

Senate Appropriations Subcommittee on Defense Holds Hearing on President Obama's Fiscal 2016 Budget Request for U.S. Navy and Marine Corps

March 4, 2015

COCHRAN:

The Committee will please come to order. We are delighted to be able to welcome our distinguished panel of witnesses to discuss the Fiscal Year 2016 Budget submission of the Navy and Marine Corps. Our hearing will review the budget request that have been submitted to the Congress.

And we are also very pleased to personally welcome each of you, distinguished leaders, in our military forces here today -- Honorable Ray Mabus, secretary of the Navy; Admiral Jonathan Greenert, Chief of Naval Operations; and General Joseph Dunford, commandant of the Marine Corps.

For fiscal year 2016, the President's Budget is requesting \$161 billion in base funding to support the Navy and Marine Corps. The request is \$11 billion higher than the current level of funding. The request also includes \$7 billion to support ongoing overseas contingency operations. These funds support the forward deployment of Sailors and Marines throughout the world and the important work done every day to ensure our nation's fiscal -- our nation's security.

This Committee recognizes the uncertainty of the current fiscal environment on the Navy and Marine Corps. If the Department of Defense has to live with the budget caps in fiscal year 2016, the Navy has already indicated that it would not be able to support the current defense strategy.

We appreciate the complexity of building the fiscal year 2016 budget and look forward to any comments the distinguished panel of witnesses will make in regard to the health and well-being of our services as well as the work and dedication put to the challenge of protecting our national security interest by all of the men and women under your command.

Our Committee looks forward to working with each of you mostly in -- as we work our way through the fiscal year. And we are confident with this leadership and the men and women who serve in our Armed Forces will protect the security interest of our country.

I am going to recognize -- Senator Durbin is not here, but other senators who might have opening statements.

Well, Mr. Secretary, the floor is yours and we welcome you to make any comments that you see fit.

MABUS:

Thank you, Mr. Chairman, my home state senator, and Members of the Committee. Thank you so much for this opportunity to discuss the Department of the Navy.

Here with Chief of Naval Operations John Greenert, Commandant of the Marine Corps Joe Dunford, I have the great privilege of representing the Sailors and Marines, the civilians who support them, and all of their families.

This is Admiral Greenert's last posture testimony before this Committee. He has been a steady hand on the helm for the U.S. Navy through the past four years of international instability and budget turbulence. Every day his judgment, his advice and his counsel have been critical. It's an honor to serve with him, and he will leave a lasting legacy.

Today, our security interests face an increasing array of threats and demands, while our budgetary situation grows more challenging and complex. But it's clear that the Navy and Marine Corps team offer the best value to advance both our global security and our economic interest.

Uniquely, the Navy and Marine Corps provide presence around the world, around the clock. We are the nation's first line of defense, ready for any challenge that might come over the horizon. Presence means we respond faster, we stay on station longer, we carry everything we need with us, and we do whatever missions are assigned by our nation's leaders without needing anybody else's permission.

We've always known that America's success depends on an exceptional Navy and Marine Corps. Article 1 of our Constitution authorizes you and Congress to raise an Army when needed, but it directs you to provide and maintain a Navy. From the first six frigates to our growing fleet today, from Tripoli to Afghanistan, Sailors and Marines are proven the founder's wisdom. American leaders across the political spectrum have understood the vital significance of sea power.

We are truly America's Away Team. We deploy just as much in peace as we do in war. And our role in the last 70 years in securing sea lanes and freedom of commerce has boosted our own and the world's economy.

Nearly half the world's population lives within 100 miles of the sea. Ninety percent of global trade goes by sea and 90 percent of all voice and data go under the sea. The shells of our stores are stock through just in time to deliver with products from all over the globe, and some 38 million jobs in America are directly linked to seaborne international trade.

For seven decades, the Navy and Marine Corps have been the primary protector of this international system that has created unprecedented economic growth. And while we've led this effort, we've worked with allies and partners, increasing interoperability,

establishing relationships would also help keep the peace. That's one of the national defense strategy that we have today and so clearly focused on the maritime domain and requires investment to maritime assets.

For the past few years the Department of the Navy has attempted to minimize the impact of an uncertain budgetary environment marked by numerous continuing resolutions in position of sequester-level funding and the threat of the returns sequestration. This environment has made it more difficult, but even more critical to set priorities, make hard choices.

The presence of our Navy and Marine Corps -- the presence that our Navy and Marine Corps uniquely delivers in built on four foundations -- people, platforms, power, and partnerships. These are the key to the capability, capacity, and success of our naval success, and they remain my top priorities. Our people, our Sailors and Marines are well-known for their ability to exercise independent judgment and the flexibility to adapt to changing circumstances or environments.

We remain committed to providing our Sailors, Marines, and our civilians with the training and support they need to maintain our naval presence, and we include in this their dedicated families and our wounded.

We've launched a comprehensive approach to assure the world healthiest, fittest, most resilient and best educated force truly representing America's diversity. We continue to aggressively combat sexual assault, abuse, ethical failings, and similar challenges.

But our people, as good as they are, can't do their job without platforms -- providing presence, being where we're needed, when we're needed requires ships, submarines, aircrafts, systems, equipment. Quantity has a quality all its own. And the main thing that means is we have to have a properly sized and balanced fleet.

On September 11, 2001, the Navy's battle force stood at 316 ships. By 2008, our fleet had declined to 278 ships. Our focus on two ground wars only partly explains this decline.

In the five years before I took this job, Navy contracted for only 27 ships, not enough to stop the slide in the size of the fleet. In the first five years I've been in this job, we contracted for 70 ships, halting and reversing the decline. And by the end of this decade, we will be at 304 ships. We have accomplished this with a direct and fundamental business approach -- increasing competition, relying more on fixed price contracts.

