part of the optimization plan that we have,
and we are putting money against all three of those
facilities right now.

With respect to the potential finger-pointing, I would
like to get you a deeper brief on that. The Commandant and
I, our staffs can come together, and if there is an issue,
we will definitely resolve it.

Senator Tillis: You answered my question before I
asked it. What I would like to do, if we could, is just in
a meeting, if we could get the stakeholders in the room and
I can get a definitive readout, I would appreciate that.
So I have your commitment to making sure that happens.

Admiral Gilday: Yes, sir.

Senator Tillis: Thank you very much.
General Berger, you mentioned about some of the review that you are doing for the acquisition programs review. What is the current status of that? When should we see a report out?

General Berger: We are done the first part of it, Senator. The next step is for me to explain where we stand with the chair and ranking members of the four committees here, and I will do that this weekend next if we can get through the scheduling part of that.

After that, then we will obviously go broader in terms of explaining the details. But it is important that I explain to those senior leaders in Congress first what the outcomes are. So we are done the first part.

Senator Tillis: Okay. Thank you.

Because my time is going to expire here fairly quickly, I am going to submit some questions for the record about end strength, a few other questions. We will just look forward to hearing back from you.

In my remaining time, I would like to talk about military housing. We have spent a lot of time and effort to make sure -- on the one hand, we were concerned with the nearly $40 million that is sliding to the right. On the other hand, we have succeeded in getting billions of dollars down to help with recovery.

What is the status of that recovery, and specifically,
how is the military housing situation? I will let you know and everybody else that I will be doing another town hall down there to hear directly from the military families. I think that is very helpful because for some strange reason, I announce it 6 weeks in advance. All the service requests tend to be done by the time I get there. But I am hoping they are beginning to do it on a more consistent basis. So if I can get an update on both those projects, recovery with respect to Camp Lejeune broadly and then specifically for military housing.

General Berger: Camp Lejeune broadly. First of all, the town halls are -- you are spot on. Unannounced is better and you are going to get unfiltered kind of feedback from families, the way it should be, the way that we want them to be. So I thank you for that because it takes time.

On the housing, there are about 520, give or take, empty family housing units at Camp Lejeune that the private partner owns. Some of them are reparable; some are not. And that is part of the discussion that goes on right now, not negotiation, but the dialogue between the Department and the vendor about what to do about the 500 vacant houses.

There are about 15 families -- I think 15 -- right now that remained in damaged homes at their choice. We offered to move them. They elected to stay there. The damage, in
other words, from the hurricane -- they were okay because they are going to move anyway, so they just stayed. So we allowed them the choice either way.

The funding for the last two tranches of supplementals -- all of the, I think, $837 million from last year put on contract. So far, I think about $157 million this year. We will be able to obligate all that you provided from the second tranche in this fiscal year. So I think by the end of this fiscal year, both tranches will be fully under contract.

Chairman Inhofe: Senator Kaine?

Senator Kaine: Thank you, Mr. Chair.

And thank you to the witnesses for your service.

I wanted to just pick up on a point that Senator Perdue made a few minutes ago. He expressed some concern about hand-wringing over the budget and said, you know, I wish I had seen concerns in the past when budgets were being cut. And look, to the extent that Congress has done bad things in budgets in the past, we need to own it. My first speech as a Senator in February 2013 was a speech on the floor saying we should not do the sequester and budget caps. It is a bad idea.

I think the reason there is hand-wringing now is that Congress has learned our lesson and we are trying to do good budgets for the military, and what we are seeing is
the drain of billions of dollars out of the budget for a non-military emergency at the southern border.

Here is what we are doing within 1 year. Within the last year, the administration took first $6 billion, $3.5 billion from MILCON and $2.5 billion from other programs, into the counter-drug fund to use for the wall. So that was $6 billion out of the DOD budget.

