Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the committee: I am honored and humbled to appear before you today as your CNO, on behalf of the over 500,000 active and reserve Sailors, our civilians and our families. To start, I want to thank you for your leadership in keeping our nation secure, and in keeping our Navy the strongest that has ever sailed the seas. This year’s budget continues our important work.

I always think it’s good to start by framing the problem. America is a maritime nation, and our prosperity is inextricably linked to our ability to operate freely in the maritime environment. Today’s strategic environment is increasingly globalized and increasingly competitive. Our Global systems are used more and more, they are stressed more, and they are contested more. For the first time in 25 years, there is competition for control of the seas - the maritime environment has seen explosive growth. 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. And finally, Mr. Chairman, as you outlined, 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. And while the problems are 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 our ability with our sister services to win decisively if conflict breaks out.

To do this, the Navy is focusing on four lines of effort: first and foremost, we are going to do right by our people - everything begins and ends with them. With the Marines, we are going to broad naval warfighting concepts and capabilities, we are going to strengthen our partnerships, and we're going to learn faster.

Unquestionably, the most important part of our Navy is our Team - Everything we do starts and ends with them. 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 that the secretary highlighted 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 - integrity, accountability, initiative, and toughness.

That team is committed to our mission, which requires us to strengthen our 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 to the maximum extent possible. 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 investing in our naval aviation enterprise, rapidly integrating unmanned systems, and bolstering our investments in advanced weapons.

In addition to these investments, we are also 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. And, we are pursuing multiple avenues to drive shorter learning cycles into all that we do. We must learn faster.

Mr. Chairman and members of the committee, 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.