And thanks to this Committee and Congress' help, multiyear in block buys. But budget instability, uncertainty seriously erode our ability to grow our fleet, manage our resources, and maintain the industrial base.

In the face of this budgetary uncertainty, cutting ships is the most damaging, dangerous, and least reversible course of action, which is why I'm committed to preserving shipbuilding.

Fueling those ships, aircraft, vehicles of our Navy and Marine Corps is a vital operational concern and enables the global presence necessary to keep the nation secure. That's why the Navy has a history of innovation, particularly in energy, moving from sail to steam, to oil, to pioneering nuclear.

In all cases, we believe our national security interest and the ability of the Navy and Marine Corps to meet its missions must be enhanced by increasing our energy diversity and efficiency.

And finally, our ability to maintain presence in advanced global security will also be augmented through partnerships. Cooperation makes us more effective. Again and again, naval forces have proven themselves the most immediate, the most capable, and the most adaptable option when a crisis develops. Overall, the FY '16 President's Budget balances current readiness, needed to execute our assigned missions while sustaining a highly capable fleet.

That tough budget climate, however, demands our most rigorous examination of every dollar we spend and we must continue our aggressive efforts to cut unnecessary cost in every program and chief resources from tail to tooth.

I want to thank this Committee for all that you have done to ensure that the Navy and Marine Corps remain the preeminent fighting force in the world. When America is called, the Navy and Marine Corps have always answered.

I look forward to answering your questions and working along with you, the Commandant, and the CNO to maintain our great Navy and Marine Corps.

Thank you, Mr. Chairman.

COCHRAN:

Thank you, Mr. Secretary.

Admiral Greenert, we recognize you now for any opening statements you would have to make.

GREENERT:

Thank you, Chairman Cochran and distinguished Members of the Committee. I appreciate the opportunity to testify today.

It is my honor to serve and represent more than 600,000 active and reserve Sailors, Navy, civilians and their families, especially the 41,000 Sailors who are underway and deployed around the globe today.

The dedication and resilience of our people continue to amaze me, Mr. Chairman. The citizens of this nation can take great pride in the daily contributions of their sons and daughters around the world.

It's also my pleasure to testify this morning beside Secretary Mabus and General Joe Dunford. Your Navy and Marine Corps team is united in fulfilling our long-standing mandate to be where it matters when it matters, ready to respond to crisis to ensure this security -- the security that underpins the global economy.

Now to that point, recent events exemplify the value of forward presence. For example, last August, the George Herbert Walker Bush Carrier Strike Group relocated from the North Arabian Sea to the North -- excuse me from the Arabian Sea to the North Arabian Gulf. That's about 750 nautical miles, a site going from Jackson, Mississippi to Chicago, just for perspective. And they did that in under 30 hours.

And when located there, they were doing sorties, test missions, 20 to 30 a day, and they did that for 54 days at which they were the only coalition strike option to project power. So that's pretty good.

The USS Truxtun arrived in the Black Sea to establish a US presence and to reassure our allies only a week after Russia invaded Crimea. Most of that week was done getting the paperwork done to get and locate ourselves in the Black Sea.

The Fort Worth, a littoral combat ship, and the USS Sampson, a destroyer, were among the first to support the Indonesian-led search effort for the Air Asia flight 8501 on the Java sea here last December. So we have been where it matters, when it matters.

And, Mr. Chairman, I have testified before about the continuing resolution and sequestration. And it has deeply affected our Navy's readiness and capabilities, and we have not yet recovered from that 2013 period.

Navy readiness is at its lowest point in many years. The budget reductions have forced us to cut afloat and ashore operations and has generated a ship and aircraft maintenance backlog, and has compelled us to extend unit deployments.

Now since 2013, many of our ships have been on deployment for eight to 10 months or longer, and that really does exact a cost on the resiliency of the people and the service lives of the ships themselves. Our degraded readiness posture has also affected our ability to satisfy contingency response requirements.

Now, in addition to what is globally deployed today, our combat commanders require three-carrier strike groups and three amphibious- ready groups ready to deploy within 30 days to respond to a major crisis. And that's our covenant with them. However, on average, we have been able to keep only one carrier strike group and one amphibious- ready group in this readiness posture so we are at one- third of the requirement.

Now assuming the best case of an on-time, and adequate, and a stable budget, and no major contingencies, we might be able to recover from this accumulated backlog by 2018 for our carrier strike groups and by 2020 for our amphibious-ready groups, so that's five years after the first round of sequestration. And that's just a glimpse of the damage that sequestration can and will do if we go back there.

Not only do we face several readiness problems, but we have enforced to slow Navy modernization.

Chairman, we have lost our momentum and rapidly filling emerging capabilities for future flights -- future fights. We are losing our technical edge. The overall impact of budget shortfalls in the past three years has manifested in the continuing decline of our relative war-fighting advantage in several areas, notably anti-surface warfare, anti-submarine warfare, air-to-air warfare, and what we call the integrated air and missile defense.

We had been compelled to accept significant risk in the execution of two key missions in the 2012 Defense Strategic Guidance. That remains our guidance. And I have a -- I've provided a little card here, which lists the missions that we're required to provide where we are in the President's Budget '16 and where we'll be if we go to sequestration.

The first mission that -- where we have great risk in 2016 is to deter and defeat aggression, and that means to win a war at sea while deterring another at sea in a different theater. And the second mission is to project power despite an anti-access area denial challenge.

Now, when I say risk in this context, I mean, that some of our platforms, and our people, and our systems will arrive late to the fight. They will arrive with insufficient ordinance, without superior combat systems, without superior combat systems, without superior sensors, and the networks that they need. They will be inadequately prepared to fight, and that means a longer time line to arrive and to prevail.

