

**Chief of Naval Operations  
Adm. Gary Roughead delivers remarks at  
House Armed Services Committee Holds Hearing on the Proposed Fiscal 2012  
Budget for the U.S. Navy  
March 1, 2011**

MCKEON: Good morning, ladies and gentlemen. Thank you for joining us today as we consider the President's fiscal year 2012 budget request for the Department of the Navy. Secretary Mabus, Admiral Roughead, good to have you here again. General Amos, welcome for your first hearing here as Commandant. Glad to have you.

We want to thank all of you men for the tremendous service you've performed for our country and for those that wear the uniform behind you, and behind you, elsewhere around the country, around the world. As we review your budget requests and reconcile it with the larger DOD efficiencies initiative, we can see in many ways the Department of Navy gained capabilities.

However, I remain concerned that this request does not fully provide for the Navy and the Marine Corps. I support efforts to identify savings and reinvest those dollars in the critical force structure and modernization. But many of the efficiencies identified by your department are cost avoidance initiatives and not clear cut savings. As such, we're concerned that they in fact materialize.

Furthermore, over the five-year period that this budget request covers, your Department harvested over 42 billion in so-called efficiencies yet had to sacrifice approximately \$16 billion of that amount or 38 percent back to the Treasury. In order to generate much of the savings, you've been compelled to make significant force structure cuts. But your requirements haven't changed.

For example, the amphibious assault mission remains valid but you cancelled the Expeditionary Fighting Vehicle. Likewise, the strike fighter inventory requirement to support the current National Defense Strategy's 10 aircraft carrier air wings containing 50 strike fighter aircraft each.

We do not currently meet this requirement but the budget request puts the F-35B Joint Strike Fighter on a two-year probation and you've shuttered an aircraft carrier air wing. Similarly, the budget request assumes savings as a result of a decrease in the Marine Corps and end strength of 20,000 personnel before the Marine Corps could even complete its force structure review. Now, the Marine Corps suggests they cannot live with that number. It can only reduce end strength by 15,000.

Finally, you proposed to design the Ohio Class replacement ballistic submarine with fewer missile tubes than envisioned by the New START Treaty or STRATCOM. Adding to my concern is that the current battle force inventory is at least 25 ships below your stated 313-ship floor. Although we have not seen the results of the force structure assessment you indicated was underway last year, one can only imagine that the requirements for ships will grow as missions such as anti-piracy and sea-based missile defense expand.

Just in time replacements for legacy force structure such as the Ford Class aircraft carrier program and the Joint Strike Fighter program are currently behind schedule and over cost, causing even more resources to be required to sustain legacy platforms. Your department gives this nation the most flexible and lethal projection of power of any country in the world. It's imperative that we sustain and maintain a robust and effective fighting force borne from the sea and that we provide you with sufficient resources to do that, which includes finishing the FY '11 Defense appropriations.

As you know that we're really working together to try see that happen, it's not going to happen this week. But hopefully in the ongoing discussions we can bring that to a -- to a good conclusion.

Ranking Member Smith?

SMITH: Thank you, Mr. Chairman.

And thank you, gentlemen, for being here this morning and for your service to our country. And we are in a very, very challenging budget environment. Short-term, we need to get something done for FY '11. I know the pressure that has put on you; it is always helpful to hear specifics about that.

So during your testimony today, it'd be good to hear more about sort of what the CR means in terms of limiting your ability to operate, hopefully to spur us all to get that done so that we can have an actual appropriations bill for the Department of Defense. We know that impacts you in many ways. And then beyond that, even once we get through the last seven months of 2011, and going forward, we face enormous budget challenges across the whole of government and certainly that will have some impact on the Department of Defense. So, we're anxious to hear how you plan to manage those.

And the Navy and the Marine Corps are in a sort of a unique position. You are the main upfront projection of our power. The main point of the Navy and Marine Corps is to be ready to go anywhere anytime often with very little notice. So that preparation requires, you know, a broader array of -- a broader array of preparation to make sure that we're ready for whatever comes at us.

You've all done that very, very well in the past. And in the future, there will be many more challenges along those lines. We continue to have the problems of piracy. The disruption in the Middle East could give rise to any number of different decisions that we have to make in terms of being able to get in to that region in a supportive capacity. And, of course, there continues to be major challenges in the CENTCOM AOR that require your services.

So that ability to project power is critical to our national security. Navy and the Marine Corps are a critical part of that. So I agree very much with the Chairman's comments about, you know, some of the challenges going forward, some of the decisions that have been made about which programs to continue, which programs to cancel, how to make shifts.

I look forward to your testimony today, to further explain some of those decisions and how exactly they will work out. And pretty much along the lines as was what the Chairman said so I will not repeat that.

And I guess the last thing I like to say, you know, we, for quite some time in this committee have talked about the number of ships that are necessary within the Navy, 313 seems to be the magic number. I think it would be helpful for all of us to sort of better understand why. You know, what are the requirements that have led us to say that 313 is the magic number.

And then the other piece of that, of course, is you have a lot of different ships, that are not all created equal, we could conceivably have 313 but still not meet your needs if we don't have the right types of ship -- no, I'm sorry, ships. So a better understanding of how you see that balance going forward would be helpful for the committee.

And with that, I will yield back and I look forward to your testimony.

And thank you again, Mr. Chairman.

MCKEON: Thank you.

Well, we're happy to have the Honorable Ray Mabus, Secretary of the Navy, Admiral Gary Roughead, the United States Navy Chief of Naval Operations, General James F. Amos, the United States Marine Corps Commandant.

Mr. Secretary, you'll start it out.

MABUS: Push the button.

Mr. Chairman, Ranking Member Smith, members of the committee, I have the honor of appearing here today on behalf of the Sailors, Marines and civilians that make up the Department of the Navy.

I want to mention the absence of Representative Gabby Giffords who were it not for the senseless act in January would be here with us today. She's a member of the Navy family and been a true friend of the Navy and Marine Corps throughout her entire career. And I want to extend the thoughts and the prayers of everybody in the Department of the Navy to her and to her family as she recovers.

Today, the Navy and Marine Corps are conducting missions across the full range of military operations. They remain the most formidable expeditionary fighting force the world has ever known. And with your support, it will continue to meet the multiplicity of missions entrusted to them by our nation.

Today as the Chairman and the Ranking Member pointed out, we face an immediate crisis, the absence of a Defense Appropriations Bill and the increasingly serious problems of operating under continuing resolution. The pressure of the CR has already significantly impacted procurement and reduced the resources available to maintain readiness.

If the CR continues for the entire year, we will be forced to reduce aircraft flight hours and ship steaming days, cancel up to 29 of 85 surface ship maintenance availabilities, to defer maintenance on as many as 70 aircraft and 290 aircraft engines, defer up to 140 maintenance and construction projects across this country. In addition, the lack of legislative action will prevent the construction of one Virginia Class submarine, two Arleigh Burke destroyers and one mobile landing platform, prevent procurement of two nuclear reactor cores and delay increased funding for the Ohio Class replacement.

Reduce Marine Corps procurement up to a third after rebalancing the Marine Corps Manpower counts, create a \$4.6 billion shortfall in operation and maintenance accounts, and create nearly a \$600 million shortfall in combined Navy and Marine Corps manpower accounts. These measures will not only place additional stress on the force and our family, they will weaken the industrial base and affect over 10,000 private sector jobs.

The disruption to our fleet and to our shore maintenance and modernization schedules may take years to recover from and will come at a much greater cost. We strongly request Congressional action to address the implications of this continuing resolution. This is particularly important when considering submission of the FY '12 budget request which was based on the FY '11 request.

The FY '12 President's budget request of \$161 billion, an increase of only one half of one percent over FY '11, includes funds for 10 aircrafts -- for 10 ships and 223 aircraft. It maintains our commitment to take care of our people, build a strong R&D and industrial based and grow the fleet.

The \$15 billion request for overseas contingency operations which represents a drop of \$3.5 billion from FY '11 includes funds to sustain operations, manpower, infrastructure as well as procure equipment and support operations in Afghanistan. During the development of this budget, we were keenly aware of the fiscal position of the country and the necessity to be responsible stewards of taxpayer dollars.

The resulting request is a strategy-driven document informed by fiscal realities. It balances competing requirements and tries to do what's best for the country, the Navy, the Marine Corps and our Sailors and Marines. We began this budget cycle by examining every aspect of what we do and how we do it.

Consequently, \$42 billion in the Department of the Navy efficiencies were identified over the five years. As a result, we had be able to add one Aegis Class destroyer, three TAO(X) fleet oilers, one T-AGOS ocean surveillance ship to our ship-building plan. With our dual-block LCS strategy, this increases the total number of ships over the next five years from 50 to 56, including one Joint High Speed Vessel to be built for the Army.

The savings also allows to by additional F/A-18s, extend the service life of up to 150 legacy aircraft as a hedge against delays and the deployment of the F-35B and allow us to continue investing in unmanned systems which are becoming increasingly important on the battlefield and unmatched in their ability to covertly survey hostile forces without placing our own people at risk.

This upcoming year, we'll see deployment of the Fire Scout to Afghanistan and continued testing the UCAS-D, the forerunner of an integrated carrier launch strike system. In 2010, one of the most important efforts was the decision endorsed by Congress to pursue the new Littoral Combat Ship through a dual-block buy strategy.

At an average cost of less than \$440 million per ship and with the cost reductions we have seen on LCS-3 and 4, the new strategy will save taxpayers \$2.9 billion. This plan is one that's good for the Navy, good for taxpayers, good for the country and demonstrates what can accomplished when sound acquisition principles are followed and enforced.

We heard the message from Congress very clearly. We need more ships but they have to be affordable. The LCS strategy supports the industrial base by keeping workers employed at two shipyards and is indicative of the Department's push to ensure acquisitions excellence.

The fixed price contracts used for LCS are our model. They are the result of effective competition and give the government full ownership of the technical data packages in construction and afford greater Congressional oversight. With the new LCS strategy, we get more ships more quickly, more affordably.

Significant additional savings were also achieved through terminating the Expeditionary Fighting Vehicle. It's important to emphasize that this decision in no way changes our nation's commitment to amphibious warfare or on amphibious assault capability.

We have to maintain an amphibious assault capability that will put Marines ashore, ready for the fight. But the EFV is not the vehicle to do this. Conceived in the 1980s, the EFV was a previous generation solution to a tactical problem that has since fundamentally changed. And its cost per unit would have consumed half that Corps' total procurement and 90 percent of its vehicle related operation and maintenance account. We simply cannot afford it.

In aviation programs, we're also closely monitoring the Joint Strike Fighter, particularly the Marine Corps variant, the B. After a two-year period of focused scrutiny, we'll make an informal recommendation about resolving the technical and cost issues. Ashore, we continue to confront rising health care cost caused by an increasing number of beneficiaries, expanded benefits and increased utilization.

To deal with these trends, we have to implement systematic efficiencies and specific initiatives that improve the quality of care and customer satisfaction but at the same time more responsibly managed cost. We concur with the recommendations made by the Secretary of Defense to ensure fiscal solvency and benefit equity for our retirees.

Finally, we're continuing efforts to invest in and develop alternative energy. The latest headlines from around the world reinforce our basic point -- energy is first and foremost an issue of national security. We can't allow volatile regions of the world to control the price and affect the supply of the fuel that we use.

Last year. The Navy and Marine Corps took some huge steps forward including flying the F/A-18 Hornet on bio-fuel, conducting a large scale of expansion of solar power and beginning expeditionary initiatives, efficiencies and initiatives in Afghanistan.

What we're doing there is already saving lives as we reduce our reliance on imported fuel. We will continue these investments this year. And we will continue to move forward toward our goal of at least 50 percent alternative energies by 2020.

In closing, It's a solemn privilege to lead the naval services during an era of protracted war and of national challenge. I've been honored by the trust the President and Congress have placed in me and profoundly moved by the sacrifice and devotion I've witnessed in the Sailors and Marines who defend us.

The Navy and Marine Corps are and will remain ready to do any mission America gives them.

Thank you and Godspeed.

MCKEON: Thank you very much, Mr. Secretary.

Admiral?

ROUGHEAD: Thank you very much, Mr. Chairman.

Chairman McKeon, and Ranking Member Smith, and members of the Committee, it's my honor to appear before you in my fourth year as the Chief of Naval Operations, representing more than 600,000 Sailors, Navy civilians and their families who operate and live globally.

I appreciate your continued support for them and their families as they continue to carry out our maritime strategy. I, too, would like to echo the Secretary's comments and thoughts with regard to Representative Giffords, all of us who served wish her the very best and a speedy recovery.

Our Navy continues to be meet operational commitments and respond to crises as they emerge. We're engaged in Iraq and Afghanistan with 14,000 Sailors on the ground and another 14,000 at sea in the region. Thirty percent of the air support over Afghanistan flies off the decks of our aircraft carriers. But our presence in the Middle East also gives us the flexibility to respond to the sweeping changes that we see taking place there.

