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COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON THE POSTURE OF THE DEPARTMENT OF THE NAVY IN REVIEW OF THE DEFENSE AUTHORIZATION REQUEST FOR FISCAL YEAR 2023 AND THE FUTURE YEARS DEFENSE PROGRAM

Thursday, May 12, 2022

Washington, D.C.

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

The committee met, pursuant to notice, at 9:30 a.m.,
in Room SD-G50, Dirksen Senate Office Building, Hon. Jack
Reed, chairman of the committee, presiding.

Committee Members Present: Senators Reed [presiding],
Shaheen, Gillibrand, Blumenthal, Hirono, Kaine, King,
Peters, Rosen, Kelly, Inhofe, Wicker, Fischer, Cotton,
Rounds, Ernst, Tillis, Sullivan, Cramer, Scott, Blackburn,
Hawley, and Tuberville.
OPENING STATEMENT OF HON. JACK REED, U.S. SENATOR
FROM RHODE ISLAND

Chairman Reed: Good morning. The committee meets today to receive testimony on the plans and programs of the Department of the Navy in review of the President's Fiscal Year 2023 defense budget request. I would like to welcome the Secretary of the Navy Carlos Del Toro, Chief of Naval Operations, Admiral Michael Gilday, and the Commandant of the Marine Corps, General David Berger.

We are grateful for your service, for the service of the men and women under your command, and for the support of all Navy and Marine families. The Administration's defense budget request for Fiscal Year 2023 includes approximately $231 billion in funding for the Department of the Navy, an increase of $10.6 billion from the Fiscal Year 2022 enacted budget. As the leaders of the Navy and Marine Corps, I understand you face significant challenges as you strive to balance current operations and readiness alongside broad modernization efforts.

Our naval forces continue to maintain extremely high operations tempo across all areas. Demand is overwhelming for attack submarines, air and missile defense cruisers, destroyers, and strike fighter inventories. As a result, our ships and the fleet are not meeting maintenance requirements on time or within budget. A number of ships
have been waiting several years for maintenance, including
the USS Boise, which will spend another year at pier side
without diving certifications because of deferred
maintenance.

I am also concerned that the Navy will not be able to
maintain a larger fleet of ships when it is struggling to
maintain its current fleet of 294 ships on a consistent
schedule. Deferred ship maintenance, reduced steaming and
flying hours, and canceled training and deployments have
created serious readiness problems within the Navy. These
problems are not limited to one sector but are also being
experienced by private shipyards and Navy shipyards.

The 2022 National Defense Authorization Act directed
the Navy to study how to improve the capacity in our
shipyard industrial base. And the Navy has since begun the
shipyard infrastructure optimization program to modernize
and improve the efficiency of the public sector shipyards.
We look forward to seeing the results of that effort.

Looking ahead, I am pleased that the USS Gerald Ford
has conducted full ship shock trials, and we understand
that she may be deployed later this year. Looming on the
horizon, over the next decade, the Navy will need to buy
new Columbia class ballistic missile submarines to replace
the Ohio class fleet. This is an expensive undertaking on
a very tight schedule, and I trust the Navy is making every
effort to keep this program on track. I would ask our witnesses for an update on these plans.

This year, the Navy is proposing to retire a number of ships before the end of their useful service lives. This includes a plan to retire nine littoral combat ships early, one of which would only be three years old. I understand the LCS program showed promise when it was first conceived, but the threats we face have changed, and the Navy no longer believes these vessels would contribute much to a high end conflict.

The Navy made a difficult choice to retire some of the ships now and free up more resources in the future. On the other hand, it seems that this plan would take us in the opposite direction of the Navy's goal for 355 ship fleet. This committee will want an update on this issue. Turning to the United States Marines, the Marine Corps is restructuring around two concepts, littoral operations in a contested environment and expeditionary advanced base operations.

The key element of these concepts is the more flexible amphibious force that can support a broader naval fight once ashore. Rather than simply acting as a landing force, the Marine Corps hopes to help control the sea and air around them in support of the Navy and the other services. To accomplish this, I understand the Marine Corps is
prioritizing modernization of its ground vehicles,
including partnership with the Army and the joint light
tactical vehicle, or the JLTV, to replace the Humvee, and
targeted investments in the high mobility artillery rocket
system, or HIMARS, to provide Marines with ground based
indirect fire support.

In addition, programs like the amphibious combat
vehicle, the ground based anti-ship missiles, and long
range precision fires will provide critical modernization,
increased force protection, and enhanced lethality to the
Marines. General Berger, I appreciate your consultations
and discussions with the members of this committee as you
began this restructuring, and I appreciate your continued
engagement with the committee as this process proceeds.

There also may be discussions this morning about the
appropriate amphibious force structure. I understand that
the Commandant says he needs 31 large amphibious ships to
meet his requirements, in addition to any smaller vessels
invented to support the expeditionary advanced base
operations concept. Others in the Defense Department have
determined that only 24 to 28 large amphibious ships are
needed, and I would ask for an update on these discussions.

Again, I want to thank the witnesses for appearing
today, and I look forward to their testimony. Let me now
recognize the Ranking Member Senator Inhofe.
STATEMENT OF HON. JIM INHOFE, U.S. SENATOR FROM OKLAHOMA

Senator Inhofe: Thank you. Thank you, Mr. Chairman. And I join you in welcoming these three great leaders. For four years, this committee has used the 2018 National Defense Strategy Commission as our roadmap to meet the threats. It has operated very well during this time.

Unfortunately, the Administration has sent to the Congress a budget request that does not provide the resources required to combat that threat and other threats. The Department of Navy budget provides an increase of only 4 percent, and more troubling, the Marine Corps portion includes just 1.8 percent increase.

That is nowhere close to the real growth in -- for the Marines, once again, if you account for inflation, it is actually a cut. Given the inadequate budget requests, it is no surprise that Admiral Gilday and General Berger in their unfunded priorities, that we call those the risks list, total $7.5 billion. More broadly, I am concerned about the state of our Navy and its downward trajectory.

And I actually had four items I was going to mention on here. However, all four of them ended up being in the chairman's opening remarks so I won't use those. The real growth is going to have to be a part of the programs that move the needle. On that topic, I would like to note
General Berger's initiative in implementing the National Defense Strategy and his efforts to keep this committee informed of his plans.

So I look forward to discussing these topics and -- from our witnesses and -- that we have. Thank you, Mr. Chairman.

Chairman Reed: Thank you very much, Senator Inhofe. Secretary Del Toro, please.
STATEMENT OF CARLOS DEL TORO, SECRETARY OF THE NAVY,

DEPARTMENT OF THE NAVY

Mr. Del Toro: Good morning --

Chairman Reed: Could you bring that microphone as close as possible, Mr. Secretary --?

Mr. Del Toro: Good morning, Chairman Reed, Ranking Member Inhofe, distinguished members of the committee. It is an honor to be here alongside General Berger and Admiral Gilday to discuss the posture of the Department of the Navy. I look forward to working with you to ensure that our sailors and Marines are equipped, trained, and prepared to the best of our ability so they can fulfill our vital role to provide combat ready forces in support of the Joint Force.

The United States requires a strong Navy and Marine Corps. Our global economy and the self-determination of free nations everywhere depends on sea power. Our National Security depends on sea power. That is particularly true in the Indo-Pacific, where Beijing's aggression threatens the rules based international order that protects us all.

To answer that challenge, your Navy and Marine Corps must have the resources and the power to maintain credible, integrated deterrence by campaigning forward, forward from the sea, on the shore, and in the air. Thanks to the leadership of President Biden's Secretary Austin, this
budget does provide the right balance of capacity, lethality, modernization, and readiness that we need to execute the National Defense Strategy.

We will invest these resources through the execution of a concise, clear, and transparent strategy rooted in three guiding principles. First, maintain and strengthen our maritime dominance so that we can deter potential adversaries and fight and win decisively. Second, empower our sailors and Marines by fostering a culture of warfighting excellence founded on strong leadership, dignity, and respect for each other.

And third, strengthen our strategic partnerships across the Joint Force, industry, and our international partners around the globe. We are executing this strategy through the integrated visions of the Marine Corps Force Design 2030 and the Navy Navigation Plan. I strongly support these visions, and I am committed to feeling the ready, capable, and modernized force required to ensure their success.

To maintain and strengthen maritime dominance, we have to be serious about fielding and maintaining the right capabilities to win wars. That is why our budget strongly invested in nimble, networked, and survivable Navy, with platforms like Columbia, DDG Flight III, with enhanced cyber and autonomous capabilities that enable our fleet to
campaign forward in a distributed manner.

This budget invests in a truly expeditionary and persistent Marine Corps with the mobility and readiness to respond in force wherever and whenever needed. For advancing cyber security and resilience efforts across the Department with investments to expand the cyber mission force teams, harden networks, and leverage artificial intelligence and machine learning to defend information infrastructure.

To ensure the combat readiness of our platforms, we are more than doubling shipyard infrastructure optimization programs, SIOP, investments over the previous budget. This budget invests in the climate resiliency of our force and our facilities, while continuing efforts to substantially reduce our impact on climate change. We are also investing in facilities that promote the quality of life of our personnel and their families. We owe it to our military families to ensure their safety and well-being.

And when we do fall short, we look our problem square in the eye, and we take actions to fix those problems. We are investing in our efforts to recruit, retain, train, and promote the best from all of America. And we are increasing funding for naval and cyber education, enhanced shipboard training, and enabling sailors and marines to build their careers wherever the service takes them.
We appreciate the committee's interest in ensuring our forces have the right facilities to train, fight, and win, including the potential expansion of the Fallon Training Range Complex. We also appreciate the committee's efforts to include new tools within the NDAA to deter destructive behavior and prosecute sexual assault, domestic violence, and other offenses.

At every level of leadership, we are determined to prevent sexual assault and sexual harassment, hold offenders accountable, and create a safer, stronger, and more inclusive Navy Marine Corps team. I want to close by noting the importance of strategic partnerships, from the Joint Force and our industrial base, to our allies and partners around the world.

I have seen our partnerships and alliances personally in action, from F-35b operations in the Indo-Pacific to NATO exercises in Norway and the Mediterranean. But our most important partnership is indeed with the American people.

And that is why I am grateful for the oversight and interest of this committee, and I look forward to continuing to work with you in the years ahead. Thank you.

[The prepared statement of Mr. Del Toro follows:]
Chairman Reed: Thank you, Mr. Secretary. Admiral Gilday, please.
STATEMENT OF ADMIRAL MICHAEL M. GILDAY, CHIEF OF
NAVAL OPERATIONS, DEPARTMENT OF THE NAVY

Admiral Gilday: Chairman Reed, Ranking Member Inhofe, distinguished members of the committee. Good morning and thank you for the opportunity to appear this morning with Secretary del Toro and General Berger.

For nearly eight decades, America's naval superiority, maritime superiority has guaranteed security and prosperity across the world's oceans and has played a unique and predominant role in protecting our Nation's most vital national interests. Maintaining maritime superiority is fundamental to implementing our new National Defense Strategy.

Global competition is heating up, the pace of innovation is accelerating, and the environment our naval forces are operating in every day is growing more transparent, more lethal, and definitely more contested. Everyone in this room is familiar with these trends, particularly China's massive investment in highly capable forces designed to deny our access to the oceans.

Our Navy's role has never been more consequential or more expansive. America needs a combat credible naval force that can protect our interests in peace, and that can prevail in war. Not just today, but tomorrow, and for the long term competition that lies ahead.
Our budget submission for PB23 reflects that imperative. It fully funds the Columbia class submarine to ensure continuity for our Nation's most survivable strategic deterrent. It keeps our fleet ready to fight tonight, funding maintenance accounts, filling magazines with ammunition, putting spare parts in storerooms, and giving our sailors the steaming days and the flying hours they need to hone their skills.

It modernizes our fleet by investing in weapons with increased range and speed, integrated systems to improve fleet survivability, and a resilient, cyber secure network infrastructure. And it invests in affordable, capable capacity, building towards the goal of a larger, distributed hybrid fleet in the decade ahead, and taking into account the insights that we are gaining on a monthly basis from our fleet battle problems with the United States Marine Corps, with exercises like large scale exercise 2021, the largest in the world, last summer, and also just a few months ago, the world's largest international unmanned maritime exercise in the Middle East.

These exercises and analysis and many others are helping us to refine our warfighting concepts, experiment with unmanned systems at speed -- at the speed of innovation and grow the fighting power of our Navy Marine Corps team across all domains. The need to field a ready
fleet today, as we are simultaneously modernizing for the future, has forced us to make difficult decisions, including the decommissioning of platforms that do not bring the needed lethality to a high end fight in contested areas.

While building this capacity at the expense of readiness and modernization can sound like an attractive option, it is not one that I endorse. We have been there before, and we have seen tragic results. I refuse to repeat it again. We cannot field a fleet larger than one we can sustain, and at today's fiscal levels, quantity simply cannot substitute for quality, especially as our adversaries are building advanced warfighting systems.

Failing to modernize to meet those threats would erode America's maritime superiority at a time when command of the seas will decide the global strategic balance and power for the rest of this century. The stakes in this competition are extremely high, which is why U.S. sailors, active and reserve, uniform and civilian are committed to strengthening our naval power every single day.

Thank you again for inviting me to testify, and I am grateful for the committee's support to our Navy and Marine Corps team. I look forward to answering your questions.

[The prepared statement of Admiral Gilday follows:]
Chairman Reed: Thank you, Admiral Gilday. General Berger, please.
STATEMENT OF GENERAL DAVID H. BERGER, COMMANDANT OF
THE MARINE CORPS, DEPARTMENT OF THE NAVY

General Berger: Chairman Reed, Ranking Member Inhofe, and distinguished members of the committee, as we sit here this morning in a backdrop of a war raging in Ukraine and the malign activities that are ongoing in the Indo-Pacific, it is a good reminder for me that we don't have the luxury of building a Joint Force for one threat, for one region, for one form of warfare. We have to be prepared for the full range of operations, in places we might not expect, and probably on timelines we didn't anticipate.