More ships and aircraft will be out of action in battle and, frankly, more Sailors, and Marines, and merchant mariners will be killed at less credibility and, frankly, less deterrence and -- for our adversaries and less assurance for our allies in the future.

Now given these circumstances, our President's Budget '16 submission represents the absolute minimum funding levels that we need to execute our strategic guidance. To bring the Navy program into balance within this fiscal guidance, we focus first on building the appropriate capability, and then we deliver whatever capacity we could afford based on what -- on the funding that we had.

Now that's similar to last year. We applied the following six priorities in preparing our program. Number one, we have to maintain a safe and credible sea-based strategic deterrent.

Number two, we must sustain our forward presence. We have to be where it matters, when it matters.

Three, we will develop the capability and the affordable capacity that we have to win decisively.

Number four, improve our readiness.

Number five, to develop the asymmetric capabilities that keep us technologically advanced.

And number six, to sustain a relevant industrial base.

Now I list the industrial base as number six, but that's not the last priority. We have to balance all of those throughout this.

COCHRAN:

Admiral Greenert, we're going to have to ask you to wind up your remarks. You know, you've taken more time than either the Secretary or I.

(CROSSTALK)

GREENERT:

I'll take that (ph). So in conclusion, Mr. Chairman, over the last three years, the budget has provided -- we have been provided \$25 billion less than the President's Budget. And, frankly, if we continued on that track, we'll be \$55 billion out. The budget request represents the floor and any funny level below this submission will require a vision to our strategy.

I look forward to working with the Congress to find solutions. Thank you.

COCHRAN:

Thank you very much.

General Dunford, any comments and...

DUNFORD:

Mr. Chairman, distinguished...

COCHRAN:

...(inaudible) budget request.

DUNFORD:

Mr. Chairman, distinguished Members of the Committee, thanks for the opportunity to appear before you today, and I'm honored to be here with Secretary Mabus and Admiral Greenert, and represent your Marines.

I'll begin by thanking the committee by your -- for your steadfast support. Due to your leadership, we feel that the best trained and equipped Marine Corps our nation has ever sent to war.

I know this Committee and the American people have high expectations for Marines as our nation's expeditionary force in readiness. You expect the Marines to operate forward, engage with our partners, deter potential adversaries, and respond to crisis. And when we fight, you expect us to win. You expect a lot from the Marines and you should.

This morning, as you hold this hearing, over 31,000 Marines are forward deployed and engaged, doing just what you expect them to do.

Our role as the nation's expeditionary force in readiness informs how we man, train, and equip the Marine Corps. It also -- it also informs how we prioritize and allocate the resources that we get from Congress.

Over the past few years, we prioritize the readiness of our forward deployed forces. Those are the forces that you can count on for immediate crisis response. Those are the forces that supported the recent evacuation of US citizens in Sudan, Libya, and Yemen. Those are the forces currently conducting strikes in Syria, in Iraq, training the Iraqi Army, and protecting our embassy in Baghdad, and those are the 22,500 Marines that are west of the International Date Line in the Pacific.

And I can assure you that your forward-deployed Marines are well-trained, well-led, and well-equipped, but we've had to make tough choices to deal with the effects of tool wars (ph), sequestration in 2013, and reduced budgets in 2014 and 2015.

In order to maintain the readiness of forward-deployed forces, we have not sufficiently invested in our home station readiness, our modernization, our infrastructure sustainment, or our quality of life programs. As a result, approximately half of our non-deployed units, and those are really the ones who would respond to unforeseen contingencies, suffer personnel, equipment, training shortfalls. In a major conflict, those shortfalls result in a delayed response and/or the unnecessary loss of young American lives.

Over time, underinvesting in modernization will result in maintaining older or obsolete equipment at higher cost and degraded capabilities. It will eventually erode our competitive advantage, and we don't ever want our Marines and Sailors in a fear fight (ph).

The readiness challenges we have today provide context from my message this morning - - we can meet the requirements of the Defense Strategic Guidance with the President's Budget, but there is no margin.

BCA funding levels, on the other hand, will exacerbate the challenges that we have today. It will result in a Marine Corps with fewer available active-duty battalions and squadrons than we required for a single major contingency. And perhaps more concerning, it will result in fewer Marines and Sailors being forward-deployed in a position to immediately respond to a crisis involving our diplomatic posts, American citizens or US interest.

As we saw in the wake of Benghazi, the American people expect us to respond to today's crisis today, and we can only do that if we're properly postured to respond. In closing, my assessment is that funding below the President's Budget level will require that we develop a new strategy.

Thank you once again for the opportunity to appear before you this morning and for your leadership in addressing today's fiscal challenges.

Mr. Chairman, I look forward to your questions.

COCHRAN:

Thank you very much, General. We appreciate your presence and your contribution to the hearing.

I'm going to recognize Senator Shelby if he was the first thing -- most senior next guy in mind.

SHELBY:

Thank you, Mr. Chairman.

Secretary Mabus, the President's 2016 budget request funding for (inaudible) we're familiar with, how might sequestration affect funding for these ships and what impact would that have on mission capabilities, and what specific steps are you going to take to protect shipbuilding from possible budget cuts? We understand we're dealing these appropriators up here, too, sharing the same challenge.

MABUS:

Thank you, Senator.

Building ships is a very long-term process, very complex, and requires specific skill sets. If you miss a year building a Navy ship, you'll never make it up. We are dealing to with decisions made 10, 15 years ago in terms of our -- of -- of what ships to build. And for that reason, as I said, moment of excitement, I'm going to do my utmost to protect shipbuilding. It's simply not reversible if -- if we miss a Navy ship because of lack of funds and the next year we get more funds, we can't make it up.