But our interests extend far beyond that and so do our operations. Today, we have approximately 65,000 Sailors deployed at about 40 percent of our force structures.

We're globally present and we're persistently engaged. We provide deterrence in Northeast Asia and a presence in Western Pacific. We conduct counter-piracy operations in the Indian Ocean and we're building maritime partnerships in Africa, South America and the Pacific.

The demand continues to grow for the offshore option our Navy and Marine Corps team provides the nation. We assume the lead for the first phase of the phase adaptive approach for ballistic missile defense in Europe and we're working with the Missile Defense Agency on providing that same capability ashore.

We've created the new information directorate on my staff and that has enabled us to make better decisions and investments encountering anti-access and area-denial threats. We've recently established the Tenth Fleet, our cyber fleet, and has already demonstrated its expertise by conducting joint and naval operations in the cyber network cryptology and space arenas.

To deliver the above, we've been pushing the fleet hard. We have 288 ships today, the smallest it has been since 1916 when our interests and responsibilities were no where near what they are today. And that's why 313 ships remains the floor of our future force. It also is wise sustaining fleet capacity is essential in reaching that floor.

Since I became CNO, I focused on ensuring the Navy is ready, better quality of work and quality of life for fulfilling to the men and women of our Navy, and that we place underperforming programs back on track. We've introduced stability, affordability and capacity into our ship building and aviation plans. And with the assistance of Congress, we have advanced capabilities to meet the most likely evolving threats.

We've secured as the secretary mentioned the fixed-price dual award for 20 Littoral Combat Ships. We've addressed our strike fighter capacity with a multi-year FAA team procurement. Pending resolution of the continuing resolution, we will build two Virginia Class submarines per year, another Guided Missile Destroyer. We'll start the mobile landing platform, construct and refuel our aircraft carriers as planned, and continued to design of our replacement strategic deterrence submarine.

I'm pleased with our accomplishments and I thank the Congress for their continued support for our acquisition strategies. Our fiscal year 12 budget request is a balanced approach to increasing fleet capacity, maintaining war fighting readiness, and developing, and enhancing our Navy total force.

The budget goes beyond ships and aircraft. It enhances electronic warfare, information dominance, integrated air and missile defense, and anti-submarine warfare capabilities for the evolving challenges.

It continues to develop the family of unmanned systems that will work in concert with our manned systems to secure access and establish maritime superiority when and where we choose. It continues our effort over the last two years to reduce total ownership costs and leverages the opportunity presented by the secretary of defense's efficiency initiative to reduce excess

overhead, improved readiness, and reinvest in war-fighting capability and capacity that improves the long-term sustainability of our force.

Importantly, it supports the Secretary of Defense's health care initiatives included in the President's budget, which continue our efforts in health care to improve internal efficiency, incentivize behavior, and ensure all our beneficiaries are treated equitably.

We're seeing high satisfaction with our medical home port initiative. And I'm comfortable with the changes to propose fees and co-payments including indexing enrollment fees to a medical inflation index, incentivizing beneficiaries to use the most cost-effective prescription delivery methods and the elimination of sole community hospital status.

These are gradual, fair, and equitable changes that enhance our ability to deliver high quality health care for years to come. You can be exceptionally proud of our Sailors and Navy civilians, who they are, and what they do. Today, Sailors are the best with whom I have ever served.

I ask for your strong support of our fiscal year 2012 budget request. And I thank you for all you do to support the men and women who make our Navy the enduring global force for good. I look forward to your questions.

MCKEON: Thank you, Admiral. General?

AMOS: General McKeon, Ranking Member Smith, and members of the committee, it's my honor to appear before you today for the first time as the commandant of the Marine Corps to articulate the posture of your Corps. Today, the corps serves as America's Expeditionary Force-in-Readiness, a balanced air ground logistics team of 202,000 active, 39,600 reserve, and 35,000 civilian Marines.

Our ability to serve as our nation's principal crisis response force is due in large part to this committee's and Congress's strident continued strong support. I thank you for that.

Today, there are roughly 32,000 Marines forward deployed around the world. As we sit here, it's roughly 7:50 in the morning, excuse me, in the evening in Afghanistan. The rainy season has hit. The evenings remain cold and damp. It's in this nation where 20,000 of our young men and women are engaged in full spectrum combat operations and counterinsurgency operations.

I'm encouraged by the significant progress that they have made in the Helmand province. And you have my assurance that this effort remains my top priority. Sergeant Major Kent and I spent Christmas with our Marines and our Sailors in Afghanistan. I'm happy to report that their morale is high and belief in their mission remained strong.

Partner with the United States Navy, we are forward-deployed and forward-engaged. This past year alone, our afloat forces conducted humanitarian assistance missions in Pakistan, Haiti, and the Philippines.

We recaptured the pirated ship, Magellan Star, rescuing its crew from Somali pirates, and partnered with allied forces in engagement missions in the Pacific Rim, Latin America, Africa, and throughout Eastern Europe.

Halfway around the world this morning, Marines are ready, honing their skills on board our Navy's great capital ships, prepared to do our nation's bidding. Such a role as America's crisis response force, necessitates that we maintain a high state of readiness.

We're either ready to respond to today's crisis, with today's force, today, and thus -- or you risk being late and thus being irrelevant. I am keenly aware of the fiscal realities confronting our nation. During these times of constrained resources, the Marine Corps remains committed to being the best stewards of scarce public funds.

We maintain a longstanding tradition in Congress as the Department of Defense's penny-pinchers. Our institutionalized culture of frugality positions us as the best value for the defense dollar. For approximately 8.5 percent of the annual defense budget, the Marine Corps provides the nation 31 percent of its ground operating forces, 12 percent of its fixed-wing tactical aircraft, and 19 percent of its attack helicopters.

This year's budget submission was framed by my force service level priorities. We will, number one; continue to provide the best trained and equipped Marine units to Afghanistan. Two, rebalance our Corps and posture it for the future. Three, better educate and train our Marines to succeed in increasingly complex environments. And four, finally, keep faith with our Marines, our Sailors, and our families. While these priorities will guide our long-term plan for the Marine Corps, there are nonetheless pressing issues facing our Corps today that concern me, issues for which I ask Congress's continued assistance in solving.

Our equipment abroad and at home stations has been heavily taxed in the nearly 10 years of constant combat operations. The price tag for reset is \$10.6 billion of which 3.1 billion has been requested in FY '11 and 2.5 billion is being sought in FY '12. The remaining \$5 billion bill will be needed upon the completion of our mission in Afghanistan.

The F-35B STOVL Joint Strike Fighter is vital to our ability to conduct expeditionary operations. Continued funding and support from Congress for this program is of outmost importance. During the next two years of F-35B scrutiny, I will be personally involved with the program and closely supervising it as the commandant of the Marine Corps.

Both the Secretary of Defense and the Secretary of the Navy have reaffirmed the necessity of the Marine Corps' amphibious assault mission. We must develop an affordable and capable amphibious combat vehicle to project Marines from sea, to land, in permissive, uncertain and hostile environments. I ask for your support to reach this goal.

To ensure that the Marine Corps remains a relevant force with the capacity and capability to respond to the demands of the future security environment, we recently conducted a detailed and internally driven force structure review. The results of this effort provide America a strategically mobile middleweight force optimized for forward presence and rapid crisis response.

As we look to the future of the Marine Corps, it's committed to finding ways to be more energy efficient. Since 2009, we have aggressively pursued energy efficient capabilities that will make Marine units more energy self-sufficient, increase our combat effectiveness, and protect our lives.

Two weeks ago, I signed our new bases-to-battlefield energy planning guidance, which sets goals and metrics in a plan to implement just that. Finally, I would like to comment on the impact the current continuing resolution has had on our operations and programs.

As of today, \$565 million in military construction contracts have not been awarded. \$2.4 billion of MILCON is at risk for the remainder of the year for the Marine Corps. These projects impact the lives of Marines, the local economies of the communities around our bases and stations, and are projected to generate over 63,000 jobs from the Carolinas to Hawaii.

If the continuing resolution extends through the entire fiscal year, 13 bachelor enlisted quarters, totaling 5,000 affected spaces, will not be built, thus stymieing our BEQ modernization efforts. These 13 bachelor enlisted quarters will allow eight infantry battalions to move out of 50-year-old Cold War barracks. Finally, a continuing resolution could prove catastrophic to our procurement accounts, resulting in a loss of almost a third of our procurement budget.

Lastly, you have my promise that in these challenging times ahead, the Marine Corps will only ask for what it needs, not what it might want. We will make the hard decisions before coming to Congress and we will redouble our efforts toward our traditional culture of frugality. As has been the case for over 235 years, your Marine Corps stands ready to respond when the nation calls whoever the president may direct.

Once again, I thank each of you for your continued support. I ask that my written testimony be submitted for the record. And I'm prepared to answer your questions, Mr. Chairman.

MCKEON: Thank you, General.

Thank you to each of you. Just a couple of things on the -- on the CR, if that had been taken care of last year on regular order, we wouldn't even be discussing it now, but it is what is. And I know order, all of the members on this committee in strong support of getting this work finished up.

In the -- in the process of the CR, the appropriators and the leadership have separated out the defense and they are working to bring that to a resolution and then all the other issues will be dealt with in one large omnibus package. But the defense, we are trying to finish up that appropriation bill. And I know every week that goes by, it causes more problems. So, hopefully we can get that wrapped up quickly.

General, I just returned. Mr. Reyes and Mr. Kline and myself went to Afghanistan. I know other members of the committee have just returned over the last break from Afghanistan, and I was very impressed with the morale of the Marines down at Marja and in the -- in the south down there with the job that they have done.

And those young captains were so excited to show us what they were doing and what they -- what they had accomplished and -- and I was -- I was really impressed by their attitude, by their professionalism, and by the way that they are carrying out their responsibilities.

And it was just -- it was a great experience for me. And I saw a lot of progress from a year and half ago to now, when the Marines had just gotten to Camp Leatherneck were just starting to move out to where, now, they've -- they've freed up most of that area and done an outstanding job.

The concern I have and I mentioned it in my opening statement, the out-years Department of the Navy budget plans for the Marine Corps end strength of 182,000 personnel. However, the Marine Corps force structure assessment just released state's requirement for an end strength 5,000 personnel over that amount. What is your out-year budgeting strategy for adding back the additional \$500 million required to accommodate an additional 5,000 personnel?

AMOS: Congressman, that -- as you recall that sits out there in year '15 and '16, is when the -- when the budget was adjusted and it was 10,000 a year, that was the drawdown. That was proposed at the time. Now there is recognition within the Department of Defense that it's not -- it's not 20,000.

What I've asked our leadership to allow me to meter down that manpower to avoid reductions in forces and keep -- keep faith -- my last priority, keep faith with my families and Sailors and our Marines. So, yet to be seen precisely how that drawdown will take place.

The secretary of Defense and the secretary of the Navy have -- have assured me that it will be conditions based. In other words, it's designed to be post-Afghanistan when the Marines are out of Afghanistan. So, based on that, there'll probably be some adjustments as we move in to POM '13 and POM '14 as we work those budgets.

So, right now, we don't have as you -- as you note, we don't have the solution to that 5,000 yet. But we will be working that as we build the '13 budget and as we build the '14 budget, sir.

MCKEON: I understand it's very difficult for us to look out a year, especially when we haven't even finished up last year's work. So, it is difficult. But I -- I -- I've heard also that is conditions-based. And we will just take care of this one year at a time as best -- as best we can.

On the SSBN program, the Navy has determined that designing an Ohio-class ballistic missile replacement submarine with 16 missile tubes is more affordable than designing it for the current missile requirement of 20 missile tubes per submarine.

You know, one of the things I'm really concerned about is we've -- we've just eliminated the EFV. We've eliminated most of what we had planned for in the F-22s. When I first came here, we had out the B2 from a 130 to 20 and there have been a lot of programs started. And -- and the excuse for the -- for eliminating the EFV is because now we can't afford it.

Well, I don't know when we determine that, because we've been working on it for 20 years. What my concern is now on this -- on this submarine program, is that 20 years from now, are we -- I mean, if you look at it right now and realistically look at the budget, we're not going to be able to afford it even at this reduced number of 16 silos.

Are we? Or do you feel that -- that that will be affordable with all the other things that are needed for the Navy?

MABUS: Mr. Chairman, as we've looked forward, as you know, the Ohio-class replacement, we have to start building in 2019 to go on patrol in 2029, its first patrol. So what we're doing today is trying to come up with the best R&D, the best design that we can and to get the cost into a manageable range.

We've taken a billion dollars per boat out within the last year and we are looking for another half billion per boat. And the reason for that is twofold -- one is to give us the best deterrent capability, because the Ohio-class and its replacement are the most survivable legs of the nuclear triad. But it's also to keep from hollowing out our fleet, you know, as we start to build these replacement submarines, you know, because they do take such a large part of our ship building budget, and to show what that will do in our long range -- in our long range plans.