That is why your Marine Corps' ability to respond to crisis in any time and place is essential to our National Security. Three years ago, as the chairman and ranking mentioned, we embarked on an ambitious program of modernization in an effort to ensure that your Marine Corps could continue to meet its statutory role as America's force in readiness. And with the bipartisan support of the members of this committee, that modernization effort is on track and is building momentum.

Over the past three years, your Marine Corps has self-funded $17 billion worth of modernization. Today, I would like to offer you an update in three areas where we have seen significant progress over the past 12 months. First, over the last 18 months, out in Twentynine Palms,
California, which is our live fire maneuver training site, we have conducted nine force on force exercises over the past year and a half. Here is what we have learned, and these lessons -- these learned lessons have really validated what we thought from the beginning.

Basically, that smaller, more mobile, more distributed units, if they can employ 21st century combined arms and they have organic ISR and they have loitering munitions, they are more lethal than larger units that employ traditional sort of force structures and traditional concepts.

And that is entirely consistent so far with what we have seen in Ukraine. In less than two years, we formalized a concept for standing forces and we built a capability that has dramatically expanded what we can achieve in support of both land and maritime operations. One of those standing forces is now forward deployed in Europe. And as the Yukon Commander recently testified here in D.C., his words, that force is precious for effective deterrence.

Second, we have achieved some important operational milestones. This year, we are going to deploy the amphibious combat vehicle for the first time aboard ship on a marine expeditionary unit. And we will retire the AAV, the aging AV, ahead of schedule. And we are doing that
because of the support of this committee. This year marked the first deployment of an F-35b squadron aboard an allied carrier, the first deployment of an F-35 sea squadron aboard a Navy carrier, U.S. Navy carrier.

In fact, some of you will probably heard debris from VMFA-211 aboard the HMS Queen Elizabeth. That was, in our opinion, significant advancement in not just interoperability, but interchangeability with both UK Jets and Marine Corps U.S. Jets F-35s on board the Queen Elizabeth. That is how you commit to allies and partners.

The Marine Expeditionary Unit, the MEU, enabled by amphibious ships, is the crown jewel of our naval expeditionary forces. No naval vessel in our inventory is capable of supporting a wider set of missions than the amphibious warship. And Secretary Del Toro, the CNO, and I all agree that the minimum number of L-class traditional warships, amphibious warships the U.S. needs is 31, and your support for sustaining that minimum capacity is essential to National Security.

Finally, this past year, we published a plan to modernize our personnel system. That will allow us to better recruit, train, align the skills of individual Marines, retain them, match them with the needs of the Marine Corps. All that said, what the Marine Corps does for this Nation will not change.
We remain America's force in readiness. We are capable of a diverse set of missions across the operational spectrum. But how we accomplish those missions is changing, and your support is critical to our collective success.

And in closing, just like to offer to Ranking Member Inhofe, our sincere gratitude for the three of us for your 50 years of public service. Army veteran, State Legislator, Mayor, U.S. Representative, Senator, just on behalf of the sailors and Marines and all of us here at this table, thank you, sir, for your years of service.

And with that, I look forward to your questions.

[The prepared statement of General Berger follows:]
Chairman Reed: Thank you very much, General Berger. Secretary Del Toro, one of the issues that is arising is the performance of shipyards. We saw, for example, on the attack submarines that the slippage in terms of both delivery time and increase in costs, the reason that most people give is the difficulty of securing the appropriate labor and workers. What can you do and what can the industrial base do to get back on track?

Mr. Del Toro: Thank you, Senator. I am also deeply concerned about the pace with which both our public shipyards and our private shipyards keep up with the maintenance that is required by both our submarine fleet, as well as our surface fleet as well. I have visited most of the yards, all four public shipyards, and most of the private yards as well. I have met with the leadership of those shipyards to try to better understand the challenges that they face. Without question, that the impact of COVID on the last three years has been significant.

We continue to cooperate very collaboratively, thanks to the support of the Congress as well, and making investments in those shipyards, both capital investments and also investments with regards to the talent management that is necessary to run those shipyards. I believe that there is still a lot of work that needs to be done, and it does take a team to work this through, obviously.
But the other message that I have also relayed to the leadership of these shipyards is that they also have a responsibility to deliver these platforms on time and on schedule, and they need to divert the proper resources necessary to do so in terms of capital equipment and also in terms of hiring the necessary workforce at those shipyards in order to increase the pace at which these maintenance cycles are taken.

And let me, if I could ask the CNO to just weigh in as well on this issue.

Chairman Reed: Could I?

Mr. Del Toro: Yes, sir. Forgive me.

Chairman Reed: I thank you because -- General Berger, Force Design 2030 recognizes this is a much different world than 10 years ago, 20 years ago, certainly 30 years ago. Since World War II, we have basically had guaranteed air superiority but if we choose to fight. We also had relatively uncontested logistics.

We have had uninterrupted communications. And the concept of joint operations has been evolving for a long time, but it is now more critical than ever. So when you look at all of these factors, lack of air superiority, logistics difficulties, communications that might be disrupted, and the need to operate as a truly Joint Force, I assume that has informed your view of what you want to do
with the Marine Corps in terms of your new design.

General Berger: That is entirely accurate, Chairman. I don't think any of the Joint Chiefs, if all of us were lined up here, would see it any different. Especially on the high end, we will fight, we will operate as a Joint Force. And we have to have a pretty keen understanding of the joint capabilities involved there and where each one of us where the overlaps are and where the gaps are.

The areas that you highlighted, air superiority, command and control logistics, absolutely are part of the focus. We also know that we are not going to match the -- a country like the PLAN in number for number, but that is not actually how we are going to deter and how we are going to dissuade them. It is going to be asymmetric.

Lastly, I would say the need to operate forward as the Secretary and CNO highlighted, paramount. You have got to know what they are doing. You have to paint a picture for the Joint Force Commander 24/7 and that is our role.

Chairman Reed: Thank you very much. A question I will address to Admiral Gilday, and with time to General Berger, is that the Navy's unfunded priority list is $4 billion this year. Marine Corps is $3.5 billion. Last year, because of the committee's support for Senator Inhofe's initiative, we were able to cover all of your unfunded priorities.
We can't assume that this year. So I assume that these unfunded priorities are really in priority order. That if we go to the first one, that is the most critical. The second one, the second most critical. Is that accurate, Admiral?

Admiral Gilday: It is absolutely accurate, sir. And so my priorities -- everything on the unfunded list were high regrets that we couldn't get into the budget and are primarily readiness related. So as an example, for weapons arranged in speed, LRASM, JASSM-ER, Maritime Strike Tomahawk, SM-6, what we are trying to do is maximize domestic production lines to send a demand signals so we can fill our magazines with weapons, and make sure that if the fight does go down tonight or in the 2027 timeframe, that we are ready to go.

Likewise, those priorities include flying hours, steaming days, maintenance, spare parts in both the aviation side and for our ships as well. It is funding for people. And so those are all -- those all have to do with needed midterm readiness. There are also some modernization priorities there as well.

Chairman Reed: Thank you very much. General Berger, I will ask for your response in writing and for the record so that we can recognize Senator Inhofe. Senator Inhofe, please.
Senator Inhofe: Thank you, Mr. Chairman. We -- and General Berger, thank you very much for your nice remarks. As noted in my opening remarks, the unfunded priorities total $7.5 billion, approximately $4 billion for the Navy and $3.5 billion for the Marine Corps. The question I would ask you, is a yes or no question, is everything on your list executable today?

General Berger: Yes, sir. Same for the Marine Corps, yes, sir.

Senator Inhofe: Yes. All right. Thank you very much. Secretary Del Toro and Admiral Gilday, it has been three and a half years now since I visited the USS Gerald Ford. And at that time, they had just completed their -- everything has been late on that effort. The catapult and the arresting gears, I think at that time, three and a half years ago were just about completed. And my understanding is that the elevators now, which the last thing, are finally done, albeit seven years later and $2.8 billion over budget.

The burden that this seven year delay of the Ford has placed on the rest of the aircraft fleet can't be overstated. And I would like to get from all three of you who -- in whatever order you would like the -- a couple of things, several things here. One is, what kind of a burden has that placed, that seven year delay placed, and when
will it deploy, and probably the lessons learned.

That seems to be the significant thing, I believe, the lessons learned. And I have talked to each one of you over a period of time on the, you know, how much of this could be a result of this sole source situation. So any comments you want to make just on the Ford now that we have reached this important time zone. I would like to hear from you.

Mr. Del Toro: Thank you, Mr. Chairman. First, I would like to say that you charged me at my confirmation hearing to fix the elevators on the Ford. I am at least pleased to say that they are fixed on the Ford now. I think when acquiring ships of this nature, which are extremely complicated, it is very important to ensure that we fully understand the whole -- we fully understand the maturity of the technologies that we are going to put on those platforms before we actually acquire them.

And I think that those are some of the key lessons that are being learned as we look at DDG Flight III, as we look at our future DDGX or SSGX, as well as the Constellation class frigate. And so I would like to say that the mistakes that were made in the past are being applied very aggressively to these new acquisition programs that are going to be rolled out in the future.

I think the criticality of land based testing, for example, for the engineering plans is also very critical to
this and the submodules that are necessary to go on to these platforms. And I will ask the CNO to continue the conversation in the limited time we have.

Admiral Gilday: Sir, the biggest lesson learned from Ford and other platforms is that we need to drive down technical risk in these programs. And so we do that with land based prototyping, we do that with plenty of testing upfront before we become an informed customer and come to you for the money to scale these platforms, like we have LCS would be another example.

If I take a look at the Columbia class submarine, we are at 85 percent design right now as we are building that submarine. If I compare that to the Ohio class, we were at 4 percent, Seawolf 25 percent, Virginia class 40 percent. And so we are learning our lessons with respect to Ford and putting in the good work now.

We have money in the budget with respect to unmanned to actually have land based prototyping, significant land based prototyping in Philadelphia as we have had with other ships so that, again, we can make informed decisions before we scale platforms.

Senator Inhofe: Let me comment, before a third -- I wasn't being critical in terms of certainly any of the three of you, but the fact that it did take a longer period of time does have implications on other vehicles that are
out there.

Admiral Gilday: Yes, sir, it has. Obviously, funds have been diverted in order to keep, you know, Ford moving along track. We are very pleased to get her deployed later on this year and likely again the following year. I want to keep her on a high -- high degree of up tempo. This past year, she has had the highest, probably the highest up tempo of any ship in the Navy. She was our carrier -- aircraft carrier off the east coast of the United States. She was qualifying our new pilots with their cats and traps. And so we are going to continue that high degree of up tempo with her, keeping in mind, of course, stress in the crew. But they want to go to sea, they are proud of their ship, and it is operating to our expectations right now.

Senator Inhofe: Thank you, Mr. Chairman.

Chairman Reed: Thank you, Senator Inhofe. Senator Shaheen, please.

Senator Shaheen: Thank you. Good morning to each of you. Thank you for being here and thank you for your service to the country. Secretary Del Toro, I would like to begin with you and Admiral Gilday, because the Navy's request includes $503 million in funding for the SIOP Multi-Mission Drydock Project at the Portsmouth Naval Shipyard in New Hampshire and Maine.
And I know that you have both been up there to see this project. But given the cost overruns that we saw last year, are you confident that that $503 million is going to be enough to keep the project on schedule this year?

Mr. Del Toro: Senator, I think I am confident that we are moving in the right direction. These are extremely complicated programs, as you well know. It is our largest capital projects in the Department of Navy. And I think that there are going to be more discoveries that will be made. But I don't think that they will be of the nature and increases of the past mistakes that were made previously.

One of the charges that I have given our acquisition force is to ensure that we actually do take the necessary time to come up with accurate cost estimations for the projects, so what you have going on now, we will propose in the future. That takes some time, additional time to reach those answers. And so I would like to think that we are actually moving in the right direction with the necessary discipline to make accurate cost estimations.

Senator Shaheen: Well, I appreciate that. I guess -- I am trying to understand then why the Navy hasn't adopted the GAO recommendations from the 2017 report that just -- this GAO report just came out recently that identified concerns with SIOP. Planning, including adopting best
practices for cost estimation.

And it also points out that the performance metrics that were expected to be done by now are not going to be done until 2025. So can you talk about why the delay there and what needs to happen in order to get things back on track?

Mr. Del Toro: Yes, ma'am. I can't make -- look, I am not going to make excuses for deals of the past. I do know that certainly since I have become Secretary we are taking this responsibility very seriously and trying to come up with very accurate cost estimations and being allowed to be given the time to come up with those cost estimations so that we are not just flying by the cuff.

Senator Shaheen: And I recognize that the war in Ukraine has happened since the budget was developed, and that along with inflation have added to costs. So do you have any estimate on how that is going to affect the budget numbers that you -- we have before us now?

Mr. Del Toro: So I don't today, but that is an accurate assessment that increasing inflation and the shortages in the supply chain as well too will have an impact on costs as we continue to evolve these projects.

Senator Shaheen: And so how soon will you be back to the committee?

Mr. Del Toro: So I promise you in the next several
months we will have more accurate numbers. We have been working on this very aggressively in the time that I have been Secretary. I have demanded that we have an accurate accounting of projected costs for the SIOP program so that we are on track.

We have also made some additional adds to the program management team as well to make sure that we have the right skill sets on that program management team to address all the necessary risks that are involved.

Senator Shaheen: Thank you. General Berger, both the chair and ranking member talked about the challenges, and you all have talked about the challenges of recruitment and retention in the Marine Corps. The Marines historically have had the smallest percentage of women compared to the other services.

Obviously, that is one place where there is talent that the Marine Corps could look to for the future. So can you talk about how talent management 2030 is going to look at more gender inclusivity in the Marine Corps and how you expect to incorporate more women?

General Berger: You know, a system that we have had since the all-volunteer force was put in place, largely replaced 75 percent of the Marines every year, very young force. That is what we needed at that time, and it suited us fine. But going forward, as you have highlighted and
others, this is a competitive market for people, and the
requirements that we are going to have for Marines and
sailors, all service members, is going to be even more
demanding, even more challenging.