The administration has now announced another $3.8 billion that is being cannibalized out of various accounts, put into the counter-drug fund. So now that $9.8 billion. And yesterday Secretary Esper in the hearing announced that there will likely be another tranche taken from MILCON. It has been reported that would be $3.7 billion, but just round it down and say that number is too high. It looks like the total within a year will be $13 billion, more than a billion a month taken out of Congress’ appropriated budget for your needs, for the nation’s needs to use for a non-military emergency that is not mentioned in the National Defense Strategy.

Let me just put that into context. What does $13 billion mean to seapower, to our Navy and Marines? $13 billion. It is one carrier or it is four Virginia class subs. We are arguing about whether there should be a second sub this year. 13 billion bucks in a year is four subs. It is six destroyers. It is four amphibious assault
ships. Senator Hirono asked about the shipyard industrial optimization plan. That 20-year plan is $26 billion. So the $13 billion would be half of the 20-year plan to modernize our shipyards.

Or the other way to look at it is when you all submitted your budget this year, you submitted the amount of unfunded priorities you have. That total unfunded priority list for the DOD is $17 billion. $13 billion in 1 year taken for a non-military emergency when your total unfunded priority list is $17 billion.

I am going to state right now if there is a Democratic President who tries to take money out of the DOD for a non-military emergency, I am going to say go get it through the appropriators. Do not ransack the Pentagon’s budget for a non-military emergency. I stood up against Democratic or Republican Presidents if I thought they were taking us to war without coming to Congress. I am going to stand up against the Democratic President who tries to raid the Pentagon budget for non-military emergencies.

You are here saying we are trying to be focused on the National Defense Strategy. It is resource-tight environment. It is sort of hard to take that at face value when we are allowing $13 billion to walk out the door for a non-military emergency in 1 year.

I want to offer you a compliment, General Berger. You
made I think a challenging call but the right call recently when you announced that Confederate paraphernalia would be removed from Marine bases as just a good order and discipline. I saw that announcement and as a Virginian with a child in the Marines, I applaud that leadership move.

Secretary Modly, I want to ask you to share a story that you shared with me with all my colleagues. Secretary Modly was in the Federated States of Micronesia recently, and this is a story about U.S. and China, what we are doing. Micronesia is a really important asset for us, where it is situated in the Pacific. Just share what is happening in terms of U.S. investment versus Chinese investment from your recent visit, if you would.

Mr. Modly: Sir, thanks for remembering the story. I was there about a year ago, and I made a trip through several of the Pacific islands. And I went to Micronesia and went to the far side of the island, and there was a Navy Seabee team there, a great group, 24 Seabees building a school for the local citizens there. Very traditional construction, concrete pilings, corrugated steel roof, plywood sides, making great relationships with the locals.

As you leave this facility and you drive down the street, there is a big sign. Micronesian Agricultural
Center being paid for and built by the People’s Republic of China. And it just gave me the impression that in some of these areas where we have traditional long-term friendships with these nations who want us to be their partners and we are playing small ball.

Senator Kaine: We removed all Peace Corps volunteers from Micronesia in 2017 and from Palau.

Mr. Modly: Yes, sir. In the embassy building there, I saw a bunch of signs for the old Peace Corps, and I said why are these here? They said, well, we shut down the Peace Corps here. And they had been there since the beginning of the Peace Corps. And people in Micronesia know Americans because of the Peace Corps.

So it may not extend to the entire Pacific region, but it was an example to me of particularly how we need to step up our involvement there not just militarily, but in other ways.

Senator Kaine: Thanks for sharing that story.

Thanks, Mr. Chair.

Chairman Inhofe: Senator Scott?

Senator Scott: Thank you.

And, first of all, I thank each of you for your service.

Secretary Modly, thank you for engaging with us after the terrorist attack in Pensacola, trying to come up with
the right plan to make sure this does not happen again. I will be talking on the floor today about the three individuals that lost their lives there, and it was devastating to them, their families, but also to that base and that community. But thank you for engaging with the sheriff and everybody down there.

