Mr. Chairman, Senator Reed, distinguished members of the committee, I am honored and humbled to appear to you today as your CNO, on behalf of our more than 500,000 active and reserve Sailors, civilians and families, to discuss Navy’s budget request.

To start, I want to thank you for your leadership in keeping our nation secure, and keeping our Navy the strongest that has ever sailed the seas. This year’s budget continues our important work.

It’s always good to start by framing the problem. America is a maritime nation, and our prosperity is tied to our ability to operate freely in the maritime environment. Today’s strategic environment is increasingly globalized and increasingly competitive. Global systems are used more, stressed more, and contested more. The maritime system has seen explosive growth - for the first time in 25 years, there is competition for control of the seas. From the sea floor to space, from deep water to the shoreline, and in the information domain, things are accelerating. The global information system has become pervasive and has changed the way we all do business, including at sea. Technology is being introduced at an unprecedented rate, and is being adopted by society just as fast. Finally, a new set of competitors are moving quickly to use these forces to their advantage, and for the first time in 25 years, the US is facing a return to great power competition.

These new forces have changed what it means for the Navy and Marine Corps to provide maritime security. While the problems are much more numerous and complex, our responsibility remains the same. Naval forces must provide our leaders credible options to protect America from attack, advance our prosperity, further our strategic interests, assure our allies and partners, and deter our adversaries -- which rests on the ability of the Navy and our sister services to win decisively if conflict breaks out.
If we don’t adapt, we will perform below our potential, and worse, we may fall behind our competitors.

To do this, the Navy is focusing on four lines of effort: we’re going to strengthen our navy team, strengthen naval power, expand and strengthen our partnerships, and achieve high velocity learning at every level.

Unquestionably, the most important part of our Navy is our Team - Everything we do starts and ends with our Sailors, civilians, and their families. As our platforms and missions become more complex, our need for talented people continues to be a challenge. We need to recruit, train, and retain the right people, and our Sailor 2025 initiatives are aimed squarely at that challenge. Those efforts are based in our core values of honor, courage, and commitment and demonstrated through four core attributes of integrity, accountability, initiative, and toughness.

That team is committed to our mission, which requires us to strengthen naval power at and from the sea. This budget reflects some very tough choices as we achieve this aim. We have prioritized shipbuilding and the industrial base. First in that effort is the Ohio Replacement program, which I believe is vital to our survival as a nation. We are taking steps to more deeply ingrain information warfare. We’re also investing in our naval aviation enterprise, rapidly integrating unmanned systems, and bolstering our investments in advanced weapons.

In addition to these investments, we are adjusting our behaviors to keep pace with a world that continues to accelerate. We are doubling down on an approach that relies more heavily on experimentation and prototyping. We are pursuing multiple avenues to drive shorter learning cycles into all that we do. We must learn faster.

To close, I wanted to mention that recently I had the honor to spend time with Senior Chief Ed Byers, who was awarded the Medal of Honor by the President, on behalf of the Congress.
Senior Chief Byers represents the very best of our servicemen and women. He is emblematic of this generation’s continued commitment to our core values - and to their fellow Americans. The SEAL ethos reads in part, “My loyalty to Country and team is beyond reproach. I humbly serve as a guardian to my fellow Americans, always ready to defend those who are unable to defend themselves. I do not advertise the nature of my work, nor seek recognition for my actions.”

Mr. Chairman, all our people want to do is protect their great nation. It is my job to lead them well and prepare them for that task. The 2017 Navy budget is this year’s best approach to solving the problems and seizing the opportunities that face the Navy today. I thank you, and look forward to your questions.