   So the change for talent management is instead of the
view them as a whole body, each person matching their --
what they have coming in, and we have to do a better job of
assessing that when they come in, matching that with what
the Marine Corps needs, and then a path for each individual
to go forward. That is the difference.

   Senator Shaheen: And do you expect to have any
particular focus on recruiting women, or how do you expect
to get those numbers up?

   General Berger: The recruiters across the country, as
you have highlighted, the last two years of not being in
high schools has been a real challenge during COVID because
their exposure and the high school students' exposure to
recruiters is really tough. You have to have the right
recruiters out there and they have to have access to the
high schools, which now they are back in.

   Senator Shaheen: Thank you. Thank you, Mr. Chairman.

   Chairman Reed: Thank you, Senator Shaheen. Senator
Fischer, please.

   Senator Fischer: Thank you, Mr. Chairman. Good
morning, gentlemen. Thank you for being here today.
General Berger, how is the Marine Corps looking to change existing logistics, processes, and procedures to better align with the Force Design 2030 initiative, particularly looking at the Indo-Pacific theater?

General Berger: The framework we have for logistics in the Indo-Pacific theater that you highlight largely assumed a protected backside. It assumed that we would not be contested. We don't assume that going forward. So the large depo style like hub and spoke of parts and all classes of supply and from there would be distributed, that has got to change. Because we assume that it is going to be contested all the way from the most forward units back to the factory, all the way.

And not just physically, of course, but in cyber as well. So what does that mean for us? We have to have organically the means to move that -- move that sustainment supplies up tactically to operationally, in other words, at that level organically. That is why things like the 53K, CH-53K, the MV-22, unmanned systems that are going to allow us to push supplies laterally, that is what we have to have, that we don't have in numbers yet.

Everything that we do logistics has to be -- has to assume that they are going to try to contest it. Which means we got a decoy. We have to camouflage it. We have to move it in smaller numbers. We have to just operate in
a different way. But that is -- this is natural for
Marines to do. It is not a new thing, but the change
probably is an assumption that all of that will be
contested.

Senator Fischer: Thank you. Mr. Secretary, do you
have anything to add?

Mr. Del Toro: Yes, ma'am. We are actually making
major investments over the FD Op in additional -- adding
additional oilers, for example, to support the ships that
will be necessary and the sealift that is necessary. We
are also making investments in sealift, buying more used
sealift as well, too.

All of this is integrated into Force Design 2030,
along with the addition of additional amphibious lift and
as well as the wires to provide the shore to shore
connectors that are necessary for the Marines to be able to
effectively execute their expeditionary mission.

Senator Fischer: Thank you. General Berger, since
Russia's invasion of Ukraine, we have seen how small groups
of war fighters armed with missiles and loitering
munitions, they have real impacts on the ground.

While I agree it is too early to draw definitive
conclusions from the ongoing conflict, how do you expect
the Marine Corps to incorporate any insights that are
gained so far into future exercises as you test out new
concepts of operations?

General Berger: One advantage that we have, and the Army is the same, as we are deployed, we have deployed units in Europe right now. So they can see firsthand, a lot closer than you and I from Washington, D.C., what is working and what is not. We have a built in model within the Marine Corps to feed that back in through our warfighting laboratory at Quantico into the ideas, the concepts, the capabilities of forces design 2030. There is no filter. It is a constant feedback loop.

I think, as you hinted, although you got to be patient in terms of jumping on lessons learned too early while conflict is going on, I think the two for me, the character versus the nature of warfare, some things in other words, are enduring, and those lessons learned haven't changed, frankly. Some of them that my counterparts have highlighted in terms of the importance of small unit leaders and decentralized command and control, speed, momentum, inside the operating decision cycle of an adversary, those are enduring things.

But the things that are changing, of course, the character of war, as you highlighted, the unmanned, the sensors, the growing importance of instilling confidence in those junior leaders to make decisions on their own quickly. So some things are staying the same and
validated, some things in terms of the character of war, we
need to absolutely feed back into the modernization effort,
and we have a means to do that.

Senator Fischer: Have you started any kind of
consultation with our allies, especially within NATO,
looking ahead at situations that are currently ongoing or
that may develop in the near future?

General Berger: In NATO specifically, yes. Yesterday
I met with the Chief of Defense of Norway. We traveled to
Norway last month, met with my counterparts and the Vice
Chad in Norway. In Poland right now, we have Marine units
operating in Poland, Latvia, and Estonia. We have a good
exchange back and forth about what is working and what is
not.

Senator Fischer: Okay. Thank you very much. Thank
you, Mr. Chairman.

Chairman Reed: Thank you, Senator Fisher. Senator
Kaine, please.

Senator Kaine: Thank you, Mr. Chair. And thank you
to the witnesses. General Bergner, in his opening
statement said, we are all on the same page, we need 31
amphibious ships. I just want to make sure Secretary Del
Toro and Admiral Gilday, that is, he was putting, not
putting words in your mouth, but stating a consensus
opinion.
Mr. Del Toro: Thank you, Senator. This Administration is very committed to amphibious lift without any question. As you all know, there is over $2 billion in the budget this year alone in support of LHA and LPD-32 as well too.

I commissioned an amphibious study when I became Secretary of the Navy to try to get at what the right requirements are. That was coordinated closely between the Navy and the Marine Corps, and we informed the Cape as well of all of our progress.

That amphibious study is today being reported out here in the next couple of weeks within the Department. The findings of that amphibious study will also be included in the ongoing force naval structure analysis that takes place -- is taking place right now in preparation for PLM '24. And I suspect that as we conclude all those assessments, we will see considerable support for amphibious lift moving forward.

Senator Kaine: Admiral Gilday.

Admiral Gilday: Yes, sir. So the study that we just completed concluded 31, and we actually took a look at three cases that are consistent with the NDS, the new NDS strategy. We took a look at traditional amphibs by themselves, looking across the spectrum of war and what they contribute, both in deterrence and also in the fight.
We took a look at light amphibious warships in the future with those vessels in expeditionary advanced bases. And then we took a look at traditional amphibs and light amphibs together.

And so we tried to take a look at it holistically, not just in the first two cases, but at the total amphibious fleet, postulating as best we can how we use them in the future. That is informing both the final number and then our acquisition path to field them.

Senator Kaine: Well, this is good news that -- you know, there have been mixed messages about this and the OSD Cape had numbers as low as 12 or 24. So I know the study will be out formally soon. Based on the testimony today, we expect to see that at 31, and I appreciate your testimony.

Secretary Del Toro, I want to ask you about the George Washington. There has been a series of deaths, but also the underlying conditions that sailors endure while a carrier is undergoing an overhaul. These overhauls are unlike others, which might be months at a time. They take several years. The GW has been in overhaul since 2017, and that means that some sailors will spend their entire career on a ship that never goes to sea, and they will never perform the duties that they trained for after graduating from boot camp.
I wonder if that fact, the length of these berths in the shipyard, is a challenging factor. And I know that you were in a shipyard with one of the ships you commanded for 18 months during your active duty career. Talk a little bit about how the Navy is looking at this George Washington situation, not only the particular instances, but the particular challenges that result from these very lengthy shipyard berths.

Mr. Del Toro: Yes, sir. And thank you for your question, Senator. Without question, there is no greater responsibility than our safety of our sailors and our Marines, and particularly when sailors go into an extended overhaul in a shipyard. Shipyard life itself is challenging enough.

When you are in the shipyard that long, it presents additional challenges. And I think institutionally, the Department of the Navy, we need to collectively do a better job to provide the necessary resources to the ship itself in the contracts that are negotiated with the shipyard itself, to provide a higher quality of life for those sailors in the shipyard.

There are two investigations that are ongoing right now, command investigation, as well as an additional investigation by the Navy to look at some of these additional quality of life factors that perhaps play a role
in this very unfortunate situation.

But we need to develop a plan that is more robust than what we are currently doing for especially aircraft carriers, because you are introducing upwards of 2,500 sailors into an already challenging environment.

Senator Kaine: Thank you, Mr. Secretary. And finally, General Berger, I am just going to conclude. My wife and I are moving this weekend from the family home of 30 years into a condo, and everything, every drawer we open is a memory and everything we throw away is a memory, and everything we give to the kids or to refugee families is a memory. We are excited, but change is hard. Change is hard.

And I have been thinking about that a little bit in connection with some of the comments about Force Design 2030. I, for one, appreciate the fact that you have rethought fundamental assumptions and recognized the great things we have been doing, but also that the realities of the world mandate a Marine Corps that can perform the same mission but in very different ways, and that you are willing to embrace some significant change. I appreciate it. Thanks, Mr. Chair.

Chairman Reed: Thank you, Senator Kaine. Senator Cotton, please.

Senator Cotton: Good morning, gentlemen. Welcome.
Thank you all for your testimony and for your service to the country. Mr. Secretary and Admiral, I want to thank you two for taking the time recently to discuss the findings of the report that I commissioned with a few House members about the state of culture and warfighting in the Navy, especially the surface Navy.

I want to thank you for your thoughts on what you are doing to try to address some of those challenges. Mr. Secretary, I want to raise one of those specifically with you. The -- what the report found was the so-called zero defect mentality in the Navy, especially among the officer corps in the surface fleet.

Could you talk to us about the specific policies that you have enacted since you took over to counteract that zero defect mentality?

Mr. Del Toro: Yes, sir. It is more about an approach to our cultural approach in the Navy with regard to the command. As you know, the CNO, with my support and collaboration, have initiated a policy of get real, get better. And part of getting real is coming to a very honest determination of the challenges that you face and things that has to improve in order for us to get better.

Part of that cultural dynamic is not having a zero defect mentality so that we can actually encourage our leadership at all levels, not just within the officer
corps, but also within the noncommissioned officer corps, which is critical to our mission, so that they can honestly face the challenges that they have and provide recommendations that actually make things better.

So it is more cultural change to just the issuance of individual policies.

Senator Cotton: Okay. Do you think that Lieutenant Halsey or Lieutenant Nimitz would have made it past Lieutenant Commander in today's Navy?

Mr. Del Toro: Probably not.

Senator Cotton: Admiral Gilday, what about you?

Admiral Gilday: So one of the things that we did recently is, I issued a new charge of command. So this is a direction to our Commanders. And I specifically addressed some areas where we have a Navy where we don't have tolerance, drug use would be an example, but we certainly can't be a no defect Navy.

And so one of the things that, in terms of changing the culture that I am trying to -- that we together trying to institute is this idea of embracing the red. So as you see slides in the Pentagon where there are usually stoplight slides and people like to focus on things that are green, things that are going well, swimmingly well, when what we really need to focus on and create an environment to address is to embrace the red and to fix the
red.

So this gets right to the fundamental need to be able to self-assess and then to self-correct, as individuals is and as an institution. When we took a look at a major fires review and we took a look at 15 different fires over the course of 12 years, and we took a look at the variance between units that perform very well and units that don't, it came down to the ability to self-assess and an environment that allow that to happen without being punished for basically communicating fearlessly up the chain of command.

That is what we are looking for fundamentally, sir, in terms of changing the culture, not just in the surface Navy, but across the Navy. It is going to take us a while, but I think we are on -- we are in the beginning of a right path that has been well received by the fleet.

Senator Cotton: Okay. Thank you both. Again, that was just one issue from that report. And I thank you all for the time you took to discuss that and the other issues, and I look forward to continue to work with you to implement those reforms, make sure our surface Navy is strong and healthy and ready to fight and win wars in the future.

General Berger, I heard a lot today about your Force 2030 concept and you have heard some support for it from
the committee as well. I just want to be direct about it, though. You seem to have kicked over a hornet's nest among a lot of your fellow retired Marine -- I guess you are not retired, but fellow Marines who are retired.

Even among a former Marine who was Secretary of the Navy and a member of the Senate. So I just want to give you a chance in plain English to respond to their many public critiques of your plan. Why do you think they are wrong in those critiques?

General Berger: The genesis, the start point was really General Dunford during -- when he was Commandant and then followed by General Neller when they, in a setting like this, articulated that the Marine Corps, although is very healthy and capable at that time, was not organized, wasn't trained, wasn't equipped for what the National Defense Strategy called for.

I agree with that. I also think that the speed at which we have to change is not necessarily driven by ourselves, it is driven by the adversary. It is driven by the pace of change of the threats. The level of risk is probably where it boils down to between those who feel like we should go at a more conservative, slower pace. I am driven by the pace at which the adversary is moving. We have to stay in front of that.

And my job, like the CNO's, is not just to make sure
that the Marine Corps is capable today, but five years from
now that we have a margin of advantage over the PLAN or
whatever the pace and challenge is five years from now.
That is our job.

Senator Cotton: Thank you for the testimony and thank
you for all the hard work you put into that. I hold you
and the Marine Corps in high esteem. I hold many of your
critics in high esteem as well, though, and I know the
committee will be working through all of those arguments
about what has happened, because we share the same goal
about a Marine Corps that is ready not just to fight today,
but back tomorrow as well.

Chairman Reed: Thank you, Senator Cotton. Senator
Hirono, please.

Senator Hirono: Thank you, Mr. Chairman. Secretary
Del Toro, thank you for your support and commitment to deal
with the Red Hill fuel installation situation in a way that
helps restore Hawaii's confidence in the Navy. So the
President's decision to include $1 billion for the Red Hill
Recovery Fund in his Fiscal Year 2023 request to
permanently close Red Hill, not only protects the island's
drinking water, but ultimately benefits our operations in
the INDOPACOM.

The closure rate is going to be a multiyear and multi-
faceted endeavor and will require the Department of Defense
to work closely with the Hawaii Department of Health and the EPA. Secretary Del Toro, can you explain how the Navy is planning for the execution of these funds, and any concerns you have related to safety fueling of the tanks and closing of the facility?

Mr. Del Toro: Thank you, Senator. Thank you, Senator -- and thank you for your leadership on this issue. It means a great deal to our sailors, our Marines, our Air Force, our Army soldiers, and, of course, all the people of Hawaii as well, too.