We have -- one of the things that I have committed and I think we stuck to is to be very realistic in terms of how much something will cost. How much we can anticipate the -- a range that we can anticipate that Congress will provide for ship building and to work within those means.

But I do think that the Ohio-class replacement that we are designing will be, well, it's absolutely necessary and we need to make it affordable so that we can both have that deterrence and also have the rest of the fleet that we're going to need in the next 20, 30, 40 years.

MCKEON: I think we're in on an agreement on the need. What my concern is that somewhere down the line, I mean, one of the ways we got the billion dollar saving is just cut it from 20 to 16 tubes. You -- we cut the capability of the ship to save money. And that -- that -- that makes me a little nervous about how we're going to be able to really provide all of our needs. It's just across the board I see our defense needs being driven by budgetary concerns rather than to meet potential crises that might confront us at some point down the line.

AMOS: The number of tubes designed in today for the Ohio class replacement meets every contingency that we know of today. It meets every targeting design that we will be tasked with.

We also -- as technology changes you know we are able to reduce the number of those submarines from 14 to 12 because now we're -- we will be building a life of a hull reactor so that there won't be the need to pull two submarines at a time out for a refueling. They would be able to stay on patrol for their entire lifetimes without refueling. So, as the technology changes, we will absolutely meet the needs, but try to do it within the fiscal realities that we confront.

MCKEON: Thank you. Ranking Member Smith.

SMITH: Thank you, Mr. Chairman. I certainly appreciate the difficulties of operating under a CR and the 2011 budget. And to share the Chairman's concerns, I want to make sure we go forward. It is worth pointing out that the House did in fact pass a 2011 defense appropriations bill; also worth pointing out, actually, that the Senate, on more than one occasion, had a defense and appropriations bills as well. But the filibuster is a very powerful tool to stop things from happening.

One of the things that I am committed to, this whole committee is committed to is working together across party lines to get something done. But certainly the House fulfilled its obligation and we are trying to get the appropriations bill done still. We're going to work together to make that happen.

And also I want to say I was in Afghanistan at the end of November and was very, very impressed with what the Marine Corps has accomplished. We were taken down to Helmand Province, walked to a village down there that you know a mere matter of months before no one could've walked through safely and we were able to do that, meet with the village leaders down there. The Marine Corps has done a fabulous job you know taking back territory and making a real difference and at a very high cost as well, which we are all aware -- so, we thank you for your leadership and we thank all the Marines in Helmand for their incredible service to our country and moving that forward.

On the budget question, I think I share the Chairman's concerns you know broadly going forward how are we going to meet the requirements that are out there? One thing that I hope that you all would do and everyone on working on the Department of Defense issues on this point forward is go back and look at the requirements very closely. I think that is really the key to making a fit within the budget.

You know what are the requirements that have been there for a long, long time and are just still sort of there because they've always been there? And what are the real requirements in the 21st century for what we are going to need to meet our national security needs? I think that's going to be a big part of the challenge, to make sure that we can fund what we need to fund by making sure that we're not funding things that we don't need to fund.

Those are some tough questions that I think the people -- you know you three are certainly the most qualified people out there to answer those questions as are others in the DOD. I think we're going to need to take a hard look at that on all sides of this equation. So, I hope we will do that.

I want thank you also for your kind words on behalf of Congresswoman Giffords. We appreciate that. She is getting better every day. And we are really looking forward to the day on this committee when she comes back. She is a valuable member of this committee and she will be back soon, back working on those issues. So, I appreciate that.

Also, I'm going to ask you a couple of questions that her staff has given me about issues that she is concerned about and then I have just one -- one question of my own.

As you know, Congresswoman Giffords is a leader on alternative energy and any energy efficient issues across all of government but particularly within the DOD. And the Navy and the Marine Corps have been just outstanding leaders on this issue.

On a previous hearing, we discussed a little bit the Marine Corps operating base and to figure out a way to better use solar power so that they can reduce their fuel consumption. And in reducing their fuel consumption, reduce the number of shipments that had to be made. And every time, anyone has to drive, they're at risk of IEDs so reducing that doesn't just save energy and money, it actually saves lives, and we appreciate that leadership.

And then, of course, we also have the Super Hornet that flew with the 50-50 mix of biofuels. I had to call it the Green Hornet. The name was just out there. It was very easy and very clever. So, we really appreciate your leadership and those issues.

A couple of specific questions, how scalable is all of this? Because I think that's one of the blocks that stops people from fully embracing alternative energy and energy efficiency. It's like - - yeah -- there's a good idea here, a good idea there. But what's it really mean? How much does it really save?

I'm a true believer as is Congresswoman Giffords that if we do this and do this aggressively it is very scalable. It can save us an enormous amount of money. But can you give us some idea of what -- where you think this can go? How far can we go using alternative fuels? And, Secretary Mabus, if you'd start off, it'd be great.

MABUS: I think it's very scalable, Congressman. I believe that we will reach our goal of at least 50 percent alternative energy or non-fossil fuel energy, both afloat and ashore, by 2020. You mentioned the Marines, you know General Amos has signed out his plan to aggressively move these things forward into the combat zone. We import fuel more than any single thing into Afghanistan.

As you pointed out, we save money by producing energy on site. We save lives, because Marines are not guarding fuel convoys. And we free up Marines to do what they were sent there to do, which is fight or engage or rebuild.

On the Navy side, we have -- we've looked at two things, one is energy efficiencies; simply driving down the amount of energy that we use. You know things like hull coatings and voyage planning tools, things like that. We've also launched our first hybrid ship and we're going to do more in terms of hybrid drives, using electric drives for lower speeds.

And those -- the Makin Island, our first hybrid ship, in its maiden voyage from Mississippi around South America to California saved almost \$2 million in fuel cost. And so, we believe that is very scalable.

As you said, we've flown the F-18 and certified it on a 50-50 blend of biofuel. And we've also certified our helicopters. We've certified our swift boats and we're in the process of certifying our large service combatants on biofuels.

We believe that as the market increases, particularly from the Navy and Marine Corps, that prices are coming down. We're seeing that happening already today. And, that infrastructure will be built to support this. So, we think that it's absolutely scalable and not only scalable but absolutely necessary for our national security.

Great. Gentlemen, do you have anything you wish to add?

ROUGHEAD: Yes, sir. I agree with the Secretary. Two years ago, when we established Task Force Energy in the Navy, we started looking at where we could go and that led to the Green Hornet and to taking our inventory -- putting it on alternative fuels. I've been very pleased with what I've seen. My recent updates indicate to me that it is scalable, that costs are coming down.

I also believe that there is an expanding interest out in the commercial sector which is going to be critical and I think will be imperative, and that will contribute to bringing these costs down.

We are continuing to press forward with the objectives that the Secretary has laid out and I am encouraged by what I see. But I am also encouraged by the energy that our people are putting into this. And I think the cultural change is equally as important as some of the technical things that we see coming along.

That's terrific.

Congressman, (inaudible) talked about cultural change and that's -- I think that's really the hinge point probably for all services certainly within my -- at the lowest level -- if you can get the young captains and the corporals excited about not having to carry extra batteries up into the mountains on patrol such as in India Company 3rd Battalion 5th Marines up in Sangin who have been on a pretty tough hike for the last four months. They went for 90 days just recharging their batteries that we would normally resupply on a almost daily basis, just using their solar roll up blankets that they had, to the point where they built their combat outposts and strung out all their stuff and then realized they liked it better than having generators run and having to haul water and having to haul fuel up there and then batteries resupply. So, it's a culture change for us. It's catching on.

Two Fridays ago, I sat with a Marine colonel that had a Black Engineer of the Year award and he was the award winner from Albany. And he was bragging about this new methane gas energy generation capability that they have at Albany. And they're using the trash in the dump and using all the land fill and then harvesting out the methane to run the generators. But we've been doing that at Miramar now for several years, but he's taken it to the next step.

He's captured the exhaust and the heat generated by this generator that's run on methane gas to develop steam and provide heat for the base. So, it's a culture change. I think we're not there yet,

but I am very, very encouraged. And my sense is that probably all of our services are about ready to kind of jump off the edge of this thing. So, I am very encouraged by it.

SMITH: Terrific. Thank you. One question (ph) and you can submit it, for the record, to my staff. You mentioned the other services -- that was the last question -- was how the different services are cooperating on this? Because everywhere I go -- you know Army, Navy, Marine, Air Force -- everyone's got sort of creative ideas. I wanted -- I'm curious what sort of synergy is going on so that you're learning from each other as you go and not duplicating. So if you could just have your staff submit something, both to my office and Congresswoman Giffords' office, that would be great.

The only question that I had was on something you've mentioned in your testimony about how we changed now the aircraft carrier groups; you're reducing the air wings and the associated staff. There are 11 aircraft carriers and they're going down to nine strike groups and air wings. And the staff and I are not quite clear on exactly how that's going to work or what impact that might have on your capability and how you feel about how it's going to play out. We understand the budget savings, want to make sure it can still work to fully support those 11 aircraft carriers.

ROUGHEAD: Yes, sir. I think a lot of the questions that have risen over taking out structure in the Navy really gets to some of the headquarters elements that we're talking about. As I've looked across the Navy and looked at how we were overseeing the operational forces, quite frankly, in my opinion, we had too much overhead structure. That structure tends to be more senior and, therefore, more expensive.

But if you look at our ability to still field the 10 carrier air wings, that is there. What we have done is in the submarine community, the destroyer community and the aviation community, we've taken out overhead, headquarters, senior people so that we could get more junior Sailors back at sea in positions that really make a difference.

SMITH: Thank you very much. Thank you, Mr. Chairman.

MCKEON: Thank you. Mr. Bartlett.

BARTLETT: Thank you. (inaudible) all the characteristics of a perfect storm. There is general agreement that the world has now reached that point that the United States reached 40 years ago, that is the peak oil where you have reached the maximum ability to produce oil.

This happens at just the time that the industrialized world is struggling to recover from a recession and demanding more oil. The developing world led by China and India are demanding hugely increased amounts of oil. There is now escalating unrest in the Arab world where most of the world's oil reserves are.

And a couple of weeks ago, WikiLeaks indicated that Saudi Arabia has 40 percent less oil reserves than they were claiming. That's probably true of most of the OPEC countries that we believe increased their projected reserves so that they could pump more oil. And all of this is happening at a time that the world has quite clearly reached its maximum ability to produce oil. We are not going to produce more than about 84, 85 million barrels a day.

What's the world's response to this? The leadership in our country seems largely unaware of these challenges. We have only two percent of the world's oil. We use 25 percent of the world's oil and we are buying reserves nowhere in the world.

China is now very aggressively buying oil reserves all over the world. Why would they do that? In today's market place, there is no advantage to owning the reserves, because you can go to the global oil auction and buy all the oil that you can afford, whether or not you have reserves in your country. We buy 25 percent of the world's oil. We have only two percent of the world's reserves of oil.

There is only one reason that I could think of that you would want to own oil reserves and that is that the time will come when you're not going to be willing to share those reserves with the rest of the world.

If that is China's goal, then they need to be able to protect the sea lanes. Just a bit ago, they fielded a very sophisticated anti- ship missile. We're struggling to develop defenses against that.

Just quite recently we saw their J-20, very large fighter. There is a suggestion that it really wasn't designed as a fighter aircraft. It was designed to release wave-skimming, supersonic anti-ship cruise missiles. What do you make of these confluence of events and what contingency plans are you pursuing?

MABUS: Congressman, on the energy question, I think you made the point about not relying on fossil fuels and particularly imported fossil fuels more eloquently than I ever could. What we are doing is trying to move as rapidly as possible, the Navy and the Marine Corps off dependence on fossil fuels, move them to American-based alternative fuels, both for expeditionary purposes or afloat purposes and for basing purposes.

We have a goal and we're going to meet it of use -- of having at least half the Navy and Marine Corps total energy coming from non- fossil fuel sources by the year 2020.

We absolutely think that it is a matter of national security, of energy independence that we not be dependent on this. It's also simple finances. Every time the cost of oil goes up a dollar a barrel, it costs us \$31 million. So, if oil goes up \$30 a barrel, you're talking about spending an additional billion dollars just on fuel.

The Navy has always been a leader in terms of changing the types of fuel that we use. We went from sail to coal in the 1850s, from coal to oil in the early part of the 20th century; then, we pioneered nuclear in the 1950s, and we're going to do that again. That's our plans, and it's

because we need a hedge against exactly what you were talking about to maintain our war fighting capabilities.

I'd like for the CNO to talk about the specific operational things that we are doing about the other part of the question.

ROUGHEAD: Yes, sir. And, thank you for the question. And (inaudible) on the Secretary's comments on -- in what really is behind our energy initiatives, it really is an operational issue and less a technical issue for me. I mean, it's really about how we operate and how unencumbered we can be if we get off the foreign oil.