We had a hearing yesterday. Senator Ernst chaired a hearing on the Emerging Threats and Capabilities Subcommittee, and we talked about Pensacola and what can we do differently. And my concern is that we went right back to normal work pretty fast. We talked about it. 21 students got sent home for a variety of things, and we are now vetting differently. But should we have a complete reset of the program so we know it is not going to happen again? We got 850 Saudi students here and we want to build our relationship with Saudi Arabia. I talked to the Saudi Ambassador and said the worst thing for you would be if we had another instance like this soon. I mean, I think the American public would be up in arms. You cannot keep doing this.

So I am working on a proposal with Senator Ernst that -- and I would like to get you all’s feedback, but how to vet the students, how to give them the right kind of visa, and make sure we are not doing programs here that we could do in another country less expensively and with less
risk.

So what do you all think about the fact that we still have -- and we have -- what -- 5,000 students from around the world there. But my focus right now, because of what happened at Pensacola, is the Saudi students. Very few were actually sent back. And are we really able to do a real vetting process of the ones we still have here? Are we vetting their families? And how safe are our bases?

When I was in the U.S. Navy, I never would have thought that there would have been any risk on the base I was on.

Mr. Modly: Senator, thanks for the question.

I think we are doing all we can I think to step up the vetting process for these students and to have a better sense for not just vetting them before they come in, but to develop some process in collaboration with those countries to perform more continuous vetting particularly of social media or some of the things they are doing that does not require us to do anything illegal to do that. We can monitor things that are in the public sphere. We just have not applied the resources to it, and we are looking at a variety of different ways that we can do that.

One of the key elements I think also is part of the purpose of these programs is to bring these people in and have them understand us as a nation better. And I do not
think we are doing such a great job with certain countries in bringing them in, sponsoring them, having local families getting to know them, particularly with the Saudi students because there were so many of them. They were very insulated and not really a part of the broader community. And so we have to really focus on that as well.

Senator Scott: So do you think you will be able to measure? Because that is what I have been told. I have been told that in many of these countries, like they said, you know, if it is an Italian student, that everybody get to know him and there are long-term relationships. But I have not talked to anybody in the military to date that says they have a long-term relationship with somebody that was a Saudi student. They might have it later if they are in the position of leadership, but based on the relationship as a Saudi student -- I mean, I have not talked to anybody in the military that has one. So it makes you question why are we doing this and having this risk.

How are you doing dealing with families that come? Are we vetting them, and are we continuing to vet them when they are here?

Mr. Modly: I think that is all part of the process that we are doing in terms of getting a better understanding of who is coming in, what their backgrounds
are, and just doing it a little bit more -- a little deeper
dive into that than we used to do.

Senator Scott: Well, I look forward to working with
you. We have been working with Senator Ernst and some
others about coming up with a better way to do it to make
sure these bases are safe. So thank you very much.

Chairman Inhofe: Senator Peters?

Senator Peters: Thank you, Mr. Chairman.

And thank you, gentlemen, for your testimony here
today.

General Berger, you have discussed the need for an
appropriate balance between manned and unmanned systems,
including incorporating unmanned aerial combat vehicles and
low-cost attributable aircraft technologies into the Marine
Corps. In a commentary you authored for War on the Rocks
in December of 2019, you listed 11 naval expeditionary
capabilities and capacities that support fleet operations,
which the Marine Corps is under-invested in. Notably, that
list started off with three different types of unmanned
platforms for every physical domain in which you fight.
And I agree with your assessment and know that we will need
a mix of fifth generation manned platforms like the F-35
that provide a stealth capability, along with an array of
sensors teamed with unmanned systems that can address
survivability challenges and further confound our
advocate’s decision-making through these new technologies working together.

The Marine Corps stated requirements for the manned F-35 is certainly a matter of record, but I have not seen your requirements for lethal unmanned systems. Do you still intend to pursue a large number of lethal unmanned aerial systems per your Commandant’s Plan and Guidance and recent public remarks? And if so, can we expect to see those desired capabilities articulated in the next Marine Corps aviation plan?