And I am pleased that the Department of Navy has collaborated very closely with all the agencies in Hawaii, on Oahu and elsewhere, on this very important task. We will continue to collaborate and work very aggressively with all the appropriate agencies. As you know, I have a requirement to submit to the Secretary of Defense a POA&M.

We are currently in the assessment stage of putting together that plan of objectives analysis memorandum to come up with the right steps that are necessary. At the same time, there are several investigations that are underway that are going to be revealing on matters and issues that have to be corrected as well too. Those findings will be included in our overall plan.

There is a third party assessment, as you know, that has concluded and is being reviewed right now in the
Department of Defense so that we can properly make the investments that are necessary to determine what steps have to be taken to properly and safely defuel Red Hill. And we will be collaborating very closely in accordance with the Executive Order that was just issued -- revised Executive Order.

As you know, we have appealed the right to a hearing on that, and we wish to continue to collaborate very closely with Hawaii and all the involved agencies to get to the right result, so that we could also inform the Congress in terms of the investments that have to be made to properly execute the plan.

Senator Hirono: Well, what started off, from my perspective, as a situation where the State of Hawaii, the Navy, DOD writ large, we were definitely not on the same page, and that is why your commitment to collaborating, and where I have seen that the State of Hawaii is withdrawing probably some concerns they had about the third party assessment, and the Navy holding back on some appeals processes that they could pursue, I think that is what we have to do. That everybody needs to get on the same page and work together, so that is what I am looking for because this is a very complicated situation, as you well know.

General Berger, we have heard a lot about the 30 -- commitment to 31 amphibious ship situation, and this is a
new number. So how would terminating the LPD line and
having fewer than 31 ships impact the Marine Corps' ability
to respond globally?

What I am getting at is I too am committed to 31 ships
and there are people who don't think that that is the right
number, but what if you -- if you have fewer than 31 ships,
what does that do to your ability to respond globally?

General Berger: I will start off, and if there is
time, ask the CNO if he has additional thoughts. But from
my perspective, with the rest of the Joint Force
modernizing as it is, the Marine Corps is probably one of
the best hedges you have right now in the next four or five
years. We have to be forward. We have to be ready.

This study that came to the result of 31 Incorporated,
as a CNO highlighted, not just scenarios that OSD uses, but
how to deter, how to respond quickly. 31 is a floor. Even
with 31, there is risk. Of course there is. If we don't
have 31, there are places -- and there are things that are
going to happen in the next four or five six years where
the U.S. cannot respond. In the worst cases, somebody else
gets there first and they are not a friend of ours.

Senator Hirono: Admiral Gilday, do you have anything
to add?

Admiral Gilday: I do. Thank you, ma'am. So this is
all about speed. It is about flexibility. It is about
agility. It is about having options, not just in one theater, but around the globe. And so the fleet Marine force afloat provides options to every single combatant Commander, whether it is in the high North, where we see those forces exercising today, or whether it is in the Middle East or whether it is in the Western Pacific, everything from humanitarian assistance to they are perhaps our best platforms for working together with allies and partners.

Why? Because they are like F150 trucks filled with hundreds of Marines with K bars in their teeth. They are a motivator for our allies and partners. There is hundreds of different uses, almost -- you are almost only limited by your imagination in terms of how you can use that force.

So, again, they provide options, agility, speed. And I think the number 31 allows you to get more ships at sea and allows you to have -- allows you to have more options.

Senator Hirono: Thank you. And, Mr. Chairman, if I could just make two very short observations or comments. Regarding SIOP, we better to do a much better job of estimating the cost of the dry docks and all of that, because that is -- that was a huge difference in what was happening with Portsmouth.

The cost estimate was $750 million and then the contract came in at $1.7 billion. Huge difference. We
need to not have that. And then for -- I brought up the 15 ship multiyear procurement, and I checked with the shipbuilders, and they said that they could build an additional ship.

So we need to come together on whether or not 15 ships is what we can actually get to. So I just wanted to make that observation, Mr. Chairman.

Chairman Reed: Thank you, Senator Hirono. Senator Rounds, please.

Senator Rounds: Thank you, Mr. Chairman. Gentlemen, first let me begin by saying thank you to all of you for your years of service to our country. Admiral Gilday, let me once again thank you for the time that you have taken to visit with us most recently on Tuesday of this week, and your explanation of the movement that you are making within the cyber operations for the Navy and the improvements that you envision making as well.

I would like to pivot from that a little bit and move back in along a similar line to what some other members here have talked about, and that is with regard to the maintenance and the operations within our shipyards. In particular, I come back down to the same boat that I have talked about in the past, the USS Boise, I believe a Los Angeles class attack submarine.

This is an item which has been up for, and it was
supposed to be in the shop for its overhaul in 2015, 2016
time period. It has been delayed for a number of reasons
since that time, and there has been a constant discussion
about moving forward. I understand that you are now moving
forward and that you have decided to begin that process.

Could you share with the committee the thinking that
you are using and the thought process that goes into the
decision that rather than scrapping that piece of machinery
and actually rehabbing it, and the other ones, which are
also behind it in line, for their upgrades?

Admiral Gilday: Yes, sir. So I think everybody in
this room understands the utility of our submarine force
and its importance on a day to day basis in not only
deterring adversaries, but when it comes to fight and win,
they are absolutely essential as our most survivable,
stealthy, strike -- effective strike platform that we have
in the Navy, perhaps in the entire Joint Force. And so
giving away any single submarine should only be -- that
decision should be made after great deliberation and
exhaustion of other options.

And so in the case of some of our newer 688 -- 688
submarines or 688i's, which have a VLS capability, we have
seven of them planned for engineering overhauls as an
example, to keep what some might refer to as a legacy
platform, continue to get four or five deployments out of
these submarines so that we can continue to keep them in
the fight, if you will. The challenge with Boise really
rests inside the private shipyard that is doing that work.

So we have two private yards that do that work and we
need their capacity. So based on the fact that we continue
to build a viable submarine force, and we know that we
don't have the capacity in our public shipyards to handle
all of that maintenance, we need Electric Boat, and we need
Huntington Ingalls to be able to do that work.

They are underperforming. They are over cost and way
over schedule. But because we need them, we need to hold
their feet to the fire to those contracts. They need to
pay penalties when they don't meet their requirements. But
we need them to be all in with us and the Nation that they
are supporting in this critical effort. But we need to
continue sort of to press them to do a better job. We need
that capability. It is a national imperative.

Senator Rounds: Thank you, sir. General Berger, I
have looked at your Force Design 2030, and I know that
Senator Cotton led into this a little bit. There are some
very well-respected former officials within the Marine
Corps that had questioned whether or not it was the right
direction to go.

I appreciate the fact that you have continued to move
forward, but I think perhaps just for the committee, we
could walkway back a little bit in terms of all of the reasons for the need to move in this direction.

And I think back to perhaps, and I may be off on this, but in the Nagorno Karabakh war between Armenia and Azerbaijan, which was caught between September of 2020 and November of 2020, we saw two countries that really did not have huge armies, and yet in a very short period of time, Azerbaijan was able to have a very decisive victory using 21st century weapons systems, including loitering munitions, long range precision fire, a lot of the items that you are identifying as being necessary for the Marine Corps.

Could you talk a little bit about the way that you envision the Marines fighting, not just when it comes to PRC, but other areas around the world that some people think, well, we are looking at PRC. It appears to me that you are looking at lots of different scenarios here, but in particular, the reason why you have moved in the direction of loitering, ammunitions, and so forth.

General Berger: Some folks have written about the precision strike regime, the evolution of that over the past 15 years, 20 years. I am in full agreement there. Combine that with the proliferation of sensors, makes it a very different battlefield than we had 20 years ago. So we have to be able to operate inside the threats collection
range, inside their weapons range, and be lethal, both.

That meant adjusting the construct, the warfighting concepts of the Marine Corps and our own structure within, to make sure that we can operate inside there persistently, strip away the adversary's ability to collect against the Joint Force and collect against them all at the same time. That is where we are headed. It is a different force than we had in Desert Shield, Desert Storm. It is not a persistent -- it is not a second land army. It is what the Nation needs us to be able to do.

Senator Rounds: Thank you. Thank you, Mr. Chairman.

Chairman Reed: Thank you, Senator Rounds. Senator King, please.

Senator King: Thank you, Mr. Chairman. I want to start with an observation. Senator Cramer and I the other night had dinner with a former member of the Ukrainian parliament from Odessa, and he told us, this is a side effect of this war that I thought reflected well on our support of the Ukrainians, apparently a common name for a new male Ukrainian baby these days is Javelin.

And for female babies, it is Javelina. And I thought that was an indication of the importance of the support we are providing to the Ukrainian people. Mr. Secretary, I want to start with a complement which often doesn't occur at these hearings. I want to compliment you because, as I
see it, your largest single increase in your budget is R&D.

And I think that is absolutely essential. Looking back through history, technology often wins wars or certainly has an important influence on the outcome of wars. In World War II, radar and of course the invention of the atomic weapon, which was pure R&D, ended World War II. Going back to the Battle of Agincourt was the longbow. And even the homely stirrup, many historians believe was the basis of Genghis Khan's ability to conquer the known world at that time because it provided stability to his archers on horseback. So I want to thank you for that.

Now, here's the question. I believe the technological breakthrough of this moment in time is the hypersonic missile. And my question is, are we dealing with that issue both from a defensive and an offensive capability point of view with the requisite sense of urgency?

My concern is that our, for example, our forward presence in the Pacific is based upon aircraft carriers. And I realize this is an unclassified setting, but I want some assurance that this is a hair on fire issue at the Pentagon to deal with what could be a strategic game changing technology, the hypersonic missile.

Mr. Del Toro: Thanks for the question, Senator. And let me assure you wholeheartedly that this is a hair on fire type of investment in terms of developing the
necessary, not just developing the R&D for it, but also as it applies to all our platforms and ensuring that we can quickly acquire that technology from the R&D to capabilities that we can actually put in the hands of the warfighters across the board.

And with regard to hypersonic, yes, we are making major investments in hypersonic. I feel quite confident that we are going to be seeing some of these tremendous capabilities, particularly CPS on Zumwalt class destroyers, be deployed within the next couple of years. And then we will be aggressively deploying those ships in the Indo-Pacific where they will be most needed.

Senator King: Admiral Gilday, are you comfortable with our progress in dealing with the strategic applications of hypersonic?

Admiral Gilday: No, sir. I am not. But I will tell you what we are taking a look at. With respect to terminal defense, layered terminal defense, right now we have -- we are deploying directed energy systems on some of our ships. We are testing it real time against both swarming surface vessels as well as a ballistic missile defense system, which gets your point about hypersonics.

High powered microwave is another critical technology that we are investing in, and a critical enabler for any of those terminal defense systems is going to have to be
quantum computing, another area where the Secretary has us making additional advances with respect to R&D.

So in terms of giving us decision superiority over the adversary and understanding, applying both quantum computing with AI capabilities, helping us put a defensive weapon on a target like a fast moving hypersonic missile is going to be key. So those are some of the things that we are working on right now, sir, inside that R&D --

Senator King: I like it that you started your answer to my question with no rather than bland assurances, because that indicates to me that you recognize the seriousness of this issue. A quick final point, Mr. Secretary, on an entirely different subject. There is data that indicates the most dangerous point for veteran suicide is in the first two or three years after they separate from the service.

I believe that the services should be putting as much money and time and effort and thought into transition out as it is to recruiting in, because this veteran suicide issue is serious. It is an embarrassment, and it is a tragedy to be losing something in the number of 20 veterans a day.

But since we know from the data that that first year or so after leaving active duty is a moment of maximum danger, I hope that you will think about how to make that
handoff from after active duty to the VA warmer. And think about not only the physical pieces but also the mental and the stressors that impact our veterans as they become veterans.

Mr. Del Toro: Senator, I have, and I do actually, having personally made that transition myself. I know the challenges that one faces with regards to suicide and depression and things of that matter. I talk about it just about everywhere I go.

I talk about how important it is for our sailors to take care of each other, to really care for each other throughout, when a sailor shows up to the ship, to the squadron, wherever it may be, while they are there, and actually as they transition from their command to another command or to the civilian sector as well, too.

So we are focused on that, and we actually do work with the Department of Veterans Affairs on this issue.

Senator King: Thank you. I hope that will be an urgent priority as well. Thank you, Mr. Chair.

Chairman Reed: Thank you, Senator King. Senator Blackburn, please.

Senator Blackburn: Thank you, Mr. Chairman. And thank you to each of you for your service and for being here with us today. I want to start with the nuclear posture review. And Admiral Gilday, yesterday in the House
Armed Services committee hearing, you were asked about support for continuing SLCM, and your quote was you supported continuing it while we get a better understanding of the world we live in with two nuclear capable peer competitors.

And this is something that I have talked about with our Commanders as they have come before us for their hearings. And I have mentioned it to our Chairman of the Joint Chiefs. And they have all expressed concern with the Administration's decision to cancel the sea launched cruise missile and have -- the Administration's position of that is redundant with our other capabilities.

That is something that causes me concern. And so, Admiral Gilday, I appreciated your remarks on this. So Secretary Del Toro, let me ask you, what is your position on this?

Mr. Del Toro: Yes, ma'am. I agree with the President's budget. I believe that we should zero out the SLCM line. I believe the President has all the tools in his toolkit necessary to deter and deal with the threat of a tactical nuclear missile --

Senator Blackburn: So you are not worried about our capabilities?

Mr. Del Toro: I am not. I believe that the President has all the tools in his toolkit, whether W-76 weapons --
Senator Blackburn: And your assessment of China as a -- with their push on great power competition, that doesn't keep you up at night or worry you?

Mr. Del Toro: That absolutely keeps me up at night and worries me. But as far as deterring China's nuclear capability, I believe that we far exceed what we have right now in terms of being able to deter the use of a tactical nuclear missile with the W-76 warhead --

Senator Blackburn: Okay. What message do you think it sends to our competitors if we are going to reduce rather than bolster our nuclear capabilities?

Mr. Del Toro: I think the message that it sends is that we are actually using those resources and to the tune of about $30 billion to make the necessary investments in hypersonics --

Senator Blackburn: So you completely agree with the President?