The -- with regard to the capabilities that are being fielded, you cited China; but quite frankly, many of those capabilities tend to proliferate today more than they have in the past. So, as I look at what we as a Navy must be able to do, it really has a global view and not just about China, but in all areas.

As we look at capabilities that are being developed as we have over the years, we look at what are the counters to those, what are the strengths that we as a Navy have and we amplify on those strengths and we address those areas that we know we want to pursue counters to.

I think in the area of anti-submarine warfare, for example, which is one that is -- submarines are proliferating globally. There is no better anti-submarine warfare weapon than the Virginia class submarine. And that's why we want to get to two a year this year. If the CR is lifted, we can do that. But that is hugely critical.

We have made significant investments in ballistic missile defense, increasing the number of ships in our inventory up to 41 by the end of this defense plan.

We also have restructured ourselves within the Navy. We've recreated the U.S. 10th Fleet to go after areas of electronic warfare, electronic attack and cyber warfare.

And so, what we have done is we've re-imagined the future. We have reinvented ourselves to be able to address those challenges that are likely to be occurring in the years ahead. Thank you.

MCKEON: Thank you. Mr. Reyes.

REYES: Thank you, Mr. Chairman. Gentlemen, welcome and thank you for service. I've got two main areas that I'd like for you to address in the five minutes allotted to me. As we talked the last couple of days about the possibility of a no-fly zone over Libya and the ability to enforce that, and there's a couple of options.

NATO has been mentioned. The United Nations authority is the other. When we're talking about the constraints, the up tempo (ph) and all the things that impact our Navy today, the Navy would be the only option to be able to impose that no-fly zone over a place like Libya. Am I correct?

ROUGHEAD: That would depend, Mr. Reyes, on basing rights, over flight rights. But to your point, we in the Navy don't have to worry about those, because we come from the sea. We don't ask permission where we put our airfields. We put them where they are needed. So, we are a very good option for that. But there are other factors that I think leadership would have to take into account.

REYES: Well, my point being -- and that -- and it goes to the question that the Ranking Member talked about in terms of going to nine carrier wings versus the 10. When we have unexpected emergencies or situations that come up, will -- in your mind, will we be able to handle those kinds of things given the fact that we're -- we've got these worldwide commitments and, basically, the Navy would be the best option in terms of being able to project that capability?

ROUGHEAD: Yes, sir. We are. Today, we have four aircraft carriers deployed. Two more are underway. And what we do with the fleet is we have it so that it is always forward and that we can move those carriers very quickly from one region to the other. And that's the beauty of how we have designed our fleet response plan.

So, I feel very comfortable with that. I also believe that what we have put in place with respect to our strike fighter force, the service life extension on the airplanes, the procurement of some additional E and F model Hornets and then moving to the joint strike fighter that the Air Force that we have, particularly when we coupled with the Marine Corps and their Hornet force and what will also be a joint strike fighter force that we'll be well positioned for the future.

REYES: OK. Thank you, Admiral. General, I have one question. And, again, I'm -- I was as impressed with the change in conditions in Southern Afghanistan particularly in the area where the Marines were, we were wondering where they're going to be able to take it back. But one of the -- we heard a very moving story about an IED attack on one of the -- one of the units and I guess it was the convoy commander that got hit the hardest on there. But clearly, one of the big issues which also affects the Army is the traumatic brain injury. Can you address specifically in terms of the Marine Corps the kinds of programs or what you're doing to address TBI?

AMOS: Congressman, I'd be happy to. This has been evolutionary and I know that you're close to General Croley when I was the assistant commandant of the Marine Corps. We work for -- both General Croley and I work for two years in earnest trying to capitalize on all of the latest technology as far as being able to determine what is traumatic brain injury, what is it, what are the effects of that on that -- on that mass inside that skull.

We've come a long way since 2003 when -- when, quite honestly, nobody was even talking about TBI. In a nutshell, today, we -- we recognize it, we understand some of it, we don't understand all of it, but we've taken lessons learned from the National Football League, worked very closely with University of California, Los Angeles, the head of traumatic brain injury out there, Dr. David Hovda and using that as -- and bringing in great minds across the country that -- that understand this.

We built about two years ago -- about a year and a half ago what we call a concussive protocol. And what that means is recognition first of all that a concussive event of any kind that -- that either knocks a Marine down, perhaps, or throws him up against the wall, or worse yet, he's standing five meters away from his buddy that steps on a -- on a pressure plated IED that goes off, all that has a great effect on the brain. Each brain is different. It's affected different.

So what we've done now using this protocol is we've brought every single Marine and it's happened to every single soldier now that this happens to in Afghanistan. You enter this protocol. In other words, you have the event. It's registered. You come back to your combat outpost, forward operating base, wherever you are. You see the corpsman, medic in the case of the Army. The next person is the doctor if there's one available.

Depending on the extent of the injuries, we will fly our Marines from our forward operating base or combat outpost in the Leatherneck and they start this procedure where we do an exam of the head. There's a physical examination and then there is a cognitive test, a series of cognitive test over days. And depending how you -- how -- whether you were knocked out, depending on how feel, depending on how you look, with regards to the examination dictates what the next step is.

But in a nutshell, this is -- this is -- this is the -- what we've discovered is the brain needs to be rested after a concussive event. The very best thing you can do is take the brain and put it at rest. In that case, just keep it in the combat outpost, kept it at the forward operation base or fly back to a resuscitative -- not a resuscitative, but a care unit which we've established at the Leatherneck.

And then depending on how long you were knocked out or how severe it is, it dictates how long it is before you go outside the wire again. You could conceivably never leave what we call the wire of the combat outpost again. In our case, we have what's known as three- strikes-you're-in, which means on the third concussive event, you're not going anywhere. You're not going on patrol anymore. You're not leaving the wire.

So, these are things we're doing. We've set up the organization at Leatherneck which -- which examines Marines and helps them with rehabilitation. The final thing, Congressman, is that we're in the process now of deploying an MRI into Camp Leatherneck. That should happen this year and that will then give the local folks an opportunity to examine the brain and then send that information digitally back to the United States of America for analysis.

So, great recognition that's real. We're doing something about it. I think a concussive protocol will probably save mental lives down the road yet to be seen.

MCKEON: Thank you.

REYES: Thanks.

MCKEON: Mr. Akin?

AKIN: Thank you, Mr. Chairman, and thank you, our witnesses here this morning.

First of all, Admiral Roughead, the brief that you gave, I believe, was two or three weeks ago in the skiff was tremendously helpful. It was fast paced, but you covered a lot of territory and maybe quieted a lot of fears in certain people relative to naval capabilities and some of the new threats. That was a very helpful briefing.

And also, General Amos, thank you for taking time to review the EFV decision that you'd worked through. I still have some reservations as you know. We'll probably have a committee hearing about it just to -- to try to look into that. But I appreciate your availability and your candor in saying this is what we're trying to do.

And as you know, Mr. Secretary, and General Amos, we're -- part of our job is to say, "Wait a minute. We think you guys are -- are being too good a soldiers in terms of maybe being too tough on the budget and there may be sometimes where we need to push back." We have tried to do that, members of this committee making the case that the overall national budget problem can't be fixed by cuts to defense and that that may be very unwise.

Certainly, the number of 288 ships that we're the same place we were in 1916 is not something that gives us a lot of sense of peace here. And you've heard me complain before that the more that you can include us in the process and help us to go to bat for you, particularly, General Amos, in terms of your reset necessity because of having had all this equipment deployed for so long, we want to try to help you in that regard.

Help us to help you in giving us as much heads up as you're making different decisions and things are going along instead of catching us. And you know, that's been my continuous complaint and I repeat it too much. But you're -- all three of your availability, we're very appreciative.

The -- we're supposed to know something about the political situation of what's going on and -- and we, as you know, the House did pass an appropriations bill because we understand the pressure that you're under. However, we're not the only players in this game and so far, that hasn't gone anywhere.

My recommendation is that you prepare just as secretary and a number of you listed off -- I forget who has made the list today -- but you listed off some of the things where you need transfer authority. When -- if we're continuing on this continued resolution approach, I think it

would be good to have the second arrow and that would be put together the most important transfer authority requirements that you need so that we can go to bat and if we have to include those in the -- we can't do it in this little short continued resolution, as I understand it, because the bus has left the station.

But we may well be back at another one of these band-aid type things. And if we do have the key transfer authority things that you need, it may allow us to try to help you. You might think that there's a couple of -- particularly a certain subcommittee chairman is a pain in the rear for complaining about you making decisions and not telling us ahead of time, but we're also, in the other hand, fighting in your behalf.

And we're trying to be a team player and a help and we may be able to get some of those key transfer things through even if we don't have the appropriations piece fixed because we are in a period of tremendous budget instability as you know. The case that we've been making as a member of the Budget Committee, if you take a look at the simple numbers, our revenues are 2.2 trillion. Maybe you know this. Maybe you don't.

Two point two trillion, that's how much money comes in, and our entitlements plus debt service is 2.2 trillion. So we can zero defense and it doesn't solve the problem. And so we're making that case that we have to deal with this other budget problem aside from trying to continuing to whack defense and to run a Navy at the 1916 level. So help us to help you, but do help us by giving us this -- the most important transfer authority pieces that you need. That was -- so that was really all I had, unless you want to respond, I've got a few seconds left here so...

AMOS: Thank you, Congressman. And just to respond very quickly on a couple of issues. One is it's not just transfer authority that we're lacking. It's new START Authority. That's what is really going to hamper so much on ship construction, for example, and you pointed out that we're, as the CNO said, 288 ships the lowest since 1916. But if we build our five-year and then 10-year ship building plan, we will get to around 325 ships in the early 2020.

So we will pass the 313 floor and we will go up to the mid-320s in the early 2020s, but we won't be able to do that absent the New START Authority to build the second Virginia-class submarine, the two Aegis Class destroyers, the mobile landing platform. So I would -- I would add that.

MCKEON: Thank you.

AKIN: Thank you.

MCKEON: Sanchez?

SANCHEZ: Thank you, Mr. Chairman, and, gentlemen, thank you once again for being before our committee. Secretary Mabus, February of last year, the Department of Defense took up what I believe is a commendable step in reversing the ban that prohibits women from being on Navy --

Navy submarines. And as you probably know, I've been a strong advocate to allow women to fulfill all the positions currently available in our military and I hope more of that happens.

So, Secretary, can you provide our committee with an update now, a year later, how that's going and if it's being successful and what more do you need. Do you need anything from us to be -- to ensure that that goes well?

MABUS:

Well, thank you, and I -- I share that that women should be absolutely integrated into all parts of the Navy in, particularly, the submarine community. We are moving forward the first group of women, are in nuclear power school and in submarine training, preparing to go on board our ballistic missile submarines and our guided missile submarines at the -- late this year is the best estimate that we have.

The level of volunteers that when -- when we made this announcement from both the Naval Academy and ROTC programs around the country was simply astounding. And the -- the quality of the young women that are going through these -- this program heading for our submarines is as high as can be imagined. Now we're also moving laterally some supply Corps officers to be department heads on submarines and act as mentors for these new submariners, and that is also coming along.

And finally, we notified Congress in December of our intent to begin do design work on our attack submarines so that women could also be integrated into those. But we think that at this point, it's going very, very smoothly.

SANCHEZ: Great. That's great to hear. I wanted to give the opportunity to one of our members who's sitting very close to you that would be Mr. Hanabusa because she represents Hawaii, which, you know, the Navy and Marines are very important to. She sits on the, what we call, the bottom row, which means she probably never gets to ask a question very often. I don't know with the rest of my time if the gentlelady from Hawaii would have some questions for you.

HANABUSA: Mr. Chair, is that acceptable? Thank you.

Thank you, gentlemen. I would like to understand something, which is -- and I hope I'm not overstepping Congressman Bordallo's question. But in the whole concept of the Guam situation, I noticed that there's reference to the fact that the budget request includes 33 million intended to move to other agencies to mitigate the infrastructure and socioeconomic impacts of Guam associated with the move of the Marines.

Can you explain to me exactly what the concern is that 33 million would have to be diverted for that specific purpose?

MABUS: One of the keys to the Guam strategy is one Guam and one government here that we are a total all of government solution and not just the Defense Department moving toward that. That was the rationale for moving that because other agencies would have a more direct interest and ability to do some of things that will need to be done to -- to make the Guam move -- go forward.

HANABUSA: So do you sense that there's going to be some resistance or concern raised by the people of Guam of this move and if that's why the almost a proactive action of taking steps to ensure that it's -- that you're addressing various types of social issues before the move?

MABUS: We have been working very closely with the government of Guam and with the people of Guam. We've had a lot public input before the environmental impacts. Statement Record of Decision was signed last fall. The governor of Guam is here now and has been meeting with the Department of Defense and Department of Navy officials about this.

My undersecretary, Bob Work, has recently returned from his fifth or sixth trip to Guam and we are endeavoring to work very closely to meet any cultural concerns, any concerns of the people of Guam have as this move proceeds.