General Berger: The homework that went behind what are we going to need in the future that we spoke of before that both the Navy and the Marine Corps have worked on for the past maybe 8-9 months drove me towards that conclusion. Will see it in the next budget, and will we see it in the next AVPLAN, aviation plan? I do not know. I think yes, but the first step would be to figure out how you are going to fight and then reorganize the Marine Corps for that purpose, which we have to do, which is part of the rounds that I need to make to the senior congressional leadership to explain that part to them. I would hope that it is in the 2022 and 2023 budget, yes, sir.

Senator Peters: Great. Thank you.

Secretary Modly, the National Defense Authorization Act for fiscal year 2020 requires you as the Secretary of
the Navy by January 31st of 2023 to -- and I am quoting from the law -- publish a military specification for a fluorine-free fire fighting agent for use at all military installations and ensure that such agent is available for use by not later than October 1st of 2023. I would like to note that although it is October 1st of 2023, of course, you are free to publish it before that time, and we would encourage you to do that.

It is my understanding that there are large-scale commercial airports around the world that have adopted PFAS-free fire fighting agents already. And I recognize the military context is different and it is essential that we put the safety of our men and women first and foremost, number one. But I am optimistic the Navy will be able to find an appropriate solution given what is happening around the rest of the world.

Could you provide us with an update on the progress towards publishing that specification and what work has been done to date on that effort?

Mr. Modly: I share your optimism on that. I think we will figure this out. It is a global challenge, as you mentioned, in the United States specifically as well. All of our fire fighting civilians, our fire fighting folks use this material, and it is a challenge for us. However, there is a lot of attention in the scientific community
looking at this. Our Office of Naval Research is looking at this, and I am confident we will come up with an answer on this. So far we have not, and so particularly on our ships, we are continuing to use it. But my sense is that we will make progress on this and we will get an answer.

Senator Peters: And I am sure you are working with our allies who are also actually deploying some of these agents. So I appreciate that.

General Berger, last question. For the defense technology and innovation industrial base in this country in the remaining seconds here, what would be your message on the technologies and capabilities to pursue and invest in that you are going to want to require for the Marine Corps in the future?

General Berger: First is the how part. I think we need to be better listeners than spend a year or two developing a detailed set of requirements and dump it on industry and then ask them, what do you think. That collaboration has to start from the very beginning. And it is much better than it was, I would say, 5 years ago.

What do we need? We need, from the individual marine to the small unit, things that make them more survivable, more effective and lethal in a very austere environment without the big logistics tail behind them, which has been our challenge so far, because we assume that that logistics
tail like the command and control, that the threat is going
to go right after it. They are going to go after those two
aspects of our warfighting capability. So it has got to be
tools that a marine can use forward, can fix forward, not
call a contractor, but he can sustain them forward, he can
repair them forward, and that is not so logistically
burdensome that it is really difficult to keep that unit
reinforced forward.

Senator Peters: Thank you.

Chairman Inhofe: Senator Sullivan?

Senator Sullivan: Thank you, Mr. Chairman.

Gentlemen, it was great to see you three at the Army-
Navy game. I was going to comment about the result when
Senator Reed was here, but since he left, I thought I would
leave it at that.

General Berger, I want to compliment you on the
Commandant’s Plan and Guidance. I read every word of this.
It is outstanding, innovative, bold. I want to thank you
and your team for the exceptional work that you put into
that.

One topic I wanted to briefly discuss, General. I
have had good discussions this week both in meetings and
then in the hearing that the Secretary of Defense and
Chairman had yesterday on the force posture that we have in
the Asia-Pacific given the National Defense Strategy,
including the DPRI that has been a subject of a lot of focus of the Marine Corps for I think 2 decades now. They are very focused on a broader strategic look that can sustain our force posture and strategy for the next 50 to 100 years, which I think is important. You may have seen in the NDAA that was just passed, 2019, there is a provision that says we need to do that as well. The Secretary of Defense, Chairman of the Joint Chiefs. The Marines will be critical in that.

Can you briefly comment on your thoughts on that?

General Berger: Thanks, Senator.

I do not want to speak for you, but I have heard you speak before that -- and I have said the same -- we are postured perfectly out there for another Korea in 1950.