However, having said that, as you protect shipbuilding and protect those numbers because we do have to have that properly sized fleet, other things begin to break. Our readiness gets stretched. The surge capacity gets stretched. Our forces are deployed longer and for more hazardous missions.

To give you an example of how we are stretching today, in the early 90's we had a fleet of about 400 ships. We had 100 ships forward-deployed at any given time. Today, we have a fleet of about 280 ships, building to 300, but today it's about 280. We still have 100 ships forward-deployed.

So, the specific actions I'm going to take is in any budget decision, shipbuilding is protected until the very last, until the last dog dies. But doing that causes and exacerbates problems in many, many other places.

SHELBY:

Admiral, you want to comment briefly on what it does to -- in your inability to project force and so forth? If you don't have ships, you're in trouble, aren't you?

GREENERT:

Yes, Sir. It underwrites everything. As the Secretary said, you can't recover. You say, "I'm not going to build a ship today," and they take six, seven years to build; sometimes five if you're lucky, if you have a multi-year. You can't make that up the next year because we have money. So therefore, we'll look at modernization, munitions because we can recover from that more quickly, Senator.

SHELBY:

Secretary Mabus, it's my hope that the Navy will continue to equitably -- whatever that means -- for sometimes distribute work between the two LCS shipyards. Could you

describe to the Committee the Navy's acquisition strategies through 2019 for the remaining LCS ships number 25 and 32?

MABUS:

Yes, Senator. We have found that having two shipyards and having two variants of the littoral combat ship has been very helpful in a number of ways. One, it keeps competition in the program and it has driven cost down considerably.

Two is it gives us different capabilities. Each ship brings some unique capabilities and capacities that the one doesn't.

And third, we are able to train our Sailors pretty much on common systems for these two ships without duplicating effort. So, for the ships through 2019, we plan to continue the 50/50 split between the two yards.

And the Small Surface Combatant Task Force, which we chartered and which came through, and which recommended some upgrades in lethality and survivability for ships past 2019 for ships through '52, we are hopeful that we can move that up some that we won't wait until 2019 because it's a modification, not a new built. And it is our plan to keep procuring both variants again competitively, but variants through the entire '52 bus (ph).

SHELBY:

This is a top priority for the Navy, is it not?

MABUS:

It's a very high priority.

SHELBY:

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

COCHRAN:

Thank you very much, Senator.

I know the next senator who came to the hearing was Senator Reed, Senator Collins soon thereafter. So I'll recognize Senator Reed first.

REED:

Well, thank you very much, Mr. Chairman.

And, gentlemen, thank you for your great service. First, let me recognize the Chief Naval Operations and thank him for an extraordinary career. Thank you for your service, Sir.

And, Secretary Mabus, I will see you Saturday in (inaudible) Newport, Rhode Island for the (inaudible) of the USS Colorado, one of our new attack submarines. I look forward to it.

And, General Dunford, I just got back from Afghanistan and your (inaudible) leadership is evident there in everything we're doing, so thank you very, very much.

The only thing I would say is I have a feeling General Campbell occasionally has some fun when he sits down with the President. I don't think you -- you can say that. Thank you.

Mr. Secretary, one of the successful programs in shipbuilding has been the Virginia-class, underbudget, ahead of schedule. And can you indicate some of the lessons that we've learned as we go forward to the next major submarine project, which is the Ohio-class replacement, and what your -- your plans are?

MABUS:

The first lesson we've learned is that if we can do a multi-year -- and thanks to this Committee and the Congress, we've been able to do that. Ship -- the shipyard -- our shipyards are able to buy material and economic order quantities. They are able to smooth-out their workload. They're able to do the training and the infrastructure that they need. And because of that, the contract that we signed last summer to buy 10 Virginia-class submarines over the next five years, we got 10 submarines for the cost of nine. We got a submarine for free, which is like (inaudible) little punch cards, although with a bigger return in the end.

Going forward, in building the Ohio-class replacement, there -- there are lessons we're learning in terms of technology. There are lessons we're learning in terms of how we build these submarines. But regardless of how much we can drive the cost down of the Ohio-class replacement, regardless of what we can do to the schedule, if we don't either pay for this as a national program or plus up (ph) Navy shipbuilding to account for it, then it's going to have a very harmful, very -- I can't stress out harmful -- the effects will be on the -- either the fleet or everything else in Navy, and that includes two attack submarines (ph).

REED:

Mr. Secretary, last year the National Defense Authorization bill, we created the National Sea-Based Deterrence Fund, which the goal really was to, from a national perspective, help defray the cost of the -- not just our seaborne deterrence, but subsequently the rest to try it -- air and land. But we're now in the beginning of reconstituting our seaborne deterrence.

And I would hope that the Committee -- this Committee will look very favorably in providing funds through that mechanism, which could be applied to the point you made, which showed to be to supplement your shipbuilding funds.

MABUS:

Senator, we very much appreciate the establishment of that fund and think that it's a great first step in that direction.

And I would point out that, historically, the first two times we built ballistic missile submarines, 41 for Freedom in the late 50's, early 60's, the Ohio-class from '76 to '92. Navy shipbuilding did receive pretty dramatic increases to -- to account for that. However, the increases were not enough to shield the rest of shipbuilding and our -- from '76 to '80 when we first began the Ohio-class, our fleet went down by 40 percent so...

REED:

And to just underscore the point about this as a national asset is basically this is the most invulnerable part of our triad. It's -- the demand is -- far exceeds the supplier today, even Admiral Greenert, in terms of STRATCOM's needs to keep deployed and conceal these vessels. Is that clear to you?