HANABUSA: Thank you.

MCKEON: Thank you.

HANABUSA: Thank you.

MCKEON: Mr. Forbes?

FORBES: Thank you, Mr. Chairman.

General Amos, I wish I had the words to adequately thank you for what you've done for our Marine Corps and what our Marine Corps does every day for our country, but suffice to say, we appreciate it a great deal. And Admiral Roughead, I've known you for years and I know your heart for in service to our Navy, and we thank you.

And, Mr. Secretary, thank you for being here today. One of my big concerns is when you look at the recent review by the Quadrennial Defense Review independent panel which as you know is a bipartisan panel made up of some very talented individuals that concerns you when you hear the word train wreck associated where they think we're headed with the recent QDR. And they mentioned specifically the Navy and the need for us to grow the Navy.

And then it concerns me when we see the secretary of Defense coming in as he did last year talking about the ship building plan and saying that the out-years of the ship building plan are simply a fantasy. As you know, our ship building plan, we're looking at how many ships we're

going to have both short-term and down the road. It's a pretty simple calculus. It's the number of ships we plan to build added to the number that's going to be in our fleet less what we decommission.

OMB disagrees with the number of ships that as you know that the Navy projects, they think we're headed towards 270 and not in the 300s. But suffice that -- just put that aside for a moment. I'm concerned about the ships we have on our fleet and, specifically, the estimated live those vessels because as you know, two things have happened -- one, we've used them a lot more than we anticipated; but, secondly, we -- we know that we have had just in two fiscal years, FY '10 and -- I mean, 2010 and 2012, we've had \$567 million of deferred maintenance.

When will we receive a revised assessment showing not the initial estimated lives of these vessels, but the current estimated projections of the life expectancies of those vessels? Is that in the works at any time for us to get?

MABUS: Congressman, if I could address one little part of the earlier statements. In the QDR review that was conducted as you said by some very distinguished Americans looking at that, they came up with a number of ships for the Navy that was higher than -- than our plans get us in the early 2020s, which is in the 325 ship range.

The major difference though is in the way they counted ships. We do not count certain support ships that -- that they did count and if you count apples to apples in those two documents, we're very close to where they think we need to be in the early 2020s. In terms of maintenance, we are very concerned because as the CNO says the Navy resets in stride. Maintenance is our -- is our reset and we are concerned that all our ships reached the total life span that we expect of them.

The CNO has established for each class of ship an engineering- based maintenance plan so that they will reach the end of their life span. We are moving Sailors from shore afloat, 2,200 Sailors will go into the fleet for optimum manning of our ships so that more maintenance -- more preventative maintenance will occur on a routine basis. Four hundred Sailors are moving to the pier for intermediate maintenance so that as ships come in for their scheduled maintenance calls, those maintenance calls are more valuable and make more of a difference.

FORBES: Mr. Secretary, I don't -- I don't want to interrupt you, but I'm loosing my time.

MABUS: But -- but because of -- because of these things that we are doing, we think that the ships are going to reach the end of their -- of their schedule of life. And that's -- it was a long answer and I apologize for that, but...

FORBES: I appreciate the answer. The other question I have for you is, we know that we've had officials from the Navy talking about doing a new force structure assessment to look at if that number is correct or not correct, and I'm always concerned. We talked about getting strategy but limiting based on fiscal realities. How can we be confident that when that assessment is done we

know the part of it, that strategy versus the part of it that's being driven simply by budgetary concerns?

MABUS: Well, Congressman, the -- the force structure review of the number of Navy ships which is under way in which will be completed soon. We're basing it all alone what we need on strategy. But we are also very mindful that we need to be good stewards of the taxpayers' money, that we try to be -- try to make use of every single dollar that we get so that we can get to the number of ships.

But this is a bottom-up strategic review that's not budget-driven but nation-driven.

FORBES: Thank you, Mr. Secretary.

MCKEON: Thank you. Mr. McIntyre?

MCINTYRE: Thank you. Thanks to all three of you for your leadership. I have one question for each of you, so in my time allotted, I will try to get each of these questions done.

Mr. Secretary, I appreciate the opportunity to be with you and the secretary of Agriculture. Last year when the biofuels agreement was signed at the Pentagon and also to be at the maiden flight of the Green Hornet last year on Earth Day, on page 27 in your testimony, you mentioned your five energy goals in wanting to generate at least 50 percent of all energy from alternative sources.

With the F-35 coming online, is there an effort even now to make sure that it can operate on biofuels rather than waiting to have to convert it later?

MABUS: There -- one of the requirements we have for any biofuel that we use is that it -- it's a drop-in fuel, but it can be used in any engine that we have. So, the Green Hornet was not modified in any way to -- to fly on biofuels. Same will be true for the F-35. The fuel will have to match that and so far, they all have.

MCINTYRE: All right. Great. Thank you, Sir.

General Amos, on page 14 of your posture report, you mentioned MARSOC which of course has its headquarters in North Carolina. Has the Marine Corps resolved the issue of whether MARSOC personnel will remain within MARSOC in the special operations community for life or will they rotate back to conventional forces? And is this affecting the number in terms of your consideration for the growth of MARSOC?

AMOS: Congressman, we have -- when MARSOC is fully stood up after the -- they get that latest tranche of 1,000 Marines, they'll be about 3,600 strong. Of that 3,600, there is roughly about

815 what we call critical skill operators. And those are those Marines that have the -- the ultimate in training. They are -- they are the real special operators. They will have their own military occupational specialty designation. They will remain in MARSOC, that 815 for -- for more -- unless they want to come out.

But -- but they're going to remain in MARSOC probably (inaudible) of their career. The other remaining 1,800 will -- will rotate out of MARSOC. Those are communicators, those are UAV folks, those are CI HUMINT folks. They will come out at five earmarks, come back to the (inaudible) Marine force and as a rising tide raise all boats in the Marine Corps while they spread their goodness that they learned in MARSOC.

So we have solved it and there is a portion that will remain in MARSOC for the remainder of their time in the Marine Corps.

MCINTYRE: All right. Thank you, Sir. And Admiral [«Roughead»](#), thank you for coming to Wilmington, North Carolina last fall for the commissioning of the USS Gravelly, the Navy's newest destroyer named for the first African American Admiral in the United States Navy.

I know that on page 7 of your testimony, you mentioned specifically reducing risk with regard to purchasing more F-18 Super Hornets. We understand in the next decade, there's an assessment of a shortage of about 65 aircraft later in this decade.

What risk do you see that can make the strike-fighter shortfall rise even higher in the years ahead and that we may have to complement this with the Super Hornet?

ROUGHEAD: Right now, sir, I think that we're in a very good position with the new Super Hornets that are in this budget. There are nine as, you know, pending on the hill. And then the Service Life Extension Program that we have funded in this budget. I'm very comfortable with the 35C that's coming along.

So, what we have been able to lay in and with the support of Congress, I think we have a good way forward on our strike fighter shortfall and, you know, we'll continue to -- to watch the development of the F-35C but I feel very good about how we position ourselves for that future.

MCINTYRE: All right. Thank you. Thank you, gentleman, very much. We got it all done. Thank you, Mr. Chairman.

MCKEON: Thank you. Mr. Miller?

MILLER: Thank you, Mr. Chairman. I have questions that I'd like to submit for the record and because he is the -- the last one to ask a question, I'd like to yield my time to Mr. Palazzo.

MCKEON: The gentleman is recognized for four minutes and 50 seconds.

PALAZZO: Thank you, Mr. Chairman. Kind of caught me off guard there. But I appreciate it.

General Amos, there was recently an article in the Washington Times that stated that American combat troops will get sensitivity training directly on the battlefield about don't ask, don't tell instead of waiting until they returned to their home base in the United States.

The article goes on to say that no units will be exempt. In your professional military opinion, do you believe that performance sensitivity training of this nature in anticipation of the repeal of don't ask, don't tell while (inaudible) is the best use of military resources at this time?

AMOS: Congressman, we have about -- we've done the math now. We have many units on the ground (ph) of Afghanistan that make the 20 thousand, we've turned several units over.

Those that are coming in have all ready -- we've rushed to make sure that they had to train before they left. We estimate about 11 units of lieutenant colonel command battalions and squadrons that will need to get the training, what we call tier three training while they're in Afghanistan.

Honestly, I'm not concerned about that. I don't look at it as sensitivity training by the way. I look at it as leadership training. And my sense is that I've got good lieutenant colonels, good company commanders and they'll know precisely when the optimum time is.

Not every marine in combat is busy 24 hours a day, 7 days a week as, you know, from your former life. So, there will be opportunities where marines will be able to sit down with their company commander, the company first sergeant or squadron commander and have that leadership training.

I don't think it'll be onerous. I think it will be focused purely on leadership principles. Those things that -- that are -- that are near and dear to the marines. And I think actually it will be a lot easier to do in combat than we thought -- than we might think otherwise.

PALAZZO: All right. Thank you, General. I yield back my time.

MCKEON: Thank you. Mr. Andrews?

ANDREWS: Thank you, Mr. Chairman. Mr. Secretary, welcome. It's good to see you. And on page 17 and 18 of your testimony, you make reference to the Littoral Combat Ship dual-block procurement strategy which I agree I think has been very beneficial for the department and for the country.

And you -- you indicate that you're projecting savings of approximately \$1.9 billion over a five-year period on the program and across to \$40 million per ship. To what would you attribute those cost savings from the dual-block strategy? In other words, what's the -- the wisdom of the strategy that generates those savings?

MABUS: A couple of things, one is competition. We've got two variants, they competed against each other and drove the prices down significantly.

Secondly, is we've locked in those savings over the five years by signing firm fixed-price contracts for 10 of each variant, so, 20 ships.

ANDREWS: Right.

MABUS: If we, by sticking to those two things, competition and then doing firm fixed-price contracts, we know we're going to -- we're going to get these savings and one of the things I think is important to point out is that while the average is -- cost of these ships is of about \$433 million apiece, the last ship -- the last two ships will cost around \$360 million apiece.

So, the cost of the ships as each ship is built is going down.

MABUS: as you go forward, we should see those savings continue.

ANDREWS: I appreciate that. I know this is not a decision at your pay grade but I think the Chairman would be interested as well in -- in exploring why that same logic doesn't apply to the JSF engine program, if there are benefits to having two competitors that create those efficiencies over the long-term, why doesn't that argument apply to the second engine?

MABUS: Well, if I could take a crack at my pay grade, we always planned to have two competitors for -- you know, for the Littoral Combat ship. And we have paid for all the engineering and R&D, the upfront calls that -- that makes it different from the alternate engine in that -- the alternate engine are the -- engine was seen as one. And you would have to pay for all the development cost for a second engine. That's a huge difference.

ANDREWS: I -- I do appreciate that although I would respectfully say that it looks like the

savings over time would let you catch up and dwarf what it would cost to catch up with -- the R&D outlay but thank you.

Let me move on to General Amos, his comments about the amphibious combat vehicle. And I guess, I see your comment that you're going to begin development of an affordable and capable ACV to replace the EFV program.

When do you think that the alternative would be fieldable? I mean under optimal circumstance, we go from where we're sitting this afternoon to where we'll be able to get those vessels in the water, what's the optimal timetable to make that happen?

AMOS: There's two answers to that. One is the commandant recourse answer which is before I leave office four years -- three and a half years from now, we have a program of record, we'll have steel, it will be a vehicle and I'll be able to drive that. That's my answer.

ANDREWS: I like that answer.

AMOS: OK. That's the answer. And I'm trying to pressurize industry. I'm trying to pressurize the acquisition professional folks, I want the word to get out. If I go by the standard acquisition timeline which in some cases got us to where we are today, it'll be 2024.

So, you understand the exigency. And we will have a vehicle by the time I give up this job.

ANDREWS: What -- what would you say the two or three main impediments are to you achieving that objective by the time you relinquish your job?

AMOS:

I think it's first of all, I have, in this case, I'm on reasonably solid ground because I have the full support of my Service Secretary, his acquisition professional, Sean Stackley, I have the full support of the Secretary of Defense and Dr. Ash Carter who's ATNL.

So, they're all behind it and they're going -- what we'd really like to do is use the MRAP model. Understanding the MRAP model was probably too aggressive and -- but it saved lives. But so -- something probably that resembles the sense of urgency of the -- of the MRAP.

But -- but probably a little bit more scheduled. And that's what we're going to...

ANDREWS: permit one moment of advertising. You guys did a terrific job on the MRAP without Chairman Hunter, former Chairman Skelton, former member Gene Taylor and some others that would have never happened and for those who think Congress should not have a direct role in spending decisions here, I would refer you to the MRAP decision.

I yield back. I thank you for your answers.

MCKEON: Thank you and I appreciate the gentleman's question. You're right, I am also interested and my recollection is that the Department also planned for two engines originally in the JSF acquisition strategy.