Mr. Del Toro: Excuse me, ma'am?

Senator Blackburn: You completely agree with the President?

Mr. Del Toro: I completely agree with the President and Secretary of Defense.

Senator Blackburn: That is what I wanted to know.

Admiral Gilday, you also referenced a, in your words, a particular gap in capabilities which SLCM could fill. So
tell me, what is that particular gap?

Admiral Gilday: So the gap specifically is the tactical nuclear capability of specifically Russia, but gaining steam is China. And the question is, how do you best close that gap? SLCM-N has been offered as a single point solution. I would offer that there are others to think about, including low yield nuclear weapons that we deploy right now and had support of the Congress, making those changes based on the previous NPR.

I also think hypersonics are an important capability. The Army is fielding that capability this year. The Navy is going to follow suit in 2025, as the Secretary mentioned, with that same capability.

Senator Blackburn: Yes. Let me ask you about hypersonics because -- and by the way, thank you for mentioning quantum computing. I totally agree with you and Oak Ridge National Lab is doing some great work in quantum research. When we look at hypersonics and we look at Arnold Engineering Development Center in Tennessee, which has the capability to support this hypersonic supply chain, talk to me about where you think we are with modernization for our testing facilities, where we are with outsourcing, when it comes to our hypersonic capabilities.

Admiral Gilday: We continue to make investments in the testing facilities, including the testing facilities
that allow us to take out hypersonic weapon and to refine its capabilities so that it is actually able to be launched from a submerged submarine, because we want to put that capability aboard our new subs as early as 2028. So that is an example of continued investment.

As I look at the hypersonics program, that is a joint program among the services, we are meeting every benchmark and milestone in that program. So I am confident, I have a pretty high degree of confidence that in the army system that we will field this year, in a mobile system, and then the Navy system will follow suit.

Now, I think with the continued support of Congress in those funding lines, and last year you actually doubled the Navy's funding for hypersonics, which we are grateful for.

Senator Blackburn: Well, I spoke to General Brown during the Air Force posture hearing about this issue and the capabilities that we have at Arnold, and also about looking at how we leverage risk and how we take more risk in pushing forward in this sector. Thank you, Mr. Chairman. I yield back.

Chairman Reed: Thank you very much, Senator Blackburn. Senator Kelly, please.

Senator Kelly: Thank you, Mr. Chairman. General Berger, I have got a question about Marine Corps Air Station in Yuma. Arizona is really proud to host the
Marines in Yuma, including F-35 squadrons. I have had the opportunity to fly the F-35 simulator a couple of times. It is nice to know that our fighters, our premier fighters, outmatch those of our adversaries, and we are happy to have them in Arizona.

So we have got this premier fighter, but we also have a base that has some infrastructure problems, critical infrastructure. And Marine Corps Air Station Yuma, they are currently planning to upgrade the water treatment facilities on the installation. And my understanding is that the current treatment plant was built in 1947, so it is nearly 80 years old. And this treatment plant supplies water for a large part of the base, bases, the bases' systems, but also supplies water for family housing and tenant commands, and the water doesn't meet water quality standards.

And I understand that the current budget plans would seek funding for this project -- would not seek funding for this project until Fiscal Year 2026. So I am concerned that the system is not able to meet these water quality regulations for potable water. And this cannot be -- with the current plan will not be addressed for a number of years.

So General, are you looking to expedite projects like Yuma's water treatment plant that affect the health and
safety of our Marines and their families?

General Berger: Thanks, Senator. Having lived at Marine Corps Air Station Yuma in 1991 to '94, I think, I know exactly what you are talking about. If you will allow me, Senator, I would like to look into this problem and come back to you individually with where that project is in funding, and to your point, what might be done to accelerate it.

But you are never going to -- I don't think you expect us to shoot from the hip. So if it is okay with you, I will do the homework and I will come back to your office with here is where it lays right now and we -- and this is what it would take to accelerate it.

Senator Kelly: I appreciate that. I have spent a lot of time down there on the base looking at facilities. You know, I really love looking at the airplanes and spending time there, but it is as important as the airplanes are, you know, things like enlisted housing, which also we, my office would like to follow up on that issue as well. Got a totally different question for Secretary Del Toro and Admiral Gilday.

So in April, the State Department announced that the United States and India had agreed at their recent two plus two dialog to explore possibilities of utilizing Indian shipyards for repair and maintenance of ships of the U.S.
Maritime Sealift Command. I was in India just a few weeks ago and had discussions about this with Indian officials, deputy National Security advisor, their secretary of defense, and they were really interested in this opportunity and optimistic about it.

So in connection with this possibility, Mr. Secretary, to what degree would doing this work enhance Navy and DOD operations in the Indo-Pacific region, and would doing this work in Indian shipyards strengthen U.S., Indian relations?

Mr. Del Toro: Thanks, Senator. And thanks for your dedication to this issue, because what distinguishes us from the Russians and the Chinese is the alliances, the strength of the alliances that we have with our partner nations around the globe. And that is no better example of our relationship with India as it continues to grow.

And while the specifics of this deal is being negotiated, I think overall that it is a perfect representation of what we need to continue to do around the globe as well in order to support our ships deployed in the Indo-Pacific. The CNO has been very engaged in this, and with your permission, I would like to ask him to discuss the matter further.

Admiral Gilday: Thank you, sir. So I visited India and I specifically asked to go to Mumbai to take a look at their civilian shipyards, to see for myself what their
capabilities are. This is a quick win for the United States, India relationship. We are just sending now a team over there to do a more detailed survey. My goal is to get a ship in there this summer to do voyage repairs.

So, it gives us more flexibility, more opportunities in theater to get ships fixed. They have a high degree of confidence in their ability to do that. I think we are on the right track, sir, and I will follow up with you as we nail down that deal.

Senator Kelly: All right. And if there is any other, you know, gaps and authorities that you need from Congress, please let us know. And I would like to figure out a way to get this done. India and the United States, we have the same strategic problem in the region, and that is China. So it is -- wherever we can look for opportunities to work jointly with the Indian government, the Indian military, I think it benefits us. Thank you.

Chairman Reed: Thank you, Senator Kelly. Senator Tuberville, please.

Senator Tuberville: Thank you, Mr. Chairman. Thank you very much, gentlemen, for being here today and your service. Admiral Gilday, after the fall of Afghanistan, we didn't see a single senior officer lose their job. I think that surprised many, many people here in the United States. You know, we have heard a lot today about current
culture problems plaguing the military, but I want to commend something that the Navy does exceptionally well, accountability. The Navy has a huge culture and accountability -- for example, the USS Connecticut hit an underwater mountain last fall. Am I correct that you removed the Commander, Executive Officer, and the Senior Enlisted Boat Chief?

Admiral Gilday: Yes, sir, we did.

Senator Tuberville: In your words, why is the Navy's culture of holding senior officer accountable more important in maintaining standards and performance? Could you give me your thoughts?

Admiral Gilday: Well, sir, I think standards of command are very important. They are grounded in the law. They are also grounded in Navy regulations. But more importantly, there is the expectation that our sailors have that we hold our seniors accountable.

And perhaps even more important than that, the confidence of the American people. That they send their youth to serve for their country and that they be well-led. And if they are not well-led, then we change those leaders out.

Senator Tuberville: Thank you. In your opening statement, there was a couple things that struck me, and this is also for General Berger. Recruiting, training, and
accountability. You said that you would much prefer quality over quantity, and I think we all agree with that. 21st century military. I think that we all need to open our eyes about what just happened in the last 70, 80 days, Russia going into Ukraine.

Russia had every hand up in Ukraine, except Russia didn't realize, they hadn't been in a war in a while, and their mid-level officers failed, their leadership failed. They had all kind of weapons, and they got their tails handed to them. I think it is very, very important that we understand this is a different era. I just came from coaching. The kids, young men and women have changed over the last 20, 30 years, and we need to change with it.

Now, I take my hat off to General Berger of what he has done in terms of changing his philosophy of the weapons that they might use in certain ways. What do you think about the future of recruiting and training and the accountability of today's young men and women in our armed forces?

Senator Tuberville: Well, sir, I think our recruiting -- there are definitely recruiting challenges based on the fact that the pool of qualified recruits is getting smaller, is not getting larger. I will say this, I think it is important for the country to celebrate what a great military that we have so that our youth actually see that
as a viable, attractive option for them to serve their country with pride and to make their families proud.

But it is something that, you know, all too often, you know, there are plenty of cheap shots out there, it is easy to be negative. But, boy, the further you get away from D.C., the better things look with respect to the United States Navy and the United States Marine Corps, and the quality of people that we have serving and the quality leaders, the dedication, the passion, the commitment, it is a great outfit with a great future for anybody that wants to join.

Senator Tuberville: Thank you. General Berger.

General Berger: Sir, you mentioned Russia and other folks in here have mentioned China. I think in the same way as some people contrast the democracy versus, you know, autocracy, we have an all-volunteer force. Not lost on us, right. In other words, sort of like democracy is an experiment. All volunteer force is not on autopilot. I mean, that is where you are driving it.

We have to work at an all-volunteer force. It is not on autopilot. Now all of us, every recruiter, all of you are part of the health of that force. They come into the military for a lot of reasons. Money is an incentive, but that is not why they joined the Navy, that is not why they joined the Marine Corps. They want to be part of something
bigger. They want to be challenged. They want to contribute to the U.S. We all have to be proactive, I think, in how we bring them into the military. It is not on autopilot. It is not on cruise control.

Senator Tuberville: And we can't lose our hard nose training because you just saw what happened with Russia's military. Social media, to those men and women fighting for Russia was a problem. They all had phones and they are able to read those. It is a different era.

And we need to make sure we can adjust to this era along with it, because if we don't, then it doesn't make any difference how much money we spend or how we go about recruiting. If we don't look at the problems that we just saw from a superpower, then we will not learn ourselves and we could end up on the same side of the boat. Thank you very much, Mr. Chairman.

Chairman Reed: Thank you, Senator Tuberville.

Senator Peters, please.

Senator Peters: Thank you, Mr. Chairman. Secretary Del Toro, in February of this year, a Federal judge approved a settlement agreement in the class action lawsuit Manker v. Del Toro. The lawsuit alleged that the Navy had systematically denied discharge status upgrades to Corporal Manker and thousands of other Marines and sailors who were suffering from PTSD or TBI at the time of their discharge.
These denials were in direct contravention of statute, as well as internal DOD memoranda. That both a Federal judge and the Department of Navy agreed to a settlement demonstrates the veracity of the claims put forward by Corporal Manker. This agreement is also in line with the earlier settlement agreement from Kennedy v. McCarthy, which dealt with nearly the same issue but for the Department of the Army.

As a sponsor of the Fairness for Veterans Act, the issue of bad paper discharges and ensuring our veterans are getting the benefits they have earned through their service is a priority for me, and the allegations leveled in Manker v. Del Toro are certainly extremely troubling for these folks who were suffering from PTSD and was not diagnosed at the time of their discharge.

My question for you, sir, is why did the Navy choose to ignore the Fairness for Veterans Act as well as protections laid out in Hagel, Kurta, Wilkie, and Carson memos when dealing with veterans appearing before the Naval Discharge Review Board?

[Technical problems.]

Chairman Reed: Mr. Secretary, could you bring the microphone close, please?

Mr. Del Toro: Thank you, Senator, for your support of the Fairness for Veterans Act. As to the question -- and
thank you for your support of our veterans in general. I am committed to ensuring that our veterans receive the appropriate due process through the Navy's Discharge Review Board, and I am pleased that we were able to settle on this matter. As I understand it, the Department of the Navy did not endorse the Fairness for Veterans Act, or the protections laid out in these memos.

Though Department of Navy did not clearly articulate that the memos were taken into consideration during the adjudication process itself. The memos provide that not all misconduct can be mitigated. However, there are nuances, including when the memos were issued, and which entities and classes of veterans were subject to them.

And I would be happy to set up a specific briefing with your offices to discuss these nuances and your concerns but let me assure you that we will continue to cooperate to the fullest extent as we actually execute the details of the agreement itself.

Senator Peters: Do you do you see any difficulties in fully complying with this settlement, and what are the timelines you have?

Mr. Del Toro: I do not. And I will have to get back to you on the exact timeline, Senator.

Senator Peters: Well, I appreciate it. I would love to work with your office on this issue going forward.
Mr. Del Toro: Yes, sir.

Senator Peters: General Berger, Force Design 2030 calls for, among many things, the Marine Corps to more enthusiastically embrace the use of drones, both at the tactical level, through the use of Ravens and Pumas, but also at the operational level with a recent procurement of MQ-9s.

If INDOPACOM is the theater a priority, which it is, and increasing the Marines' organic ISR is a priority of yours as well, that I understand, I am curious though, how you plan to embrace these new platforms as you also at the same time simultaneously seek to divest yourself of roughly 10,000 Marines over the -- for the next decade.

So my question for you is, in an era of constrained budgets and static or declining personnel levels, how do you plan to leverage the manpower resources available to you in the Marine Corps Forces Reserves to bolster the Marine Corps ISR capabilities and use of drones?

General Berger: A couple of thoughts, sir. First, the divestments for the Marine Corps are largely done. That is what the last three years was focused on, including the structure. We are about where we are leveled off at 177,000 plus or minus, and that is about where we were before 9/11. So that part is complete.

The modernization of the Marine Corps, as you
highlighted, will amplify the role of unmanned systems, air, surface, ground, and closing -- organically close in kill chains and kill webs is what enables that forward force to do what it is going to need to do. So what is the difference?

Well, some of it is the change in the way that we operate. In other words, unmanned systems for the last 15 years had a big footprint on the ground in terms of ground control stations, infusion. All of that, I think artificial intelligence and the modernization of the network will shrink that.

Second, frankly, the folks who operate those systems now, they are digital natives. This is the world they grew up in. So we are not teaching somebody something from scratch. This is something they have lived with since they were a teenager.

Senator Peters: That is correct. Thank you so much. Thank you, Mr. Chairman.

Chairman Reed: Thank you, Senator Peters. Senator Sullivan, please.