GREENERT:

Yes, Sir. STRATCOM asked for a -- we have an alert and then we have a modified alert, and then we have a non-alert. So the non-alert is larger than we provide, but with agreement with STRATCOM. We provide alert and mod alert. We've always met that requirement. It's a -- it's a strategic requirement as you said. However, it's a fairly big demand signal. And the Ohio is getting older.

The youngest of Ohio submarine is 17 years old. So they're aging up. We really do have to make this change. It's physics and engineering.

REED:

Thank you very much. And my time has expired.

Thank you, Mr. Chairman.

COCHRAN:

Thank you, Senator.

Senator Collins?

COLLINS:

Thank you, Mr. Chairman, and thank you for holding this important hearing.

As the consideration of the budget moves forward, I look forward to working with you, Mr. Chairman, with the ranking member and all of the members of this subcommittee to achieve the goals of avoiding the terrible effects of sequestration that we've heard described today and also to achieve an outcome that is consistent with long-standing commitments including what is known as the 2002 swap agreement that sustained the two shipyards in the large surface combatant industrial base. And I look forward to working with you on those issues.

Turning to my questions for today, Mr. Secretary, I was very impressed when I heard your track record of placing a large number of ships under contract -- I believe you said 70 within the constrained budgets that you've been provided with during your tenure as secretary.

One of the ironic aspects of sequestration is that it could actually increase your cost per ship with or for a submarine as well. Could you explain the importance of the multi-year contract to holding down the cost per ship and what the impact of sequestration would be on your ability to have cost-effective multi-year contracts whether it's the 10 DDGs or the submarines that you described with -- with Senator Reed?

MABUS:

Thank you, Senator. As I described to Senator Reed, those multi-year buys are some of the most effective weapons in our arsenal in terms of bringing cost down, in terms of keeping the industrial base stable, in terms of allowing industry to do the things they need to do, same thing with block buyers on the littoral combat ship.

If sequester occurred, one of the dangers is that you may break those multi-years. If you do, the ironic and (inaudible) result is you get fewer ships for more money. So you would -- you would end up paying more, but getting fewer ships in return because you simply can't plan the way -- the way shipyards need to. You can't buy the material and the quantities that they need to. You can't do the training in the way that they need to. We can't give them the assurances that they need.

Again, I will do everything in my power to protect shipbuilding and to protect these multi-years because it does protect not only the industrial base, not only the Navy, it protects the taxpayers because of how we're driving these costs down.

COLLINS:

Thank you. That's one reason I think sequestration, in addition to being such a blunt instrument is such a mistake because it actually ends up, as you said, with our paying more for fewer ships.

Admiral Greenert, first, let me thank you for your many trips to Maine. I know that it's meant a great deal to the workers at that time works when you torqued (ph) the DDG-1000.

One of the advantages of this ship is that it requires a greatly reduced cruise size. And at a time when the Pentagon is very concerned about personnel cost that is significant, there are other capabilities that are going to be particularly useful to the Navy, which I understand is likely to base all three of the DDG-1000s in the Asian-Pacific region. Could you enumerate some of the advantages that this cutting-edge destroyer will give you?

GREENERT:

Yes, Senator. Thank you. Firstly, as you said, the cruise is one-third, so that's about 150 versus the cruiser of today close to 450 right off the bat.

It has enough power to -- the power required to run the ship and all its systems is only 50 percent of the capacity of the ship, so this thing can grow as we get more payload. It has tremendous growth. It's radar-evading, as I say. It's stealthy. So it -- it's a -- on radar, it looks about the size of a tugboat, you know, if you would imagine.

And then, of course, there's an acoustic element. If you're under the water and you're listening to it, it does not sound like a cruiser or a destroyer. It sounds like a very, very small craft. So there's another evading piece.

It has a tremendous missile -- cruise missile capability, anti-air capability. It has a dual-band radar. That means it can track anti-air ballistic missiles while protecting itself from

cruise missiles that that dual-band has a gun that goes twice as -- three times as far, about -- right now about 70 miles versus the best we can do today is about 15 miles, so that's five times -- excuse me. It goes on, Senator.

This thing is a quantum leap in capabilities.

COLLINS:

Thank you, Mr. Chairman.

And thank you, Admiral, again for your service to your country.

COCHRAN:

Thank you, Senator, for your contribution to the hearing.

COLLINS:

Thank you.

COCHRAN:

Thank you.

Senator Schatz?

SCHATZ:

Thank you, Mr. Chairman.

Secretary Mabus, Admiral Greenert, General Dunford, I appreciate you being here today, and I share the concerns of the members of the Committee, and the people I did ask about the effects of sequester on the Navy and Marine Corps. It's going to undermine our ability to commit to our strategy in the Asia-Pacific, and it will hurt our Sailors, Marines, and their families.

General Dunford, I want to discuss the realignment of Marines from Okinawa. This is a major part of our rebalance in Asia. Moving Marines from Futenma is consistent with the wishes of the people of Okinawa and, in my view, it's part of how we continue a strong, lasting security alliance between the United States and Japan. And a more distributed lay-down gives the Marine Corps some strategic flexibility in the Pacific.

I do have some concerns about the cost of the proposal to move Marines to Guam. And I know you are in the middle of a process, working to cut cost. Could you compare for the Committee the cost of training and basing Marines on Guam with the cost of training and basing them on -- in Japan, Australia, Hawaii elsewhere?

DUNFORD:

Senator, thanks for that question. First, I've been involved in a Pacific lay-down off and on for the last 10 years. And when I first started to work the relocation to Guam, the cost was actually twice -- more than twice of what it is today. It's now down at around \$8 billion, which the Japanese pay a significant part of that, so we have worked very hard. And I think a lot of that comes from redesigning the plan and a lot of it comes from collaboration between the Air Force, the Navy, and the United States Marine Corps in order -- in order to do that.