And if we were a couple of years down the road, we will have all ready -- we would have all ready paid for those acquisition cost as we did with the LCS. And then we would have the opportunity of realizing the competition going forward.

Thank you. Mr. Turner?

TURNER: Thank you, Mr. Chairman. I'm a little taken aback by the answer of -- of what the time frame is on the -- on the EFV I mean, I am very concerned about that -- that whole decision process and the answer because in your answer is -- is a time frame that does not have anything to necessarily reflect on the -- the threat.

I mean the time that you're finished being commandant doesn't really answer the question of when -- when is it going to be needed. Here -- here's my concern on the whole question of the EFV, the -- we know that there's no funding in FY2012, the -- but you and the Secretary have re-affirmed the requirements to conduct amphibious assault missions.

And you intend to develop, as you were describing something else, but the -- as the Secretary was giving us the answer of his cuts when you've (ph) announced that there was going to be a cut with this -- this vehicle. He says the most probable scenario of power projections from the sea could be handled through a mix of existing air and sea systems employed in new ways along with new vehicles -- scenarios that do not require the exquisite features of the EFV.

Can you describe the analytical work Secretary Gates is referring to in his statement? And was there a report done and the EFV also it's my understanding that there were, there was the cessation of the testing phase. And I'm a little worried about our ability to -- to mine or ascertain the innovations with respect to the vehicle.

May I -- if I can have your thoughts.

AMOS: So on your -- on your last point. The acquisition decision memorandum was released about two or three weeks ago. Giving 60 days for the Secretary of the Navy to and the Department to take a look at how to -- how to shut down the current EFV line.

The forecast is is to take the -- the best of what's left in the testing for this year -- for this fiscal year. And continue on with that. Those decisions are working through right now. So, what you'll do is you'll capitalize between now and the end of this year -- the end of the contract on those things that are probably going to be the most fruit bearing as it relates to the EFV.

The whole concept is to take those -- those technologies, those lessons learned and then apply them to the amphibious combat vehicle. So, that -- the shut down of the line is -- is in work right now. But it'll be done from my words, it'll be done focused on those things that it ought to be focused on.

As it relates to the EFV and the elegance of the EFV, when those requirements were developed two and a half decades ago, we look at a threat and said it's 25 miles that's about the farthest a naval vessel will have to go over the horizon to be able to be out of harm's way.

Well, we know that that's not the case today. The enemy has not gotten any easier, has only gotten more lethal. So, as a super power nation, we could either decide we're going to abrogate all that space -- the sea space. And get out a thousand miles or we can take the technologies and capabilities we have -- that we know we have right now and integrate them in the joint force and allow the naval vessels to come in to be able to disembark the marines in -- in the new amphibious combat vehicle.

That's -- that's the difference between the requirements the way they were viewed in the '80s and the requirements as the way they're being viewed in 2011.

TURNER: As we've had a lot of discussions here today about the reductions, ways to find savings and everyone understanding that of course we have the cost pressures -- we'd certainly also need to recognize that we are a nation at war. And a lot of these cuts and reductions have an effect on -- on our capabilities and on our men and women who are serving.

We have also the in-strength reductions that are planned and I'm -- I'm very concerned there. And I wanted to also give some of my time to Mr. Runyan who is down in front. But when you answer his question, could you also add any thoughts that you might have on how those end-strength reductions might affect wartime. I think people are very concerned about the ratios.

At wartime, you have a goal of one to three. And now, we're having difficulty I believe meeting - - getting (ph) one to two.

And then I have a minute left but I'd like to -- I could see that Mr. Runyan for him to add additional question.

MCKEON: The gentleman's recognized for one minute.

RUNYAN: Thank you, Mr. Chairman. Thank you the gentleman from Ohio. Mr. Secretary Mabus and Admiral Roughead according to recent reports the Aegis radar system is in the worst shape ever. Aegis is considered the world's best seagoing radar and combat system due to its power and adaptability.

But the training and maintenance are vital to maintain in the system's readiness out in the field, could you please discuss any -- Aegis fleet readiness concerns that you have and how we can help keep the Aegis radar available -- a viable option once fielded?

MABUS: Thank you very much, sir. And then, we have -- similar to how we looked at all of our ship maintenance issues, we've looked at Aegis and also how that system and the radar integrates into some other complex areas.

There are some things that we are working on in a technical sense that -- that gets to the interoperability in a -- in a much better and a more reliable way than -- than what I would like to see. But then we've also taken a look at what training do we have to add into the pipeline. We're also adding people to those ships because as we went through an optimal manning initiative, we took people off of the ships which ultimately gets to equipment maintenance, equipment reliability.

So, those are just a couple of the things that we're working on.

RUNYAN: Thank you very much.

MCKEON: Thank you. It's the -- the Chair's intent to call two more questioners and then a five-minute recess. Mr. Conaway? Excuse me, Mr. Langevin?

LANGEVIN: Thank you, Mr. Chairman. And gentlemen, I want to thank each of you, Secretary Mabus, Admiral Roughead and General Amos for your testimony here today but most especially for all that you do to protect our nation.

Let me just say that I want to talk briefly about one of our -- our nation's most vulnerable strategic -- I'm sorry -- valuable strategic assets, our nuclear submarine force.

We've talked about the Ohio replacement in particular a bit this morning. Obviously, our submariners have maintained a constant vigilance over the past decades to provide us and our allies with strategic deterrence that remains unmatched by any other nation on the planet.

Their work in the silent service, obviously deserves our utmost respect and support. So, I believe it's absolutely vital that we remain committed to projects such as the Ohio Replacement Program.

I do, however, remain concerned that the large investments required for this critical system would be threatened by the needs of our surface -- surface fleet. Admiral «Roughead» as I understand you recently stated support for moving the SSBN-X funding out of the Navy ship building and conversion account.

Given our fiscal pressures, can you offer your vision of how that could be accomplished? And what legislative authority or permissions would be needed to change to be needed -- to be changed or added? And in addition, the Navy's -- Navy officials recently told committee staff

that our programs -- that the program's schedule and cost present "huge challenges and tremendous risk," which we can all understand of course.

But what are your views of this program and your confidence level that the Navy will meet its cost and schedule goals given the critical importance of this program?

ROUGHEAD: Thank you very much, sir. And my comments relative to the SSBN-X dealt with the fact that the -- that submarine is being recapitalized in the decade of the 2020s and at that time, there are several things that are going to happen.

Many of the submarines and surface combatants that we built in the '80s are going to be aging out and retiring from service during that decade. That's when we are starting to lay in the SSBN-X.

On top of that, we'll be building the carriers on five-year centers, so there'll be likely two carriers built during that same time. We are also going to be refueling our aircraft carriers which -- that's not inexpensive. And at that time also, we're going to be decommissioning some of the earlier Nimitz class aircraft carriers.

So, in the '20s you have a fairly significant demand being placed on -- on the ship building account and also on the ship building infrastructure. And -- and so I do believe that that has to be examined, the recapitalization of the service fleet, recapitalization of the ballistic missile submarine, with everything else going on, I believe requires some different thinking.

With regard to legislative authorities, my sense it's really a question of how the budget is laid in for that. I'm not sure that there's a legislative piece but I would leave that more to -- to you to have a view of that.

I'm very comfortable with where we're going with SSBN-X. The decision and the recommendation that I made with regard to the number of tubes -- launch tubes are consistent with the new START treaty. They're consistent with the missions that I see that ship having to perform. And even though it may be characterized as a cost cutting measure, I believe it sizes the ship for the missions it will perform.

We're not backing off on the stealth imperative that that ship must have because the last one of that class will be on patrol in 2080 and so we have to make sure that we've built in the stealth.

I am very comfortable with our knowledge of how we've been able to bring down the cost on Virginia to apply that to the SSBN-X and I'm very positive about where we're headed with it.

LANGEVIN: Thank -- thank you, Admiral. Also on the -- on another topic that's been important to me - cyber security. For Secretary Mabus or Admiral Roughead let me just talk about cyber security threats to our critical infrastructure in particular.

Let me just say that I -- I've been relatively disappointed by the overall lack of response and commitment to this issue. And I firmly believe America is still vulnerable to a cyber attack and so our electric grid which would obviously cause to be a damage not only our critical infrastructure but to our economy and the welfare of our citizens.

We need to pay more attention to this issue, because of this concern last Congress, I posed a question to heads of Cyber Security for all (inaudible) military services, and the question basically was if our civilian power systems are vulnerable, what's being done to protect our numerous military bases that rely on them to operate?

So, the answers though were disturbing but not surprising, specifically Vice Admiral Barry McCullough, head of the Navy's 10th Fleet testified, "These systems are very vulnerable to attack."

So, noting that much of the power and water systems for our naval bases are served by single sources that have only very limited back up capability, with an attack on our power station, when an attack on a power station potentially require weeks or even months to recover from.

Our bases could face serious problems maintaining operational status. What's Navy doing to address these threats not only to its critical structure but also its secured and unsecured networks.

MCKEON: Gentleman's time has expired. Could you please give him those answers for the record please? Mr. Conaway?

CONAWAY: Thank you, Mr. Chairman. Gentlemen, welcome. Glad you're here. Just an aside, I want to associate myself with Mr. Andrews' comments. I do believe competition works. It works for LCS and I think it works across most of our platforms that -- including the engine.

But I'd like to turn my -- our attention to something a whole lot more -- less exciting and more mundane than the cyber attacks or anything else. It has to do with back office at the Navy and your inability to provide the taxpayers in this country with audited financial statements of the sums of money that we, that we give that are provided through the appropriation process.

I want to brag right upfront, the Marine Corps has taken the lead as they typically do on most things and that rumor has it that this September 30, 2011, financial statements will get audited by the Marine Corps and will pass an audit, that same issue needs to be spread across all branches, I've had this conversation with the Secretary and others as well.

Nothing in your -- in you written statements that I was able to see made reference to this issue at all. Without top-down leadership this ain't going to happen. I've met with -- with the next layer below you guys, with Robert Hale and others, your counterparts for the Navy, in the Marine Corps and the army and others, and they get it. And they're ready to go in and they're making efforts to do that but without you to say make it happen, then this isn't going to happen.

I'm also concerned and I'm going to appreciate your comments in reference to all of the cost savings and cuttings and redeployments and swaps around that's going on, I'm concerned that you will cannibalized the resources needed to make this happen in efforts to redeploy those resources somewhere else.

And my final comment as to why this is important. Over and over and over this morning, you've talked to us about greening the military and how much that's going to "save us."

I've got professional skepticism about that number. You cannot tell us today what the differential between what we would have spent had we ignored the greening effort versus all we spent on this. You know, you can't tell me that delta and if we're going to eliminate the Expeditionary Fighting Vehicle because we "can't afford it," then taxpayers need to know what it is we're doing and why.

And so, give me some sense as to your commitments to making this happen sooner than later in terms of getting the back office in the shape that it can be audited.

AMOS: Congressman, as a former elected state auditor of Mississippi.

CONAWAY: Good. Glad to hear that.

AMOS: I understand very well the importance of what you're talking about here. And I want to echo what you said about the Marine Corps. The Marines are very close to -- to being able to do that. I want to also assure you that the entire Department of the Navy is taking this very seriously and working very hard on it.

We have two major issues. One is legacy systems just this year, the number of legacy systems that we have out there and the amount of effort that is taking to -- to convert those. But we're doing it and we're also presenting our financial statements to you in GAAP form and in meeting the FASB regulations.

Secondly, one issue that we're working with GASB on is coming up with an accurate cost for our assets. For example, USS Enterprise was built more than 50 years ago, in the '60s.

Going back and finding an accurate cost at that time is -- is just onerous. It's going to require a lot of time. It's going to require a lot of effort and we won't get much for it in -- in the end. So, we're working to try to come up with a good cost figure structure so that we can move to the audited financial statements.

If I could say one word on the energy initiatives, one is, over the next five years we can show absolutely that we're going to save \$1.5 billion by...

CONAWAY: Yeah, OK. I got you. But if it can exist this in place, that allows us to rely on those numbers, I'd appreciate. In the closing comments, I agree with you figuring out what it would

have costs or a 50 or 60-year old aircraft here. Let's -- don't let that be the -- the reason why we don't audit and put in place the things you use everyday to run your business.

And -- and we're -- I'd be glad that I'll be working with GASB to try to figure out a different standard for the only customer, the Federal government. I mean, the fixed asset side is -- is important, but just don't let that be the -- the -- the enemy and what we need to get that done. And so I appreciate that.

I yield back. Thanks for your comments.

MCKEON: Thank you.

We'll now take a five-minute recess and reconvene at one minute to 12:00.

MCKEON: The meeting will come to order. Mr. Cooper?

COOPER: Thank you, Mr. Chairman.

First, I want to thank the Navy for allowing me to have a Navy fellow this year. Dennis Kucinich does an excellent job, but he should not be blamed for whatever inadequacies are in the following questions.