Senator Sullivan: Or the end of World War II, which is where our force posture --

General Berger: That is exactly right. It was an ideal posture for that, not ideal for what the National Defense Strategy outlines as the major threats going forward in the Indo-Pacific. So we have to adjust it. I do not see any alternative.

Senator Sullivan: Well, the Secretary and the Chairman were very bullish on looking hard at this as well. And I know the Marine Corps has done some good work on this, and we want to help you -- I mean, not help you, but
work with you. This committee has been very interested in this issue from Senator McCain to Senator Inhofe and myself. So we will look forward to working you on that.

I want to turn to the Arctic. Senator Kaine and I had a Readiness Subcommittee hearing this week, quite a good hearing. I want to compliment the Navy and the Marines on their recent Arctic expeditionary exercise out at Adak and Seward, difficult training. I know that was not easy. Crappy weather. But clearly the Arctic has become a theater of great power competition. I have a slide that I think some of you have seen. This is the Russian buildup in the region. And it is not just forces. It is ports and airfields and infrastructure to have force power projection. We do not really have much there.

I want to give you sense of questions here, three questions. And then, Mr. Secretary, maybe you can take this on.

You know, the DOD Arctic strategy says there should be FONOPs. I do not think we have the capability right now. We have two icebreakers. One is broken. The Russians have 54. There are also twice now mandates to look at strategic Arctic ports, which have kind of been ignored by the Pentagon. And General Neller had some plans in addition to what was going on in the region with regard to the Marines in the Arctic.
Can the three of you just discuss these? Mr. Secretary, maybe we will start with you.

Mr. Modly: Yes, Senator. Thanks.

I recently within the last 2 weeks had a conversation with Secretary McCarthy and Secretary Barrett about how the Navy and the Army and the Air Force Departments can get together to come up with a combined strategy in terms of basing, presence, et cetera to address this Arctic challenge. And clearly your home State would be critical to this in terms of where it is strategically located. So we are developing this team now to take a look at this, and obviously, once we get that assembled, we would love to come over and talk to you about it.

Senator Sullivan: Good. I appreciate your initiative on that. I got your note. So thank you very much on that.

Admiral, any thoughts on the FONOPs? We have talked about this before. I have a -- I think I have mentioned it to you in hearings -- but a proud history in my family, five uncles and great uncles who served in World War II, including my great uncle Tom who was a lieutenant in the Navy and did three Murmansk runs. I worry that we do not have that capability right now, no ice-hardened ships.

Of course, this committee has authorized the purchase of six polar class icebreakers, which is a start. But without any kind of strategic port -- and we do not have
anything near the Arctic. The closest thing is Anchorage. That is 1,500 nautical miles away. We cannot project power and we need to to defend our strategic interests, particularly the Navy.

What is your thought on that, sir?

Admiral Gilday: My thought on that is that I think if we are going to talk about force structure, infrastructure in Alaska, I really think like DPRI it has got to be a subset of a broader INDOPACOM strategic lay-down.

Senator Sullivan: I agree with that.

Admiral Gilday: From a joint perspective, we are making the right decisions.

And then secondly, with respect to operations in the Arctic, ICEX right now, two U.S. submarines, one British submarine, we are just on the tail end of an exercise with the Norwegians -- the Navy and the Marine Corps -- as well as another multinational exercise ongoing. We are seeing an increasing drum beat of operations in the high north. I think we need to continue that. I think that FONOPs will be important. I think that the Bering Strait will become as strategically as important as the Strait of Malacca or the Strait of Hormuz at some point.

Senator Sullivan: Putin certainly thinks so.

Admiral Gilday: Yes, sir, based on what is going on with the icecap.
So it is getting more focused, sir. I do think that taking a pause and looking at it strategically would be a good move.

Senator Sullivan: Thank you.

Thank you, Mr. Chairman.

Chairman Inhofe: Senator Duckworth?

Senator Duckworth: Thank you, Mr. Chairman.