I can't give you right now, but I'll take for the record, you know, specific cost comparisons between each of those locations. Although what I can tell you today is that as a result of a lack of training opportunity in Okinawa in mainland Japan, we actually relocated our training throughout the Pacific anyway. And so much of the cost for training, Senator, really comes from moving things and moving equipment to training locations. And we actually experience many of those costs today.

One of the things that will be available at Guam and in the Northern Marianas in general will be training facilities that will meet our aviation requirements, which are going to be conducted in that area anyway due to constraints up in mainland Japan, and also some light fire ranges and so forth that will better support our overall Marine Air-Ground Task Force training.

SCHATZ:

Thank you, General. And on the total number of Marines on Guam, the number, I think, briefed to Congress last year was 5,000 down from 8,000. Can you tell me how you got to the 5,000 and whether that number is now firm or do you anticipate that it could float up or down?

DUNFORD:

We -- we got to that number. That number is correct, Senator. First, it's 5,000. Three thousand of them will be rotational forces, 2,000 will be permanent personnel. And we got to that late -- we got to that number by looking very carefully at the lay-down, meeting the Pacific commander's desires for resilience both politically and operationally. And so it really is a part of an overall lay-down that includes Australia, it includes Guam, it includes mainland Japan, Okinawa, Hawaii (inaudible) together in a package. So we

think that the size of the Marine Air-Ground Task Force there is integrated into the overall strategy that supports the Pacific commander.

SCHATZ:

Thank you. And in your judgment, is there sufficient lift capacity to support this lay-down plan?

DUNFORD:

Senator, at this time, there is not. That's one of our major concerns, and that's something we're working very closely with the Secretary and the Chief Naval Operations, as well as transportation command on.

SCHATZ:

Okay. Thank you.

Secretary Mabus, I -- I have a question about credentialing of -- of -- of your Sailors. I know your first priority is to make sure that your Sailors and Airmen are prepared to prevent and, when necessary, win wars. But there has been a discussion increasingly about dual credentialing so that when your Sailors retire that they are prepared to -- and the Merchant Marine opportunities that are available. And can you talk a little bit about the DOD's military lifecycle training -- excuse me, transition model and -- and talk about how we can move forward and make sure that your Sailors have opportunities in the private sector if that's what they want to pursue?

MABUS:

That's one of the most important things that I think we're doing, Senator. Number one, the transition both in the Navy and the Marine Corps, we try to start a transition a year out so that we make sure that people know what's available and make sure that they get the training, make sure that they get the information that they need to go through it.

We have different tracks. You can go down whether to get more education, whether to become an entrepreneur, whether to get a trade certificate. And this interoperability, the dual credentialing, things like Merchant Marine, things like EMTs for our Corpsman, nurses, things like that we're -- we've actually done a good bit of that and we are, I think -- and I know we're working hard to make sure that people can take the skills that they've learned, the leadership that they've learned to the civilians.

SCHATZ:

Thank you.

COCHRAN:

Thank you, Senator.

The distinguished senator from Missouri, Mr. Blunt.

BLUNT:

Thank you, Chairman. Thank you for -- for holding this hearing.

Admiral Greenert, I know that your (inaudible) understand that you're reviewing the Tactical Aviation Inventory. I think, last week at a House hearing you talked about this and how it might relate to a couple of planes that we make in our statement. Do you want to talk a little bit about the Super Hornets as they may fill the gap here or not, and then any comments you want to make about the electronic attack aircraft, the Growler? I would like to hear that.

GREENERT:

Yes, Senator. Situation is in order -- we're in the middle of a transition from what we call the legacy Hornet. That's the A through D to the Super Hornet, the EF. And that transition requires that we retain a certain number of the legacy Hornet, but they're old. They were built to be -- to have -- to fly 6,000 hours. They're well beyond that, and we are trying to get them out to 10,000.

We've put this program in place three years ago. There were caveats. How -- how complicated was it going to be? What kind of skill did we need? And we assumed the depots would all be open with skilled workers, then sequestration hit. And we found as we're opening and looking at these A through Ds, there's more corrosion. It's more complicated than we thought. It's taking longer.

In the meantime, they're not getting -- they're not getting through the depots and out into the fleet. They represent about 20 percent of -- of the fleet. Well, the 80 percent are the Super Hornets. So we're using them up more than we originally intended. A great aircraft, that's a great -- it's a great aircraft.

So as we look out into the future we say, "Hey, we're using these up more than we thought. We have to look out ahead to the hours on the Super Hornet because this is our -

- one of our strike -- it's a piece of our strike fighter package, our enterprise into the 2020's and 2030's as we bring in the Joint Strike Fighter.

So here's the conundrum. Can we get these legacy Hornets out and in time so that we don't wear-out the Super Hornets pretty maturely? And so balancing that becomes the deal as I go through these next three or four years where we'll have the legacy Hornets.

So the -- right now we have a plan in place to -- to get our way through this, but there are risks, and I just described the plan. There are risks to all of that. Do we get the artisans? Can we get the engineers and can we get the Super Hornets through in time? So, we -- we have a shortfall in -- in Super Hornets, we do. And we're going to have to work our way through here in order to manage it.

Would we have bought more? We -- it was a matter of a budgetary decision here, an end game, to -- to compare our strike -- excuse me, our attack air with the other requirements in the budget. And as I listed in my statement, regrettably, some of the risks we've been taking is in aircraft procurement.

To electronic attack, as I came before the Committee last year, I said I am concerned we won't have enough electronic attack aircraft. The Growler is the Department's primary aircraft and only aircraft in this area.

The Committee responded. The Congress responded, and I thank you for that, Senator, and your part in that.

I requested that we -- that we get a study done this summer and unambiguously declare what the -- what the requirement would be then get done. It's in progress for this next year.