Senator Sullivan: Thank you, Mr. Chairman. And gentlemen, thank you for your service. General, I want to stay focused on Force Design. Again, I appreciate, like a lot of Senators, bold initiatives pursuant to the 2018 NDS that you have undertaken with Force Design. I do want to
go into a couple of the bigger issues that have emerged, one in which I see probably the biggest risk to the force and the mission of the Marine Corps that I am concerned about is the rate of divestiture compared to the rate of new capability development being fielded.

It is in essence building on what Senator Peters mentioned. In particular, a lot of the experts view one of the most dangerous periods in U.S., China relations as in the late 2020s. And as you have executed Force Design, the Marine Corps has reduced the number of -- the number and size of infantry battalions, divested all its tanks, reduced the number of aviation squadrons and canon, artillery batteries.

Additionally, just last month, the light amphibious warship, a central piece to the concept of standard forces in Force Design was announced will be further delayed until 2025. First shipment is not expected till 2027.

Can you explain how the rate of divestiture and the rate of new capability development integration keeps the Marine Corps optimally prepared for conflict today and in the future? And is there risk and how do you mitigate it?

I believe there is risk.

General Berger: There absolutely is risk. I think in any organization that goes through Force Design, civilian sector or military, if you are going through that effort,
there is absolutely some risk. The challenge is making sure you can see it, you can understand it, that you share it with the stakeholders, including this committee.

And you have ways to offset that risk while you are modernizing at speed. If we had waited -- for example, Senator, if we had waited three years, let's say we have waited this year to start divestment, we would never be able to stay in front of China. That is the assumption going forward.

At the rate that they are modernizing and expanding, if we had waited, we never could have closed the gap, never would have stayed in front.

Senator Sullivan: Can I ask you, General, just to your comments that you just made, to work with this committee to ensure that this -- again, there is a lot of divestment going on right now, pretty dramatic, and capability development is further out. The laws are delayed. Some of these systems haven't been fully developed.

Can you provide to this committee a timeline and a chart that anticipates year by year between now and 2030, or maybe even looking back when Force Design 2030 began, to what we are divesting and what we are gaining and how will that make sure that the gap in the trough between divestment in combat capability is not so big that it poses
risk to the force or mission? Can you provide that to the committee?

General Berger: I can absolutely do that. And that is the rationale, that is the reason behind publishing each year, this is where we are with Force Design, this is what we have learned today, the actions taken, this is the plan ahead, which we published last month for this year.

Senator Sullivan: Yes. No, I saw that.

General Berger: That is the goal.

Senator Sullivan: I appreciate you working with us on that. Let me go to another issue and you mentioned it in your testimony, but some of the criticisms of Force Design is that it is so China focused that it undermines the Corps' capability to be a lethal force in readiness, to meet any contingency anywhere in the world, which, of course, is a hallmark of the Marine Corps.

Can you describe in detail how the Marine Corps of 2030 will apply to combat -- combined arms across a range of global conflict scenarios, and how that compares and enhances your current combined arms and MAGTF capabilities anywhere in the world, not just China.

General Berger: The distinction -- the understanding of what pacing means matters, of course. And the term pacing, of course, predates 2018 when the National Defense Strategy first came out. Pacing, that is that level, that
is the bar at which the capabilities, if you have to either match or overmatch that in order to compete and win.

It is not about invading China. It is not about fighting China. It is about that is the level of capabilities that the Joint Force and the Marine Corps has to have, has to have a relative advantage over. So the whole Force Design effort, in fact, the modernization of the Joint Force is meant with that in mind.

Not us, what is the likelihood of us fighting China, but what is the level of capabilities that we will need in order to have a relative advantage now and into the future? Combined arms in the past the course worked very well for the Marine Corps, has ensured our success. It will be the foundation going forward. But how we fight combined arms will change. The integration of sensors to shooters was step number one.

The second one is the shortening the steps from the data to the shooting element. This is a progression of combined arms, this natural, this is evolution. Again, driven by technology on the one hand, and the threat on the other hand.

Combined arms in 2030 or combined arms in 2027 will look a little bit different than today, and it is necessary, but it is still combined arms, and it is in support of or in conjunction with maneuver always.
Senator Sullivan: Thank you, Mr. Chairman.

Chairman Reed: Thank you, Senator Sullivan. Senator Rosen, please.

Senator Rosen: Well, thank you, Chairman Reed, for holding this hearing. Thank you, the witnesses, for being here today, for your service. And Secretary Del Toro, it is really good to see you again. Thank you for meeting with me recently. And of course, I am going to talk about our Fallon Naval Air Station today. And Secretary Del Toro, as you well know, we are so proud, Nevada is so proud to host Fallon Naval Air Station. It is home to Top Gun, our Nation's premiere carrier Air Wing, and our SEAL training centers.

And the Navy is seeking to expand Fallon by over 650,000 acres. And as we have discussed on several occasions, this proposal would impact our local communities, our tribes, sportsmen, ranchers, and others who currently access and operate on these lands. And I really appreciate the visits you and Admiral Gilday have made to Fallon. Your continued collaboration with me and the Nevada delegation.

Thank you to all the local stakeholders, as we all work to reach consensus on a proposal that both supports the military modernization requirements you are speaking of, keep up with our current and emerging threats, while
maintaining Nevada's natural and cultural resources through land mitigations in the northern parts of our State.

And I know we have been working with the Department of Interior to improve the original expansion request, and that OMB has just cleared the legislative proposal on Tuesday for Congressional review. So now that it has been released to Congress, could you speak a little bit about the specifics and how you think it addresses the concerns raised in the original Fallon proposal, Mr. Secretary?

Mr. Del Toro: Yes, ma'am. Thank you for your leadership and the leadership of the entire delegation on this critically important issue to our combat readiness across to the Department of the Navy, both Marine Corps and Navy.

Obviously, the expansion of Fallon is simply critical to our combat readiness in the future to be able to deter our aggressors and China, Russia, and anywhere else around the globe with modernized aircraft and missile systems and weapon systems.

It is just simply critical that our warfighters be able to train like they fight in order to create a culture of warfighting excellence.

And I am very pleased the Department of Navy has been able to come to agreement with all the stakeholders that are involved in a very respectful way across the entire
community to try to come to a better place so that this legislative proposal can move forward here in the Congress. And we do look forward to its possible passing this coming year.

Senator Rosen: Thank you. I want to talk critically about -- a critical housing shortage, though, at the Naval Air Station, because it is the only naval base in the continental United States that is designated as a critical housing area.

So the housing shortage has just been -- we have been briefed to leadership for future construction. Little progress has been made. And the shortage, of course, is only getting worse. So as we modernize and expand, this is going to place a bigger strain on housing.

So I understand that there is about 400 acres of land adjacent to the current base housing at Fallon, which was once housing that was demolished years ago. Are there plans to re-utilize this, and can I have your commitment to really increase housing in Fallon and surrounding areas?

Mr. Del Toro: So Senator, this is another issue that is incredibly important to the quality of life of our sailors across all the Nation, and specifically to Fallon as well too. Allow me to come back to you with answers that regards a specific issue there at Nevada in terms of the timeline.
But we are deeply committed to providing not just family housing to our sailors who have families, but also to our single sailors as well too in order to provide them the quality of life that they deserve. Admiral, would you like to comment any further on that or --?

Admiral Gilday: Just a quick comment, ma'am. Fallon is a national treasure. What we -- what it provides for our warfighters is absolutely unmatched. If you take a look at Russia showing up to a fight untrained, it gives you -- that is a reason why we need Fallon.

The first time we use these weapons with these aircraft can't be in conflict. With respect to housing, we are making an investment in Fallon, and we hope to put, we are on track to put a contract for 172 new units in place about a year from now.

Senator Rosen: Well, that is terrific, because we know Fallon, of course, is a small area surrounding there. There is a housing shortage already. And you can't expand and modernize and bring the kind of staff that we need, even the workforce for the surrounding community to support everyone, unless we have at least affordable housing for our servicemen and women.

So I appreciate you getting on this and thinking about it as quickly as we can and get it on the board. Because I -- we can't have homeless servicemen and women. That is
for sure. Thank you. I yield back.

Chairman Reed: Thank you very much, Senator Rosen.

Senator Scott, please.

Senator Scott: Thank you, Chair, for holding speed.

And I want to thank each of you for your service, your hard work in trying to make sure we have the most lethal military in the world. Can you talk about how, you know, it doesn't seem like our risk are going down? China is continuing to be belligerent. They are trying -- they are building a big navy. Russia is not getting better.

You know, there is no place in the world that seems like it is getting safer right now. So the President budget has a shrinking our naval battle force from 298 ships today to 280 in Fiscal Year 2027.

So talk about how you are going to -- how you are going to deal with the reduced capacity, how -- you know, what plans do you have to be able to continue to provide the same support around the world where it might be needed?

Mr. Del Toro: Good morning, Senator. It is an incredibly important question. Yes, capacity does dip down in the next five years, but then it steadies out again five years later in according to the shipbuilding plan. But what is more important is that although the size of the Navy may dip, the capabilities of the Navy are actually going to be greater than they ever have been before.
And we are actually bringing online just over the next set of 50 battleships and supply ships that are going to be far more capable of deterring our aggressors, China, Russia, anywhere else that we face aggressors around the globe than we have been able to in the past with the type of R&D investments in modernization that is critical to deter them in every way.

Senator Scott: Admiral Gilday.

Admiral Gilday: Sir, we have underinvested in the United States Navy for two decades, for a good reason, based on our priorities in Afghanistan and Iraq. As you know, getting the industrial base, putting that rudder over and generating new capability at speed, that is a challenge, particularly when you think about the complexity of the warships, the best warships in the world that we put to sea manned by the best sailors in the world. And so it is going to take time.

And we have -- I would draw a parallel to the Commandant's challenge with Force Design 2030, when new capabilities always lag the divestment. But based on the top line that we have, and based on the threat that we face, particularly with respect to China, we have to make sure that based on the budget we have, we are fielding the most lethal, capable, ready force that we can.

You mentioned in your comments upfront that lethality
matters. So I think we are 100 percent aligned with
respect to that. And we are trying to make sure that both
the Navy that we have today, the Navy we have in the
future, has the best capabilities, but also is the best
trained force that we can put on those ships.

Senator Scott: And can you explain what happened with
the littoral combat ships that we just commissioned a
couple of years ago, now we are talking about -- I mean,
what happened? Did we just -- did our needs change or did
we pick the wrong ship before? I mean, it is a pretty big
investment to get rid of.

Admiral Gilday: Yes, sir. So the Navy's enduring
missions are sea control and power projection. And we
should never, ever lose sight of the capabilities that we
are going to invest in, contribute to those two missions.
I would offer that LCS was an idea 20 or 25 years ago that
just did not consider those two missions with respect to
those two enduring missions, with respect to a high end
peer competitor like we face right now with China.

With respect to the nine ships we have right now on
the table in this budget proposal to retire, that is
primarily driven by the fact that the systems that we were
going to put on that ship just did not pan out in terms of
technical capability against the threat that we are facing.

And my best advice would be not to put another dollar
against those systems, but to reinvest that in systems that really make a difference in the future and in weapons that we need today in the fleet.

Senator Scott: Okay. Thank you. General Berger, as you revamp what the Marine Corps is doing, can you talk about how you are going to have to change your working relationship with the other branches of Government to be able to fulfill your mission?

General Berger: I don't know that it is a fundamental shift, or are you talking about outside the Department of Defense, Senator? Is that what you mean or --?

Senator Scott: No, the other branches of the military.

General Berger: Oh, the other branches. Here, I think no fundamental change, no, but I think a more realistic view of where overlaps are between the services that are healthy and where they are redundant and excessive. In certain areas, for the Joint Force to do what it needs to do, overlap is healthy -- overlap is a good thing. But where it gets to be excessive, inefficient, okay, there we have to be able -- we have to make the hard decisions. And that is part of what is driving Force Design.

Senator Scott: All right. Thank you. Thank each of you for what you are doing.
Chairman Reed: Thank you, Senator Scott. Senator Wicker, please.

Senator Wicker: Thank you, Mr. Chairman. I understand there has been a lot of discussion about LPDs. Let me just see if we can summarize. General Berger, your requirement for traditional amphibious ships is 31, is that right?

General Berger: That is correct, sir.

Senator Wicker: And Admiral Gilday, you agree with that, is that correct?

Admiral Gilday: Yes, sir. Our joint analysis supports that.

Senator Wicker: Okay. Now, there is a study that the CNO, Admiral Gilday, has told us today confirms that 31 is the requirement. So, Mr. Secretary, that is a fact, is it not?

Mr. Del Toro: The study has concluded. The findings of the studies are now being reported out and being discussed in the Department of Defense, as well as by myself, as well as in the Department of Navy. And that has - the findings of that study now has to be balanced by the force structure assessment that is being conducted for PLM 2024 that is aligned to the National Defense Strategy. So there is some additional work that needs to be done before the final determination is made.
Senator Wicker: Mr. Secretary, do Admiral Gilday and General Berger know what they are talking about?

Mr. Del Toro: Yes, sir, they do.

Senator Wicker: Okay. So have they made a misstatement today?

Mr. Del Toro: No, sir, they have not made a misstatement today.

Senator Wicker: Okay. And we were told we would have this study before today's hearing. Assistant Secretary Stefany said that. So why do we not have the study yet?

Mr. Del Toro: I don't know why the Assistant Secretary told you that, sir. He may have misspoken, but certainly he did not consult with me in releasing that study because it hasn't been reviewed yet by senior leaders of the Department of Defense.

Senator Wicker: When do you think we will have that study, when all of these extra steps you mentioned are done?

Mr. Del Toro: It should be, if required, it should be released in the next several weeks, sir.

Senator Wicker: Let me just say also, during the chairman's opening statement, he talked about the 355 ship Navy, and that is I think he may have mentioned it as a goal. You are aware, Mr. Secretary, that that is in the statute, the law of the land passed by both houses of
Congress and signed into law by the President of the United States. Are you aware of that?

Mr. Del Toro: Yes, sir, I am. Okay.

Senator Wicker: And are you guided at all by the fact that the statute actually says 355 ships?