Secretary Modly, I want to follow up on a conversation I had with General Lyons of TRANSCOM last week. When discussing sealift readiness, he stated that our current readiness level was lower than where it needed to be, but noted that TRANSCOM is working to recapitalize sealift capabilities. We agreed that while sealift is just one of the Navy’s many requirements that you must balance, it is essential for TRANSCOM to be able to do its job and help get our forces to the fight when we need it.

General Lyons raised a possibility with me of using the National Defense Sealift Fund to make progress towards our sealift recapitalization goals. But I believe that the Navy has not added anything to that fund since fiscal year 2019. Could you please share your view on reinvigorating the National Defense Sealift Fund? If you disagree with that approach, what would be the alternative approach of prioritizing recapitalization of sealift capabilities?

Mr. Modly: Senator, I absolutely agree that we have
to recapitalize our sealift capability. Where the funding comes from is the challenge for us. And this is another one of these pressures that we have in the Department of the Navy particularly because we are reaching a point in history where we have to recapitalize our nuclear deterrent, at the same time recover from some pretty big holes in readiness, and also do this, which is to recapitalize our sealift. So we are making choices. We are making some trades, but we are going to need some help I think from a budget perspective to be able to do that as aggressively as I think the TRANSCOM Commander would want us to do.

Senator Duckworth: What do you think about using the fund as an avenue for --

Mr. Modly: Senator, I do not that the fund has funding. I do not know if it is similar to the Strategic Deterrence Fund that we have as well that is a fund that gives us some authorities but it does not really have any funding attached to it. So I will have to get back to you on that specifically in terms of what is there or what we need to put into it.

Senator Duckworth: Okay. Thank you.

I was disappointed that this year’s budget baseline proposal omits key investments in sealift and logistics that we should be prioritizing now, and we sort of talked
about this. And as you said, there are a lot of unfunded priorities, but the list of unfunded priorities includes tens of millions of dollars for emergency repairs to sealift ships identified by TRANSCOM and advanced communications gear for the military sealift command ships.

Then in your February 18 memo that kicked off the Navy’s stem to stern comprehensive review, you highlighted naval logistics as an area that could be, quote, streamlined when searching for billions of dollars’ worth of savings.

So can you help me reconcile this? How can it be a priority but then you are talking about this where you can cut? Or am I misunderstanding what you mean by naval logistics would be streamlined? I mean, how do you plan to build up and sustain a growing fleet of ships without prioritizing a strong logistics network? Who picks up the slack?

Mr. Modly: Well, Senator, I think that particular memo went out to the entire Department of the Navy to look at every possible way that we can look at doing things better and more efficiently. I do not think anyone would argue that our Department from a logistics and supply chain is world class with respect to cost, distribution, the business systems that support it. We have multiple redundant business systems, and every one of them takes a
budget line every year. So we have to think about how we
can do this better, more efficiently, more closely
approximate some of the advances that have been made in
supply chain management in the commercial sector over the
years. And that is what I was talking about when I talked
about logistics. Logistics demands are going to keep going
up. If we keep doing it the way we are doing it now, it is
going to cost us way too much.

Senator Duckworth: We understood and agreed with
that. On the other hand, we need to make sure that we
actually put further investments in our logistics
capabilities. And we are not talking with just sealift but
also heavy lift aircraft. We also need to be talking about
how we project fuel forward. Everything that sucks gas
needs fuel. And if we are going to be present in the Asia-
Pacific region, then we need to be able to project into the
region beyond the first 72 hours. And so that is a real
concern that I have.

Thank you. I yield back, Mr. Chairman.

Chairman Inhofe: Senator Hawley?

Senator Hawley: Thank you, Mr. Chairman.

Thank you, gentlemen, for being here. Thank you for
your service.

General Berger, let me start by saying that I really
want to applaud your decision to refocus the Marine Corps
on the sea denial mission. So thank you for your
leadership in that area. Thank you to you and your staff
for keeping Congress informed and on board with this as you
have led the Marines in this new direction. Thank you very
much for that.

Let us talk a little bit about Fort Leonard Wood in my
home State, if we could for a second. General, Admiral
Gilday, Fort Leonard Wood has had the opportunity to train
many of your marines and sailors at its engineering,
police, and CBRN schools. Can you give us a sense of how
this opportunity for joint training has benefited your
respective services both from a training and resource
management standpoint?