So with your help, we -- and the committee's help, we -- we have what we need today. What I don't know yet until we finished this study and get an unambiguous declaration, what will the electronic capabilities be and the requirement be in the future.

BLUNT:

On the Super Hornets, do you have a sense of what your shortfall may be?

GREENERT:

I think probably the equivalent of two or three squadrons might be. It could manifest to that. I have to see what that turns out.

Now shortfall means, you know, that would be the ultimate, that would be the -- if you will, the sweet spot of the number we have. We can -- we can work through a certain

number of shortfall, 78, and we've done this before. But the -- the question remains as we work through this legacy piece, how much -- how many hours are we using up on the Super Hornets that we didn't intend as we started this journey?

BLUNT:

When do you think that review will give you some more specific information as to what - where you're -- where you are compared to what you thought you would be?

GREENERT:

As we -- the real -- the real issue becomes getting the legacy through -- you know, through that -- those depots. In about 15 months, I have a much better feel because they're starting to pick up speed now fortunately as we go along. But the world is getting to vote as we say, and we're flying long missions overseas now. They are into Afghanistan and even into Iraq and Syria. It's a long flight.

BLUNT:

Well, of course, I don't need to remind you, but keeping the line open here becomes critical with no orders beyond what we put in on the Growler. And the Growler and the Super Hornet use that same capacity and facility. And -- we -- I want to continue to talk to you about this, so let's -- when you have more information, I'm sure the Committee would be glad to hear it, but I would particularly be glad to hear more as that study develops.

GREENERT:

We'll do, Senator.

BLUNT:

Thank you.

Thank you, Chairman.

COCHRAN:

Thank you very much, Senator.

General Dunford, while the current shipbuilding plan only calls for 33 amphibious ships, request from combatant commanders call for up to 54 amphibious ships to meet operational demands. In light of this deficiency, do you believe it would be wise to accelerate the build plan of certain amphibious ships to ensure that we have the ships needed to execute the National Defense Strategy and meet operational readiness challenges?

DUNFORD:

Chairman, thanks very much for that question. And I think what you did last year to help us -- this Committee -- with the 12 LPDs is a key part of trying to address that amphibious capability gap you mentioned.

But not only accelerating that ship and then replacing the LSD, working very closely with the Secretary and the Chief Naval Operations and plan to do that. But also one of the things we're doing to mitigate that gap is using alternative platforms, the mobile landing platform, afloat staging base. We now have the third one in place that will be -- that will be available here in a couple of years, and so alternative platforms are also a key part as well as accelerating amphibious ships, Chairman.

COCHRAN:

Thank you very much.

Senator from Alabama?

SHELBY:

Thank you, Mr. Chairman.

Admiral Greenert, the President's Budget for 2016 proposes -- excuse me -- proposes accelerated acquisition of the long range anti-ship missile so that it can reach early operating capability by '18 or '19 is my understanding. Could you discuss just briefly the importance of continuing the fully -- to fully fund development of the long range anti-ship missile and what it means to the Navy -- what it will mean to the Navy?

GREENERT:

Thanks, Senator.

SHELBY:

This is cutting-edge technology, isn't it?

GREENERT:

Yes, Sir, it is. Today, our primary cruise missile is the Tomahawk. She served well for three decades. There comes a limit to what -- it's an everyday missile. That means it's not hypersonic. It doesn't go faster than the speed of sound.

The missile you described is what we call hypersonic. It's really fast. It's hard to target. When it reaches its target, it does a very high-speed...

SHELBY:

And hard stop, too, (inaudible)?

GREENERT:

Come again, Sir?

SHELBY:

Hard to intercept.

GREENERT:

Very hard to intercept and evasive, so we need to move out in that regard.

SHELBY:

Okay. Secretary Mabus, the USS Fort Worth, a littoral combat ship deployed to Singapore in November of '14, just a few months ago and has, thus far, successfully -- is my understanding -- they employed a mixed aviation detachment, which combines manned and unmanned systems. Can we expect to see more mixed aviation detachments like this in the future? And are they the future?

MABUS:

I think the short answer is yes to both those questions. Yes, you can expect to see more of it and yes, that does pretty much the future.

By combining that manned and unmanned craft on the -- on a single littoral combat ship, you get the best of both worlds. You get the fire scout, the unmanned system that can do - that can do very dangerous tasks that -- and very long-term tasks that if you put a person in a helicopter you couldn't do. By pairing that with an MH-60 helicopter, which has incredible anti-submarine capabilities and anti- surface, you do.

And we've carried out the first cruise swap on the Fort Worth very successfully, and that's the first of the ships that will remain in Singapore. It will be home-ported there, but they'll be far deployed there. We'll reach four LCSs by 2017 that will be in that region full-time.

SHELBY:

It gives you a lot -- a lot of fire power you wouldn't have, would it not?

MABUS:

It gives you incredible fire power and incredible flexibility. And the concern was that it needed to do what a frigate did. And so when you put what a frigate does next to what a - the upgraded LCS does, that's why I renamed the upgraded LCS a frigate. It's the same ship.

SHELBY:

It just changes the game, don't you?

MABUS:

It does with speed and (inaudible).

SHELBY:

Thank you.

Mr. Secretary, one last question, the Navy, in October 2008 -- we know that's seven years ago nearly -- the Navy affirmed that 18-ship requirement for the Joint Speed Vessel, JHSV. The Navies, I understand, is expected to put on the contract the 11th one. Where's -- where are you? Where is the Navy on this now? Are you going to push for the 18 ships or what's going to happen? (Inaudible) a lot depend on what we did?

MABUS:

Well, part of it, we -- we took a look, I believe in 2010 and reduced the number from 18 to 10. That was done on what the combat commander needed, how we could move troops around.