Mr. Del Toro: Yes, sir, I am guided by that. And if you actually look at the, one of the alternatives in our shipbuilding plan, it actually meets the requirements of that statute.

Senator Wicker: Okay. General Berger, would you elaborate on the update to Force Design 2030. What does it mean in layman's terms about the hider-finder emphasis and its ability to support lethality and our ability to win future fights?

General Berger: Hider-finder reconnaissance, counter reconnaissance, goes by different names, but it is the same idea, Senator, in that if you have the lethal means to engage your target, hold them at risk. There is a presumption there you can find them. And there is also a presumption that you can find them first and get the first round down range.

So more and more as from satellites down to terrestrial, down to subterranean sensors are allowing not just great powers but a lot of powers to see what is going on around them. So winning that -- when I say, when we say
winning the higher-finder competition, it means the ability to detect, track, and conceal your own location or stay within a displacement cycle that moves you more rapidly than they can target you.

Winning that stays in front of the adversary. Losing that means they can engage you, means you are held at risk. So it doesn't decrease the importance of lethality. Absolutely, it is important as it always has been.

But more and more and more important is the realization that we have to have the means to detect, to track, to hold at risk the adversary and do it first.

Senator Wicker: Thank you very much. Mr. Chairman, I don't -- in six seconds, I don't have time to ask about the failure of the USS Sioux City and the reason for the class wide failure of the ship's engineering plan. So I will see if I can take a second round or ask that on the record, and I yield.

Chairman Reed: Thank you very much, Senator Wicker. Let me recognize Senator Tillis, please.

Senator Tillis: Thank you, Mr. Chairman. Gentlemen, thank you for being here. Admiral Gilday, I enjoyed the time that Senator Gillibrand and I spent with you and Admiral Joiner. Thank you for giving us that time.

I want to talk a little bit about Finland and Sweden for a moment, because we have a number of members I think
that need to increase their level of understanding as we move into what will likely be an invitation from NATO, to join NATO after they express their desire to do so in the coming days or weeks. Just for our edification purposes, Finland is a Nation of 5 million people.

Right now they have 62, F-18s. They have 64, F-35s on order. They are already spending 2 percent as a percentage of GDP on military. And they have announced putting out another $2.2 billion. In Sweden, they have 80 Gripen fourth generation, somewhere between an F-16, F-18 capability. They are spending 1.3 as a percentage of GDP today, and they have expressed a commitment to getting to 2 percent by 2028.

We know that they embrace Western norms. They have the rule of law. They check all the boxes with respect to what would be a welcomed member of NATO. Number one, would you refute any of that? And number two, can you tell me a little bit about your relationships with your counterparts in both Sweden and Finland and your observations on their participation in various joint exercises that we have had?

And we will start with Admiral Gilday, and then, Mr. Secretary, you are more than welcome to opine, but I am really interested in the mil to mil relationships first and how you would assess their capabilities. I, for one, think they would be a net exporter of security if they were able
to achieve accession into NATO. I would like to get your view on that for the record.

Admiral Gilday: Yes, sir. I have a relationship with both heads of the navy. In terms of the Swedish CNO, she was just at my home last month for dinner. And so we have ongoing dialog with her. Both of those militaries, as you stated, are very capable. We like their geography as well. They are in a key position.

I would also just reiterate what the committee already knows and that is they both enjoy a special partnership as a near ally near ally status. And so we exercise and work very, very closely with those militaries.

I would characterize our ability to work together with them in exercises as highly interoperable. And so I see this transition into NATO, if it happens, as virtually seamless from a military perspective.

Senator Tillis: General Berger.

General Berger: Sir, I would probably like the CNO and some others. I have trained with both countries and also from Kosovo to Middle East, fought with them combat, in combat, served with them in units. They are phenomenal, both countries. Both are very focused, very dedicated, disciplined, and well-trained, well-led.

Second part, I would say Finland, because of the long border that they have with Russia and the decades since
World War II, have a unique insight into Russia, very valuable for us, just because of the length of the shared border and I would just call it a unique relationship that is very valuable.

Norway just has a little short border with them, but Finland a long one. Third, I would say the unique relationship between Norway and Finland and Sweden will be hugely valuable to us, because Norway being a founding member of NATO, and us working with them for 70 years, their relationship with Finland and Sweden will be a tremendous benefit to the U.S. and to the mil to mil relationship.

Senator Tillis: Thank you. Mr. Secretary.

Mr. Del Toro: The only thing I will add, Senator, is I think there is tremendous opportunities for collaboration among all four of those nations that were mentioned in the high North and in the Baltic.

Senator Tillis: Okay. I am going to submit a lot of questions for the record about FRC East and resource requirements, things like that. Admiral Gilday, I appreciate your comment when we had breakfast about getting back down there again, and Commandant, I appreciate your focus on that area.

The last thing I want to focus on is whether or not you all believe that Admiral Mullen's concerns about our
national debt back in 2011, when it was just approaching $12 trillion, is every bit as much a threat to us today in terms of National Security now that we are approaching $30 trillion?

Now, he didn't stated, if you read all that he spoke on and wrote there, it wasn't because of a dollar value, it was because of how disruptive that becomes with the ebbs and flows of investment for defense, for modernization.

And am I correct in assuming that at least some of what is driving you all to rethink how we counter the threat in an effective way in the future is driven by the ebbs and flows and the lack of certainty that you get from Congress with respect to short and long term investments?

And, Mr. Secretary, I will start with you, and then I will have either the two opine as well. Thank you, Mr. Chair.

Mr. Del Toro: Senator, I am always concerned about the Nation's deficit and the Nation's national debt as well, and the impact it has on the economy. Those are challenging economic issues that have to be well balanced among all the other concerns that the Nation faces. And certainly our Nation has faced great challenges since 2001, economic, militarily, and with regards to COVID as well.

Admiral Gilday: Yes, sir, quickly. I would say that a key piece of that is lack of predictability and
stability. And so not just inside the military and not just for the U.S. industrial base, but also what we project to our allies and partners and potential adversaries.

General Berger: The CNO captured it. And I think things like a continuing resolution hurt both internally and externally, just the way that Admiral Gilday highlighted. So working closely with this committee to make sure we do get a budget on time in October, absolutely instills the confidence that we need.

Senator Tillis: And, Mr. Chair, I know I have run over, and I try not to most of the time. And, you know, I just want to say that when, we excuse me, we have discussions about our disappointment with progress on certain systems, progress on implementing certain strategies, that from time to time we have to look at ourselves and recognize that decisions we make here are a part of the root cause for some of the challenges that you have to deal with.

Not that they are error free, but I think this is a joint -- we are jointly responsible for doing a better job and helping you all be more successful. Thank you.

Chairman Reed: Thank you, Senator Tillis. Senator Blumenthal, please.

Senator Blumenthal: Thank you very much, Mr. Chairman. Thank you all for your leadership and your
service. Commandant, you know, I was very interested in one of your responses to an earlier question about the enduring lessons of war and the new lessons, the technology changes, but some of the enduring facts about military strength remain. One of them has always seemed to me, and it is a strength of the Marine Corps, our noncommissioned officer leadership.

And if what we hear and see is true about the Russian military right now, one of their central weaknesses has been lack of leadership on the ground among the equivalent of our noncommissioned senior leadership -- not so senior, probably. For us, it is men and women in their 20s and early 30s who command units and are able to drive them in times of danger and need.

And I think that is one of the enduring facts about the Marine Corps that is a source of its strength for the Nation. And I am assuming that you are focused on developing that kind of leadership wherever it may be, regardless of geography, race, religion, and gender.

General Berger: Two thoughts to offer back to you, Senator, absolutely yes. And I am so grateful that my predecessors, like General Gray and others, put the emphasis and the resources on the training and the education of the noncommissioned officers, because without that -- they didn't have the tools. He and others focused
on that 25, 30 years ago, where we are reaping the benefits of that now.

The second part of that, I would say the NCO Corps itself is the officers have to have confidence in them and delegate to them without micromanaging, trust that they are going to lead, trust that they are going to make decisions on their own, and that is the way that the Marine Corps operates. That is, as you have captured it, that is the strength of what we do, is the NCO Corps.

Senator Blumenthal: Thank you. Admiral Gilday, I know you made reference to earlier in response, I think, to Senator Rounds, the value of having a private shipyard do submarine maintenance work.

I think that Electric Boat has been a source of great strength in terms of maintenance. The Navy has not yet awarded the contract for work on the Hartford, and I hope that it will do so fairly promptly. I understand it may be in June. Am I correct in that understanding?

Admiral Gilday: Sir, I will get back to you in the exact timeline. But yes, I would just like to double down on my comments on how important both Electric Boat and Huntington Ingalls are from a repair -- not only from a production standpoint, but from a repair standpoint. They are absolutely critical.

Senator Blumenthal: I also want to focus on a
somewhat arcane, but I think important, question about the unusually hazardous risk indemnity. This issue is complex, but again, for contractors, it is a very important one. I have recently voiced my concerns over a change in the unusually hazardous risk indemnity policy in an exchange with Assistant Secretary Stefany, last week, as a matter of fact.

I am not going to have time and I know we are at the end of a lengthy hearing, but I would be interested in comments that you may have in writing. The Navy risks losing its private partners and thus its ability to build major weapons systems and technologies for future conflict if it fails to take account of the risks that they undertake by reversing a decades old indemnification policy to no longer cover those kinds of risks involving conventional weapons that rely on high energy propellants.

It may seem like a technical issue, but it is one of great concern to the companies that manufacture these weapons, and I would appreciate you looking into it.

Admiral Gilday: Yes, sir.

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

Chairman Reed: Thank you, Senator Blumenthal.

Senator Hawley, please.

Senator Hawley: Thank you, Mr. Chairman. Thanks, all
of you, for being here. Thank you for your service.

General Berger, I just want to start by saying that I was particularly pleased to see in Force Design 2030 annual update your continued focus on China as the Nation's pacing threat, on the Taiwan scenario, and your continued use of those scenarios and that threat to benchmark the, what the Marine Corps efforts are, and your strategic design.

I think it is a bold vision which you have been doing, much overdue. And I just want to say, I think you have done it in a very rigorous and thoughtful way. So I think it is a model. Keep up the good work.

Mr. Secretary, if I could come to you, you said in response to a question a minute ago that one of the shipbuilding profiles, this is on a shipbuilding plan, one of the profiles of three of them, one of them supports the statutory requirement of a 335 ship Navy. Is that profile three, I assume?

Mr. Del Toro: Yes, sir.

Senator Hawley: Okay. On the same plan, Admiral, Navy officials told me earlier this week and last week that profiles one and two of the shipbuilding plan do not meet the Navy's operational requirements for the pacing scenario in PACOM with regard to Taiwan. Can you confirm that profile three would meet the Navy's operational requirements?
Admiral Gilday: Sir, three does a better job. The constraint -- constraint is still faced three is the ability of the industrial base to produce those for, the production line to actually produce those ships at pace to meet our requirements. So the warfighting requires in the Navy Marine Corps are what -- they are best reflected in an alternative three.

Senator Hawley: So are you telling me, Admiral, we would get there in three, but we might, it might still be a push, even under three. Am I hearing you right?

Admiral Gilday: We would get there with three, but that would require real growth in the budget.

Senator Hawley: Let me just ask you how long it would take to get to the point under three where the Navy would be able to meet its operational requirements?

Admiral Gilday: So with respect to 355, sir, that would be out in the 2040s in order to put us on that path, which I think is probably, you know, physically reasonable, given, again, the constraints of the industrial base.

Senator Hawley: What about the operational requirements for the pacing scenario in PACOM -- that is defeating a fait accompli against Taiwan.

Admiral Gilday: So capacity does give you, obviously gives you greater capability. And based on the way we are going to fight, which we believe is to be distributed, a
distributed fleet rather than amassing forces, we would
mass effects. We want -- we need more ships of every
different type.

And so I am not ignoring the need for capacity but
given the top line that we have and dealing with reality,
what we are trying to do, Senator, is make sure that the
ships that we have and that we are building are the most
capable and high quality that we can field.

Senator Hawley: I just want to say again, for the
record, that I think it is disturbing, and this is no
reflection on you, Admiral, but I think it is disturbing
that of the three profiles in the shipbuilding plan, only
one of them comes close, and you were saying even then it
will be a push but comes close to meeting the operational
requirements that the Navy has to deal with the pacing
challenge and the pacing theater.

I mean, if that is not a wakeup call to this
committee, I don't know what is. Let me ask you about the
danger of simultaneous conflicts, Admiral, in multiple
theaters. So what would happen if the Navy -- well, let me
ask it this way. What would the impact be on the Navy's
ability to meet its operational requirements in EUCOM if we
had to withhold Navy forces from Europe in order to deter
Chinese aggression in PACOM?

Admiral Gilday: I think we would be challenged. We
would have to take a look at how you squeeze the most are
the Joint Forces have and use it in the best possible way.
But I think we would be challenged. You know, right now,
the force is not sized to handle two simultaneous
conflicts. It is sized to fight one and to keep a second
adversary in check. But in terms of a two -- two all-out
conflicts, we are not sized for that.

Senator Hawley: Can you give us a sense of what kind
of capabilities that the Navy provides that would be in
high demand, are in high demand in both EUCOM and PACOM?

Admiral Gilday: First of all, submarines. I think
secondly would be carrier air through, would be amphibious
ships, and then you need destroyers with multiple weapons
in order to protect those assets. So across the board, you
need more of everything.

Senator Hawley: Yes. Thinking about the constraints
that we would face in either theater, but particularly in
EUCOM, what are some of the capabilities you would say that
the Navy is currently providing in Europe that maybe our
allies in that region could be doing more to provide on
their own, should we need them in PACOM or elsewhere?

Admiral Gilday: I think submarines are a key
capability in any fight. And so that would be one message
I would give the Europe to invest more heavily in those
kinds of platforms.
Senator Hawley: Yes. Thank you. In my few remaining seconds here, Mr. Secretary, let me ask you about an interesting article I read from former Undersecretary of the Navy, Robert Work, who recently said, I want to make sure I get this right, he is talking about forward presence, and he said, over time, an emphasis on forward presence could lead to a decline in warfighting readiness with potentially dire results.