Admiral Gilday: Senator, not in detail except that I
have not heard any problems.

Senator Hawley: Well, that is good.

Admiral Gilday: But I cannot comment on that
training.

General Berger: Just a couple words, sir.
First, the Marine Corps is the smallest service, sir.
We do not own all our schools. Most of our marines go to
other service schools.

The benefit in the particular case you are talking
about is you are learning the trade to a military
occupation, but it is a trade. You are learning alongside
somebody you are probably going to serve with later on from another service. So the benefits are, one, you do away with the myths. Two, there is some standardization in how engineers operate, how military police view a problem because you are operating side by side. You are not in four different schools doing it.

I think for us there is an economic benefit. We cannot afford our own school. Two, the standardization thing is great. And three, it may be the only time, but if not, it is the first time they are going to operate alongside somebody from another service. So it tamps down all the myths about them.

Senator Hawley: Very good. Thank you for that. We are, obviously, very proud of Fort Leonard Wood and the work that they do there. I am glad that they are serving you well.

General, back to sea denial, can you give us an update on your rogue fires and ground-based anti-ship missile programs in terms of where they are now and their timelines for fielding?

General Berger: Both of the capabilities you speak of in war games and in simulation have proven -- game-changer is probably an over-the-top characterization, but it definitely changes the calculus of an adversary because right now that capability is something we do not have. And
posed with that, they have to act differently.

Rogue fires in particular, on a great glide path. We are investing in it. Who knows if that is the solution 10 years from now, but we are going down that path right now.

Ground-launched cruise missiles and everything long-range precision fires that is in a small enough format that a small Marine unit can embark it, can use it, we are after it. Yes.

Senator Hawley: Very good.

From an ISR and C2 standpoint, what would you say, General, are the most important programs for ensuring that Marine Corps fire units have the targeting data they need to perform the sea denial mission?

General Berger: Some will say -- and I think there is logic to that -- that they are kind of agnostic. I do not care where I get my fire data solution from or what ISR platform. I just need the data. And there is truth in that.

On the other hand, we need organic naval ISR so that that expeditionary naval force that is operating either in EUCOM or in the first island chain or wherever has the means to pick up the targets forward in an expeditionary manner. And they got to be able to launch and recover from naval platforms, from shore, and they got to be small enough, if they are going to be embarked with us, that we
can sustain them. Right now, we have used MQ-9’s for the last year and a half in Helmand province in Afghanistan as a learning platform for us, how to close that kill chain organically.

Senator Hawley: Very good. Thank you.

Secretary Modly, Admiral Gilday, I will come back to you. Admiral Davidson recently testified that about half of his attack submarine requirement -- only half -- is being met in the Indo-Pacific and a problem that he forecasts will worsen in the 2020s as our attack submarines are retired faster than they are being replaced. Talk to us about this. How is the Navy planning to mitigate the anticipated shortfall here in the Indo-Pacific in particular?

Admiral Gilday: Senator, we are buying submarines at the rate that both Electric Boat and Huntington-Ingalls can produce them. So we are buying at the maximum output right now with the exception of the fact that one submarine dropped from the budget in 2021.

It really comes down to a ruthless prioritization. So we are meeting the Secretary of Defense’s direction for the numbers of ready submarines to get to sea, and we have been doing that. And then it really comes down to prioritization principally between Russia and China in terms of how those submarines are then allocated across the
Senator Hawley: Let me just ask you finally, Mr. Chairman, aside from growing the submarine force, are there other investments that are needed to extend our undersea warfare advantage?

Admiral Gilday: Unmanned. And so we are making great gains in unmanned under the sea.

Senator Hawley: Very good. Thank you.

Thank you, Mr. Chairman.

Chairman Inhofe: Thank you, Senator Hawley. And we thank all three of you for the time you spent with us. Excellent testimony.

We are adjourned.

[Whereupon, at 11:32 a.m., the hearing was adjourned.]