Three hundred and thirteen ships is a crude measure of capability. Is there a better way to help explain to the public platforms and missions so that they can know that our Navy is strong enough to do the job?

Admiral?

ROUGHEAD: Well, I think -- I think you're right onto it, sir, because too often we do look at the number. And -- and as was mentioned by one of your colleagues earlier, we could drive to that number rather quickly, but it would be rather ineffective force.

I think it's important that we continue to have a dialogue with the American people about the types of capabilities that we need, but I think it also is on full display everyday.

The four aircraft carriers that we have deployed now are they're flexible and ready to respond particularly as we see events sweeping through the Middle East. In the Western Pacific and in the Arabian Gulf and in the Mediterranean are surface combatants who are providing ballistic missile defense capability.

Our submarines are forward-providing intelligence, surveillance, and reconnaissance. And so the -- the real key is designing the type of force and the balance in the force that -- that allows us to go forward as a nation to protect our interest to -- to support and operate with our friends, allies,

and partners. And that discussion is something that I really believe is necessary if we want to have a valid discussion about the Navy the nation needs.

COOPER: Secretary Mabus, when will the new force structure assessment be ready do you think?

MABUS: It would be ready very soon, and we will certainly get it to you. But to the CNO's point, to your point, new force structure assessment was built on capability needs and mission needs and not to reach a certain arbitrary number. We wanted to look at the mix of ships, the type of capabilities and the missions that we have been asked to do in order to come up with -- with that force structure.

COOPER: It's about a lot more than hulls in the water.

Tell me, the CBM may have outdated numbers, but they were estimating the Navy's needs to be about \$19 billion a year in funding. And it's my understanding you're going to have to make do with something more like \$15 billion a year. Is that doable?

AMOS: Well, if you look at our five-year shipbuilding plan and then on out to 10 and then 30 years, one of the things we try to be very realistic about was how much money we could expect, and the average is \$15 billion a year. For our shipbuilding needs, we think that that is always within the historic average. And it will give us the ships we need if we manage that money correctly and if we bring those ships in at the budget that they need to be brought in it.

COOPER: I thank you, Mr. Chairman.

Chairman: Thank you.

And I -- I appreciate that question about the 313 versus the -- the platforms performing the missions. However, it was pointed out I believe in the -- in the QDR that at some point numbers do count, too. So, it's -- it's got to be a combination of both.

Mr. Coffman?

COFFMAN: Thank you, Mr. Chairman, and Admiral Roughead Secretary Mabus, and General Amos. Thank you all for your -- for your service, long service to our country, distinguished service.

Secretary Mabus, I just want to clarify this. Undersecretary of Defense Carter's memo of February 16th, 2011 directs you within 60 days to provide a plan for the cancellation of the Expeditionary Fighting Vehicle including termination cost for the program and a plan to harvest technology from the program for future efforts.

How do you plan on maximizing the return on taxpayer dollars already invested in the EFV program in terms of technology harvested and lessons learned?

MABUS: Well, as you pointed out, Congressman, the -- the directive tells us to harvest as much of those technologies as is possible. We would much prefer to use the moneys remaining in the -- in the current contract to harvest that technology instead of paying termination fees.

And so the plan that we're coming up with to the very maximum extent possible gets those technologies so that we can use those and use the lessons learned as we develop the next amphibious assault vehicle, as General Amos has talked about earlier today.

COFFMAN: Well, Mr. Secretary, let me ask you a follow up. How long do you anticipate it will be before you have a new amphibious tractor, a new EFV or add initial operating capability?

MABUS: I -- I absolutely agree with my Commandant. And -- but -- but I do -- I want to add one thing here. We can build a new tracked amphibious assault vehicle in -- in a reasonable amount of time.

The EFV, had it been continued, would not have reached full operating capability until the mid 2020s. And we were going have to do how to take mitigating steps in terms of upgrading our AAVs, slipping our AAVs, things like that, regardless of what amphibious assault vehicles that we were doing.

And I think we ought to be able to build these things a lot quicker than we have historically. And as I said, I -- I absolutely trust my Commandant in his estimate.

COFFMAN: General Amos, do you have any response?

AMOS: Sir, I think the -- the benefit of -- I mean, it's regretful that we spent \$3.2 billion over the last two and a half decades, and that -- that pains me. I won't -- I won't belabor why I came to a decision what I want to recommend my Secretary. I won't do that here.

But -- but here's the -- here's the good news out of this thing. We will take a lot of that technology, a lot of the -- a lot of the capabilities that have been developed for the EFV to include the remainder of this year.

And I have every expectation that we'll be able to translate some, if not the large percentage of that, over to the amphibious combat vehicle. So I will now be lost to include the remainder of the money, sir, for this year, sir.

COFFMAN: Thanks, General Amos.

Admiral Roughead one of the Navy's core requirements is amphibious power projection. In a recent Navy Times article, you spoke about increasing the manning levels of our Navy's amphibious fleet to ensure these vessels are properly staffed to carry out their vital missions.

Given the personnel challenges, the problematic first deployment of the LPD-17 USS San Antonio and projections -- and projection of 30 operational amphibious ships in FY 2012, what other steps are you taking in terms of shipbuilding, operational readiness assessments, and service life extension to ensure that the nation retains its ability to project power with our amphibious fleet? How effective have been -- how effective have efforts been to extend the service life of the USS Nassau and USS Peleliu?

ROUGHEAD: Well, thank you, sir.

A range of things we have underway talk about manning. We leaned out some of these headquarters so I could put more Sailors on ships so that the ships can be properly maintained. Sailors have been timed now to go off to school to be trained in the skills they're going to need.

We've moved maintenance back onto the waterfront. Again, that's -- that -- that's also very helpful. We put in place a structured, engineered life cycle plan to get the ships to the end of their service life.

The -- the other thing that we've done and what we've been forced into by this continuing resolution is some of those ships are getting ready to go into a midlife upgrade. And in order to make sure that I can get to that, those are some of the other -- I'm canceling other availabilities to try to hang on to that midlife. Because if we don't get to midlife, then -- then we have real issue. So, that is -- that's one aspect of it. So, there's a whole collection of activities that we have in place to make sure that our ships get to the end of their service life.

With regard to Nassau and Peleliu, I believe that -- that we do have enough life to get them to where we now have them going out. But in -- in any efforts to keep those ships for additional time, we will run into maintenance issues and then also the manpower piece because those Sailors are destined to go on to the new force structure. So we -- we have to keep that in mind as well.

I do believe that we are through the woods on the LPD-17 quality issues. We have worked that very hard. And -- and I'm pleased with how those ships are now starting to perform. But it's -- it's also a lesson to be learned that you don't take ships before they're finished and that you really make sure that you're leaning on the quality early on in the construction process.

COFFMAN: Thank you, Admiral Roughead. Mr. Chairman, I yield back.

MCKEON: Thank you. Mr. Courtney?

COURTNEY: Thank you, Mr. Chairman.

And thank you to the witnesses for your outstanding testimony today.

This past weekend, there was kind of a lot of news reports about the speech that was given by one of the senior senators in our -- in New England area who talked about communities have to be ready, "when the 2015 base realignment and closure process begins."

You know, someone who's now in the middle of -- I think this is our third hearing on the cost efficiencies over the next five years. Secretary Gates, Admiral Mullen, I mean, none of the witnesses have ever uttered the word BRAC. And I'm just wondering if you could speak to whether the Navy or the Pentagon is preparing for new BRAC, has requested one or plans to before the completion of the 2005 round.

ROUGHEAD: No.

COURTNEY: Thank you.

And again for folks maybe who are in the room here, I think it's important to, again, reiterate that Congress authorizes the BRAC process.

Again, if you extrapolate from the 2005 BRAC round, the authorization occurred in 2002, so if -- if we were really heading down that path, I mean, this really is the year that we would have to authorize it because it takes a while to get a commission up and running. And is that -- I'm just wondering if you could help sort of explain that process a bit.

AMOS: Congressman, first, I know of no effort to -- to plan for one in the Navy, or in larger, DOD. You're right that it's a -- it's a long process. It takes a long time. In fact, we're still dealing with a lot of the issues that previous BRAC round surfaced and we continue to -- to work those. But -- and it is a long process, it's a congressionally mandated process. And I don't know of anything in the Navy or Marine Corps that we're looking at to process such as that.

COURTNEY: Thank you.

I think that answer is going to be very helpful. And again, just the budget which came over from the administration actually has about another \$300 million this year just to, again, continue to implement the last round. So, we're far from done with that last process.

Admiral, the New York Times editorial page about two weeks ago had a piece about cost savings in the Pentagon. I think someone has got in stock in their word processor a phrase that says that the Virginia Class program is a Cold War relic because that's how they referred to it in that piece.

And you talked earlier about the proliferation of submarines around the world, and I'm just wondering if you could just address, again, the question of whether or not this really fits within the strategic needs of our country, the Virginia Class program.

ROUGHEAD: Absolutely, Mr. Courtney.

The Virginia Class submarine is not looking back, it looks forward. And -- and it is the best submarine in the world today. Its capabilities are absolutely extraordinary. It's a submarine that is here. It's not something that we're thinking about.

We already have three of them homeported in Hawaii, out in the Pacific. And we've deployed the submarine. We're very pleased with the results. And -- and it is, as I've said on many occasions, the best anti-submarine weapon that we have in our inventory and it's going to be relevant for a long time.

COURTNEY: Thank you. And I want to find that guy who writes those things because it just -- and sit down with them because -- and thank you for your answer.

You know, lastly, there's been some discussion about the second engine battle. I think this Committee could tell it looks like that beer commercial where one side yells "tastes great" and the other side says "less filling" in terms of the debate that's there.

But, you know, Admiral Roughead you spoke very eloquently about the fact that you can't just look at the production cost, you also have to look at the life cycle cost in terms of, you know, having systems to repair and maintain two separate engine systems. And I was wondering if you could maybe reiterate that point again because I think it really is a very powerful argument about why we have to make a choice here.

ROUGHEAD: Yes, sir, I agree. I mean, if you introduce, in my opinion, the second engine you're talking about, dual logistics, dual training, dual maintenance, and -- and that all comes into play.

The -- the other thing for the Navy that is important and why we have long advocated the single engine is that when we go to sea in our aircraft carriers and our amphibious ships, we are rather space constrained.

And so, for the Navy, one variant where we have one training track for people, one logistic system and one maintenance system is the way that we must be because we can't afford to have the -- the redundancy in the space that would drive. So, we've long advocated for the single

engine. And -- and for the Navy, I think that that -- that is really the most effective cost approach that we can have.

MCKEON: Thank you.

And we have not had any discussions on the BRAC on our side or Mr. Smith and I have not discussed it and we're not contemplating it. So if that helps too. Mr. Rigell?

RIGELL: Thank you, Mr. Chairman.

And Secretary Mabus, Seaman Roughead, and Commandant Amos, from one American to another thank you very much for your distinguished service. I appreciate what you're doing to protect our young men and women and give them the best equipment and leadership when we put them in harm's way.

And I would like to direct our attention today to our East Coast carriers home porting of those carriers, the threats that may come against those carriers and mitigating those risks.

And can you tell us today are there times we have five in ports on the East Coast, or are times when there are fewer than five in port and as few as, say, two carriers in port at any one time?

ROUGHEAD: Yes sir, the carrier numbers fluctuate depending on many are deployed, how many maybe out for local operations, so the number of carriers in port at any given time varies.

RIGELL: And it can down to -- we've had times then where we had as few as two and that even as few as one, correct, in port, and...?

ROUGHEAD: I have been in Norfolk, I was assigned there for a long time and I've seen the piers empty at times.

RIGELL: That's correct, and so, there are times the ship's log would indicate that there have been zero carriers in port and for some period of time. So we know that the Enterprise is being decommissioned and the math is pretty simple. That's going to take us down to four.

Is it reasonable to assume then that as the number of carriers decreases on the East Coast that the number of days that -- total days that our carriers are in port would also decrease, correct? Do you follow me on that logic?

ROUGHEAD: I'm following you very well. Yes, sir.

RIGELL: OK. So as the target for the terrorists, the number of targets decrease, the threat also decreases against that particular asset, would you agree with that Admiral?

ROUGHEAD: I think it's important to think not simply in terms of the ships alone but the infrastructure that's required to support them and to maintain them, to husband them.

So even though if an aircraft carrier is at sea it still has to come back in to perhaps have nuclear maintenance performed on it and right now Norfolk, Virginia or the Hampton Roads area, an area of about 15 mile radius is the only place on the East Coast where we can do that.

RIGELL: Correct and that also is true, isn't it of our SSBNs? We have -- you know, the operations on the east at King's Bay and also on the West Coast, just one, is that correct?

ROUGHEAD: That's not true when you get to the infrastructure, sir, because we have King's Bay, we can bring a nuclear ballistic submarine into Hampton Roads to do maintenance there, either at Newport News or at the shipyard. And then if we have to, we could also take it up to New London to have work done at Electric Boat up there.