Do you agree with the Former Secretary that the presence operations can trade off with proficiencies that are critical to combat?

Mr. Del Toro: I don't agree with his assessment that we need less forward presence. I think we need greater access to bases and logistics, bases in particular across the globe, wherever we can find them.

Senator Hawley: Let me just -- last question here, Mr. Chairman. I will finish with this. Let me ask if you agree with this statement. This is Work again. The Navy warfighting materiel readiness should no longer be sacrificed on the altar of forward presence and the Navy should no longer confuse that with winning a war. Do you think that that is right, wrong, oversimplified?

Mr. Del Toro: I don't think we have sacrificed our wartime time capabilities in exchange for presence. I think the two go together. I think what we need is the
right capacity, the right capabilities to deliver the right lethality. And that also demands access to those logistical bases throughout the globe, working with our partners and allies.

Senator Hawley: I am not so sure about that, but we will follow up. Thanks, Mr. Chairman.

Chairman Reed: Thank you, Senator Hawley. We have concluded the first round. Members have requested a second round. We will also -- we will have a classified session in SBC-217.

So, I will recognize Senator King first and then go to the other side. I would ask you to keep your questions concise and necessary for this open session, because you will have another opportunity to talk to these gentlemen in a closed session. Senator King, please.

Senator King: Just several quick points. Number one, I want to associate myself with Senator Hirono's comments about the 15 ship multi-year for destroyers. And I know there is some discussion about whether the industrial base has the capacity to meet that. I think there is a bit of a circular argument.

My experience, working with Bath Iron Works is you give them the signal and they can meet it. If they don't get the signal of the longer term multi-year, then there is -- then it makes it less likely that they will meet it.
So I don't think there should be a constraint. I think everyone realizes from this discussion that, number one, multi-years are better for the taxpayers, they are better for the industrial base, and a longer multiyear sends a strong signal to the industrial base that the business will be there. They can make the investments and meet that requirement. That is number one.

Number two, on the Portsmouth Naval Shipyard, we have been talking a lot about readiness, and I want to thank you for the investment that the budget makes in completing or at least moving forward the capital improvements at the shipyard.

And already with that new dry dock, Mr. Secretary, as you and I saw, the USS Cheyenne is in that dry dock successfully. So the next step, of course, is to double the capacity of that dry dock. But I want to mention a sort of a side issue, in talking to the people of the Portsmouth Naval Shipyard, they are talking about all the investments in the infrastructure, that is really important. But they also have investments in the people.

And every worker, every business in America is short of workers. And they told me that the way to attract additional workers to Portsmouth Naval Shipyard is childcare and parking. And, you know, you don't really think about parking as a naval function. But if we want
good people, and they are competing for the best in the region, we have got to think about those kind of quality of life things, and that we were talking a lot today about new requirements of younger workers.

And those are the two things that have been brought to my attention. So I wanted to mention those to you as you think about the investment in the Portsmouth Naval Shipyard. And finally, Mr. Secretary, you have indicated in an excellent report about the collaboration and joint development that is going on between Huntington Ingalls, Bath Iron Works, and the Navy on the new DDG-X.

And I want to commend you for that report. And just, if you could just state for the record, why it is important in the development of this new platform, because where we have had problems in the past is on new platforms. And this is a case where I think we are moving down a very beneficial path. And if you would just state for the record your conclusions on that subject.

Mr. Del Toro: Yes, Senator. And obviously, given the power constraints on our current classes of DDG Flight IIs and Flight IIIs due to the size of the whole DDG-X, or sort of that next transition to new technologies that will take us above and beyond, such as the utilization of laser systems, is one example. And so it is important to have that transition. As we stated earlier today, is also
important to ensure that the technologies that are going to
go on that platform are mature, well understood
technologies that work so that we don't make the mistakes
of the past.

And finally, I would argue that we also need to ensure
that DDG-X's, the concept of operations for its employment
as well thought out, so that we could also integrate the
autonomous or semi-autonomous technologies that we look
forward to integrating well into the future as well.

Senator King: And in order to do that successfully,
working with the yards to be sure that what we design and
set for requirements can be built, I think, is an important
part of that process. Do you agree?

Mr. Del Toro: It is, Senator.

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

Chairman Reed: Thank you, Senator King. Senator

Wicker is recognized. And I, just for the benefit of
everyone, I am going to enforce the five minute rule. I
don't do it usually.

Senator Wicker: Okay. Very good. And I think we can
do this in less than 5 minutes. Secretary Del Toro, just
last Friday, it was reported that the USS Sioux City would
be headed to the Arabian Gulf. It has been spending time
in the Mediterranean. This is a Freedom variant LCS ship.
The Navy has announced it will decommission a total of 24
battleships, including the first 10 Freedom variant LCSs.

The Sioux City is reportedly going to be decommissioned only four and a half years after it was commissioned, and in part due to a class wide failure in the ship's engineering plan. So I want to ask this, how many ships have this class wide failure in the ship's engineering plan?

And if the failure is that serious, why is it capable of being sent to the Arabian Gulf for serious duty? Either it is not reliable and not capable, or it is capable enough to send it -- to be sent into harm's way. And then we will leave time for Admiral Gilday to help answer that question also.

Mr. Del Toro: Yes, sir. It is my understanding that the USS Sioux City being of the Freedom variant with the ASW module on it, and that is particularly the reason why it is going to be decommissioned. As to the class-wide failure, there are operational restrictions that were put on the utilization of the ships in general, which keeps them safe to operate, but not in their most extreme fashion. And perhaps I could ask the CNO to further elaborate on that.

Admiral Gilday: Secretary is right, sir. We have operating limitations on those ships based on a known problem in the engineering plant that needs to be replaced.
Over time, you know, we are replacing the combining -- it is called the combining gear. It gives you more flexibility with your engineering plan configuration and allows you -- it allows you to operate at high speeds.

To your point, we believe the risk is -- we can mitigate the risk using that vessel forward, given the operating constraints that we have identified and the guidance that we have given to the commanding officers. So we have trained that ship for combat and sending her forward to be able to provide the capability needed by the CENTCOM Commander.

Senator Wicker: Is the failure in, Admiral, is the failure in the engineering plan the same in all of these ships -- in all of this class?


Senator Wicker: And how many are -- how many of those are there?

Admiral Gilday: So, sir, there are about between 15 and 20.

Senator Wicker: And so the failure is the same in those 15 or 20?

Admiral Gilday: The fix needs to occur in those 15 or 20. But one of the proposals is to decommission nine, right. And so as the Secretary mentioned, it is not just
the combining gear, but also we were making an investment in an anti-submarine warfare module for that ship that is technically has not met its requirements. It is incapable, in other words --

Senator Wicker: What about the others that are going to be -- that are going to not be decommissioned?

Admiral Gilday: So 15 of those will have a mine countermeasures module. So that particular capability is on track to be IOC this year. And so those 15 ships are going to be required to replace our existing minesweepers that operate out of both the coast of Japan and Bahrain. Additionally, there are six LCS that we would have the existing anti-surface module on those ships, and that is a proven capability that went IOC three years ago.

Senator Wicker: Mr. Chairman, I yield back 49 seconds.

Chairman Reed: We appreciate it. And that is the challenge for our other colleagues. So, Senator Sullivan, you are recognized.

Senator Sullivan: Thank you, Mr. Chairman. General Berger, you mentioned that the rate of divestiture and the rate of new combat capability development pose a risk, and you have got to manage that risk.

One of your assumptions on the overall Force Design was flat budgets, that you had to make these difficult
choices. Unfortunately, I think you are seeing that that is actually true. And if you actually had a more robust budget, it would help mitigate some of the risk in modernization, wouldn't it, General?

General Berger: It would, absolutely. Everything on the unfunded priority list for us accelerates modernization. Correct.

Senator Sullivan: So, Mr. Secretary, I was disappointed, and I have raised this with Secretary Austin and General Milley, we have clearly a more dangerous National Security situation around the world, and yet the budget that was being put forward by the President for the Department of the Navy, that is the Navy and Marine Corps combined, is a 4 percent increase from the enacted budget, we bolstered that.

Again, the President put forward a weak budget last year. But with 8 percent inflation, that is actually a 4 percent inflation adjusted cut. So do you support a 4 percent inflation adjusted cut? The Commandant just showed that this would help mitigate the Force Design risks if we had a more robust budget.

But I am concerned, very concerned. And Congress is likely to have to do cleanup like we did last year and significantly increase the budget despite the President putting forward a weak budget. He has done it again. So
how do you support such a budget -- 4 percent inflation
adjusted cuts?

Mr. Del Toro: Senator, I do support the President's
budget completely. It is actually the first time in quite
some time where we have actually proposed a budget that is
greater than the previously enacted budget, and I applaud
the President for doing that.

Senator Sullivan: 4 percent increase with 8.3 percent
inflation is a 4 percent inflation adjusted cut, correct?

Mr. Del Toro: So it is today. However, budgets, as
you well know, Senator, are prepared well in advance of
when they are executed. And inflation is always a
difficult thing to predict in the future.

And it is part of the reason why in the President's
2023 budget, we actually also enacted 4.6 percent increase
for our sailors and Marines across the board, and a 5
percent increase in NBAH --

Senator Sullivan: Again, I appreciate all those, but
the reality is even those don't keep up with inflation.

But let me -- I am going to try to keep to my five minutes.
I want to turn to Force Design, but to you, Mr. Secretary
and Admiral.

I was struck by the Navy's documents, strategy
documents, which my team and I read the tri-service
strategy, CNO's navigation plan, the surface warfare
competitive edge plan, and how they don't articulate how
the Navy will support the survivability and sustainability
of Marine Corps stand in forces and otherwise facilitate
the execution of the expeditionary advanced base
operations.

And those are all key parts of the Marine Corps Force
Design strategy. So here is my question. Actually, when
you look at the Navy documents, stand in forces, forces
that I don't even think they are mentioned, they are
alluded to, but much of these documents describe how stand
in forces will enable the fleet to control the seas and
reposition to conduct naval strikes from a myriad of
different directions.

But there is little, if anything, in these documents
about support in the reverse. And what I mean by that is
the fleet support to enabling successful EABO or stand in
forces. So, Mr. Secretary, maybe start with you, Admiral,
a fleet Commander is ready to help execute this part of
Force Design and stand in forces to execute the EABO
concept and other things, which would put ships at risk.

And if so, how come none of that is articulated in the
Navy strategies that at least I have been reading thus far?

Admiral Gilday: I would offer, sir, that you can get
an inaccurate picture by just judging our commitment to
Force Design based on the tri-service strategy and the
navigation plan, and the reason I say that --

Senator Sullivan: You do see my question though --

Admiral Gilday: I do. But the reason I say that is because most of what has been written publicly about stand in forces has been produced after the production -- after the release of both of those documents.

Now, if you take a look at the concept of operations that are cosigned by both fleet Commanders and MEF Commanders, whether it is in the Western Pacific or whether it is in Europe, they both rely heavily on stand in forces as part of the war -- as part of the warfighting concept.

I would also offer that today the Naval Commander in Europe, the Component Commander under General Walters, has marine elements, I would characterize them as EABO, EBAs in terms of what they are doing, in terms of sensing and making sense of the environment, in terms of helping understand what affects that we can produce in theater. They are right now on the ground in places like Estonia, in Iceland, and in Norway.

And so I would offer, sir, that is very much alive at the fleet level in terms of how we are integrating with the Marine Corps. I will have an update to my navigation plan within the month, and I will take special note to make sure that I footnote stand in forces.

Chairman Reed: Thank you, Sullivan -- Senator
Sullivan. Thank you very much. Senator Hawley, do you request recognition? Please.

Senator Hawley: Yes, sir. Briefly. Admiral, just a question for you on aircraft carriers. I realize that by statute, by law, Navy is required to maintain at least 11 operational carriers, but absent that statutory requirement, my question is, is it the best use of the Navy's allocation to maintain 11?

Here is where I am going with this. If you had 8 or even 10, that would free up a lot of resources to invest in other capabilities that might be more effective in deterring China and our pacing theater. So do you have a thought on it?

Admiral Gilday: Yes, sir. Honestly, I think 11 is a conservative estimate. Based on the demand signal from combatant Commanders now, there is no more survivable airfield in the world than an aircraft carrier. And in terms of what it brings to the fight, in terms of sortie generation, in terms of our move now with unmanned refueling that extends the range of the airwing by hundreds of miles.

My unfunded list tries to top off on domestic production of weapons with range and speed principally for the airwing. They remain, along with our submarine force, the main batteries of the United States Navy with respect
to offensive weapons. And so, sir, I remain very bullish on aircraft carriers, and I can't think of anybody out there in the Joint Force that is not.

Senator Hawley: How survivable, though, is the carrier, admiral, if it is parked in the Taiwan Strait? I mean, I know they are survivable off the coast of Hawaii, but doesn't it depend on where they are?

Admiral Gilday: So based on how we use those carriers, sir, we are going to put them in a place where they can be most effective. And we also are leveraging both space and cyber in terms of how we position those units. I will tell you that if you take a look at an airfield on an island in the middle of the Pacific that was targeted when the lava cooled, you can move an aircraft carrier to tomorrow, but Reagan National is going to be the same place that is today.

If that were an aircraft carrier, tomorrow it would be West of the Mississippi and Missouri, or it could be off in Newfoundland, or it could be off of Key West, Florida. So we can move them around. That is one of the real value of naval forces in general.

Senator Hawley: Fair enough. Thank you, Mr. Chairman.

Chairman Reed: Thank you, Senator Hawley. Thank you, gentlemen. We will recess or adjourn the open session and
let us attempt to reassemble at SBC-217 at 12:20 p.m. For
my colleagues, there is a vote pending right now.

We will vote and then we will attempt to get together
again at 12:20 p.m. at SBC-217. Again, gentlemen, thank
you for your testimony. The open hearing is adjourned.

[Whereupon, at 12:07 p.m., the hearing was adjourned.]