Thanks to this Committee, thanks to Congress, we got an 11th high-speed vessel in '15, which we very much appreciate. We're going to keep a continuous look on that because, as General Dunford said, today we don't have the -- we don't have adequate lift, particularly in the Pacific. The Joint High-Speed Vessel is one of the -- one of the solutions to that.

And now that we've got our first JHSVs out in the fleet operating not only to carry Marines, but also do theater security cooperation. We have one in South America today. We -- we will continue to evaluate the need for how many we need in the future.

SHELBY:

Thank you.

Thank you, Mr. Chairman.

COCHRAN:

The distinguished senator from Maine?

COLLINS:

Thank you, Mr. Chairman.

Admiral, am I correct that when you survey the combatant commanders that they actually tell you that you would need 450 ships in order to meet all of the military requirements that they have identified?

GREENERT:

You are correct, Senator.

COLLINS:

So we need more of all sorts of kinds of -- of ships and submarines in order to meet those military requirements. What is the projected plan for where we would be on the number of ships five years from now?

GREENERT:

Well, we'll be 304 ships in 2020 with the President's Budget. And as you said that it's not just the numbers, it's the right kind of ships. So we are building the right kind of ships because we're doing multi-years for destroyers. The Swiss Army knife of the fleet does it all, our early Burkes.

And in submarines, we have to build two a year to get out of an inevitable davit. And then, of course, the littoral combat ship, that is our small surface combatant. We have about half of the number that we need.

COLLINS:

Thank you. That's very helpful.

General, you spent a great deal of time in Afghanistan as commander, and I thank you for that service. I noticed you were there for, I think, 14 months, which is a long tour of duty. In your personal professional opinion, should we have a residual force left in Afghanistan at the end of next year?

DUNFORD:

Senator, I believe we should. And the most important thing that we need is an effective counterterrorism partner in the region, in Afghanistan, in that particular region. And we also need an effective counterterrorism platform, which Afghanistan would be if we develop the kind of relationship that we're working on now with the Afghans as well as building their own capacity. So I do think some residual capacity at the end of next year is going to be critical for us to protect our own national interest.

COLLINS:

And how many troops do you think is an appropriate number for that residual force?

DUNFORD:

Senator, I'd prefer to probably talk to you about that in private at this point because I know that my -- my successor now is in the -- is in the process of providing best military

advice to the president and I wouldn't want to publicly get out in front of -- of the individuals who's actually on the ground now working with that issue.

COLLINS:

I understand. Thank you.

COCHRAN:

The distinguished senator from Alabama?

SHELBY:

I have concluded mine.

COCHRAN:

The senator from Missouri?

BLUNT:

Thank you, Chairman.

General Dunford, back to planes again, how many F-18 aircraft do you have on the out-of-reporting status?

DUNFORD:

50 percent, Senator, of our F-18s right now are out-of- reporting, and that's over 100 aircraft.

BLUNT:

Is there a comparative number to what would normally be acceptable there?

DUNFORD:

Well, we -- we would seek to have somewhere about 80 percent of our aircraft available as opposed to...

BLUNT:

As opposed to 50...

DUNFORD:

...as opposed to 50 percent.

BLUNT:

...50 percent. What -- what risk does that establish with only 50 percent available?

DUNFORD:

Senator, it's risk in a couple of areas. First and foremost, it's risk in our ability to respond to a major contingency, and that's one of the components. When I talked about the readiness of our forces that are at home station, they're non-deployed status or the non-deployed units in their readiness status, their ability to respond to a contingency in the Korean Peninsula or some other major adversary would be -- would be challenged as a result of loss of those aircraft.

It also impacts our ability to train pilots to the right standards because there's not enough aircraft available on a day-to-day basis to be able to do that.

BLUNT:

And what -- what are you trying to do to mitigate the problem?

DUNFORD:

A key piece to that, Senator, is what -- is what Admiral Greenert spoke about. And -- and as a result of sequestration in 2013, our depot maintenance was backlogged, and that's one of the reasons -- that's one of the major contributing factors to our out-of-reporting F-18s today. And so getting depots back up and operating, and maximizing their throughput, which includes a more -- a more detailed approach to triaging aircrafts to get them into the facilities and get them up more quickly is one of the major things we're doing to try to accelerate that.

Then, of course, a key piece of our from Marine aviation, a key piece of it is accelerating F-35 and transitioning to the F-35, which is the future for Marine aviation.

BLUNT:

And one question just, Admiral Greenert, on that F-35 topic back to the -- the Growlers that are in process now, I believe you said last year that you thought that electronic product that the Growler produces was a key part of the future package of -- that involved F-35s, and that would be defense system-wide not just Navy planes, but not just Navy but that would be the principal -- would add an important electronic warfare component to an F-35 package. Am I -- did I remember that correctly?

GREENERT:

You did, Senator. The -- the Growler with the pod, that's the real jammer, is the electronic attack capability for the Department of Defense from -- from the air -- tactical air.

They -- now, an F-35, by itself can't -- can't provide for itself, if you will. But we go in as a package. You know, we go in suppress, do the business, get access and come back. So you had it right, Senator.

BLUNT:

Okay. Thank you.

Thank you, Chairman.

COCHRAN:

Thank you, Senator.

Are there other questions on the panel?

In closing, let me thank our distinguished panel of witnesses for your testimony and your continued assistance to the committee. We're grateful for your service to our nation. We look forward to continuing a dialogue throughout the fiscal year 2016 in connection with the appropriations process.

If there are any additional questions from members of our Committee, they will be submitted to each of you for your responses.

The Defense Subcommittee will reconvene on Wednesday, March 11 at 10:30 a.m. and receive testimony from the United States Army.

This Subcommittee stands in recess.

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