So I have three sites on the East Coast where I can take care of our nuclear submarines. I have many sites on the East Coast where I can take care of our conventional ships. I currently have one place on the East Coast where I can maintain a nuclear aircraft carrier.

RIGELL: Because I read your testimony which I appreciate you sharing with us that it indicated that one of the risks is I guess the weather or environmental things like that. Given that carriers by their nature are mobile, I frankly don't place that much weight on that particular one, I am fully concerned about a terrorist attack.

But given the fact that we're already in a decreasing risk environment just by the sense that we are decreasing from five to four on the East Coast and also in this context of extraordinary times that we are in from a fiscal standpoint that with my business background I can see -- unfortunately it's only going to increase and in a rather dramatic way.

The decisions that we make here, those who follow us to four, six, eight, ten years down the road I think are going to continue to be under enormous pressure. So it's disconcerting to me to see that Mayport still is a path that is being considered by the Navy for an East Coast home port for one of our nuclear aircraft carriers.

Would you consider, if formally requested, an evaluation at this time which would recognize that our fiscal situation is very dynamic and would you reevaluate that decision just given the fact that there's enormous fiscal pressure on us?

ROUGHEAD: I think (inaudible) an argument from me, from the very beginning of the strategic dispersal was the fact that having the flexibility and especially looking to the South. We are going to see changes in shipping patterns when the Panama Canal expands, so the southern regions, I think, will become more dynamic and not less.

I believe as we look out into the future the approaches from the South Atlantic and particularly as Africa really becomes more central to international security affairs and resources. I think having the strategic dispersal, having the redundancy and being able to take care of these very capital ships that we have will be more and more important to us.

RIGELL: Admiral, I'd say this, in a perfect environment I would be fully supportive of more strategic dispersal. I do, as I look at our SSBNs and see we really, in many ways, have not dispersed those assets, it's difficult to process why we're so committed in this extraordinary fiscal environment of dispersing the carriers.

I think once it gets there if there is one that is moved you're dealing with one carrier and then it goes to sea and all these assets -- you know, all the infrastructure's there are for nothing in effect.

ROUGHEAD: I would say that infrastructure is available to give us the redundancy that we need in the carrier force but it's also maintenance capability that can be used on other ships of the Navy as well.

RIGELL: Thank you for your time.

MCKEON: Thank you. Ms. Pingree

PINGREE: Thank you, Mr. Chair.

And thank you to all of you for your perseverance today and your testimony, and your hard work on behalf of our nation. I appreciate it very much.

Secretary Mabus, thank you for our recent phone call and your assistance and advice on the shipyard in my state (inaudible) works. But I want to talk to you today a little bit about the Portsmouth Naval Shipyard which is in Portsmouth, New Hampshire and to remain.

I am pleased that the shipyard has continued to be a bright beacon in this hard economic time both locally and for the Navy with a delivery of the Virginia class submarines. It's clear that the yard has a solid workload for years to come.

And I know, Secretary Mabus, that you visited the shipyard in 2009, thank you for that, and you saw firsthand the extensive projects that are underway and the positive advancements and efficiency in technology that the yard is taking on. I am concerned though about the continued modernizations at the yard that are necessary to ensure efficient production.

As you know the shipyard has received strong support from both state delegations for many years. The shipyard is an economic engine for the region which I know everyone says that about their local entity but even during this tough economic times the shipyard has been to keep hiring and that was due in large part because of the investments in efficiency that have been made over the years.

I welcome, along with everyone else, the important efforts to reduce spending but all the upgrades at the Portsmouth Naval Shipyard have been a direct result of congressional requests or earmarks as we used to call them.

These upgrades not only have improved the work there but are also shared with other naval facilities for the betterment of the armed forces as a whole. While the possibility is there of including this funding in the Navy's base budget, so it won't be as reliant on member support, this was not addressed in the FY '12 budget.

Because of the current ban on placing such requests and the reduction of spending in the president's budget, how do you plan to address such important efficiency needs that are directly related to ensuring our national security and readiness?

MABUS: Congresswoman, first I want to agree with you wholeheartedly on the value of not only Portsmouth but our other public naval shipyards that we have. They perform an amazingly valuable service for the country and for the navy.

As we look at the budget and add the maintenance requirements that we had, we tried to balance it out in terms of risk and in terms of absolute necessity for that maintenance. One thing that I would point out that was specific to shipyards was when the civilian hiring freeze was put into effect.

Shipyards were exempt from that so that shipyards can continue to hire the skilled workers that they need to hire to meet these maintenance requirements. So I think we're addressing the needs in a fiscally constrained environment for not only Portsmouth but for the Navy.

PINGREE: So I guess what I'd say is we've developed a habit over what I think is 30 or 40 years of the shipyard which is an old yard but does great work requiring upgrades and efficiency but receiving all their support through the earmaking process. And while I understand we're in a transition here of how we do our budgeting and we're in need of making tremendous cuts and you had to be respectful of that in your budgeting process.

I am concerned that the yard will not be able to do the high quality work that the Navy depends on if the efficiency military construction doesn't continue.

So I know that's a hard thing for you to answer but, you know, just one more time I want to say that this is very important funding, it's not in the president's budget and it's not clear to me how we're going to continue that necessary work.

MABUS: I do appreciate that and it is, as you pointed out a transition period between, from one source of funding to migrating to the Navy's base budget. That and a lot of other things we will be taking close looks at because I know that the CNO maintenance and the maintaining of the fleet is among his very highest priorities as it is with mine.

PINGREE: Great, well, I appreciate your answer and I know you'll continue to hear from my delegation and that in New Hampshire as well.

MCKEON: Thank you. Mr. Young?

YOUNG: Thank you, Mr. Chairman.

And thank you, Admiral, and Mr. Secretary and General for being with us today. I appreciate your service to our country and for your stamina here today.

I want to follow up, Admiral Roughead, on your mentioning, in a general way, the Navy's efforts to restructure how it deals with Cyber. And I would if you could specifically speak to the current status of the Tenth Fleet and its interface with other entities within DOD or within the Department of the Navy with respect to Cyber and whether those relationships are now clarified.

ROUGHEAD: Yes, sir, and I've been very pleased with how Tenth Fleet has come on. It's only been in existence now for a little over a year but the way that we aligned Tenth Fleet as a direct reporting component to U.S. Cyber Command and then the joint task forces under the Tenth Fleet, it has proven to be very responsive and very nimble and has given us a global view and a global response quite frankly that we did not have in the past.

I think the command relationships are strong. I have empowered the Tenth Fleet commander budgetarily in ways that I have not done with other fleet commanders so they can move much more quickly. He can respond much more quickly.

I believe that the dialog and the interaction, and the coordination that takes place among the service components is also going very well. So I think it's -- I'm very pleased with what I see.

YOUNG: Thank you, Admiral.

This line of conversation came up. I represent a district in southeastern Indiana and there's a large naval base, Crane, the naval service warfare center just outside the boundaries of our district. There is a great electronic warfare component to the services they offer there but they're also quite skilled in some different cyber areas.

And we were discussing whether there are any training programs, First Doctrine, has that been developed in a joint way with respect to Cyber? And then training programs pursuant to that doctrine and could you perhaps speak to that and I'm hopeful that Crane will find some role in assisting with that training too.

ROUGHEAD: Yes, sir. And I think that the other thing that we have put a lot of emphasis on is the human dimension to this. We created the information dominance core, bringing together all the skills, about 45,000 people. And we in the Navy have the center for information dominance, essentially the school house for all of the services down in the Pensacola area for the Navy.

The other thing that we've done and I think this is where it ties in to Crane, Indiana, is that the space and warfare systems command has now -- it really couples in better to Tenth Fleet and Cyber and the N2/6 organization the director for information dominance on my staff in ways it's never been able to do before, and I think it has the potential to bring the centers, the labs, places like Crane into that environment where we can be much more effective and where we can train and where we can also use those assets more effectively.

YOUNG: Thank you, Admiral.

One final follow-up here. If our Navy and I've seen naval service and especially as a marine myself, if our Navy and Marine Corps were to have a Pearl Harbor level Cyber attack, so to speak, would we be able to reconstitute our capabilities in a short period of time or would -- is there some methodology, some apparatus out there for us to continue operations, even after having absorbed such an attack?

ROUGHEAD: I think that was one of the reasons why we've restructured ourselves, why we've created the Tenth Fleet was to be able to respond and be much more nimble and agile.

I think it would be -- you know, there's probably not one definition of a Pearl Harbor type Cyber attack. If it's regional clearly we have the redundancies globally to be able to respond to that. If it's at a particular system or network I believe that we have redundancies to be able to accommodate that.

Would there be effects? Absolutely. But that's why we put in place the structures that we have and as you know this is really an evolving area, but I believe that how we posture ourselves organizationally and with our talent today and the young Sailors that do this. They are absolutely eye-watering. I believe we're well positioned to go into the future.

YOUNG: Thanks so much.

MCKEON: Thank you. Mrs. Davis?

DAVIS: Thank you, Mr. Chairman.

And thank you to all of you for your service and for being here and on a personal level for always being available for questions. It's been a really strong relationship and I really am grateful for that.

I'm not sure whether anyone has asked about this question but I wanted to be sure I had a chance to check in with you on it. I know that the Navy, like so many other services, has had a challenge really of filling the number of medical personnel that it deems necessary.

And I want to know what the current assessments are now for the Navy reserve and active duty component. How do you plan to meet a 100 percent of the need that you have by the end of the year?

MABUS: In terms of doctors and nurses we are -- we think we will meet the 100 percent requirement, where we are continuing to have some issues with psychological health professionals.

And we are trying to cast as broad a net as possible, we are also doing incentives to come in to naval service for people like that and also incentives for remaining on active duty. But as you pointed out, the medical corps whether doctors, nurses, or on the battlefield, corpsmen constitutes one of the strongest links that we have to have to take care of our Sailors and our marines, and it's something that CNO, the Commandant and I focus on in a very strong way on an enduring basis.

And one of the great strands in that link is Balboa and the work that they're doing with our wounded warriors on things like amputations and bringing our wounded warriors back into either the service or the civilian community whole and ready to move forward with their lives.

DAVIS: It is an extraordinary job that's being done for those who have been severely wounded. I would certainly agree with that.

Our numbers would indicate that the reserve is coming close to the 100 percent but that the Navy really is still falling quite a bit below that, somewhere in the neighborhood of 55 percent. Are we just off in seeing that?

ROUGHEAD: I think we are challenged a bit on the reserve side because as you know many of the reserve is filled with people leaving active duty. We don't have as many people leaving active duty as we used so there is some challenges associated there.

But we really have stepped up the efforts in the active side. As the Secretary mentioned in the mental health area we're -- right now we're about 139 short out of around 830 or so professionals

but I would submit that that's a national issue that we're dealing with as well in the area of mental health. That there is a greater demand than there is a supply for that but we continue to work this very hard and we'll stay in very close touch with you and with your subcommittee on this.

DAVIS: Can I turn to the issue of tuition quickly because perhaps you haven't had a chance to talk about that. I understand that the Navy has begun to track the tuition assistance programs to gain a better understanding of how Sailors are actually using this money.

And you've distinguished between the profit and the not for profit schools. Could you go into a little bit of detail regarding how these degrees are being used and if there is a difference between the degrees obtained from these institutions?

ROUGHEAD: Ma'am, I'll take the question on the differences in how we're using the degrees between profit and non-profit. And I'd like to take that for the record if I could, but we have given our tuition assistance programs a very hard look as we look across all of the programs that are available to our Sailors, whether it's the GI Bill and the Transferability Tuition Assistance and then My CAA (ph) is another program to see how they all fit together.

We did put in place some guidelines, some new guidelines on the tuition assistance. We want it to lead to something so we've wanted Sailors to have a plan. We also put some restrictions on the first year of service because as a Sailor comes in and checks into a command they may take on some educational obligations that then become a little difficult to deliver on because of the pressures of their jobs.

So we have put some more structure and some more guidelines in place.

DAVIS: May I ask very quickly. General, I may ask, the Marine Corps stopped giving tuition assistance and rely only on the GI plan now understanding that the constraints that you're under but is that -- am I representing that correctly?

AMOS: Ma'am, I'm going to have to come back to you on that for the record as well. What I know today is there has been no change in the way that we've done business over the last five or six years but let me double check and I'll get you an absolutely drop dead accurate answer.

DAVIS: OK. Thank you very much. Thank you, Mr. Chairman.

MCKEON: Thank you. Mr. Hunter?

HUNTER: Thank you, Mr. Chairman.

And Admiral, General, and Mr. Secretary, I've got a question that stems kind of from what's going on when it comes to Libya, when it comes to Bahrain, when it comes to Egypt, when it comes to all these places that we're in and we're not completely thrilled with their form of

government but we know that we have to be there anyway, and we are and we are going to stay there as long as we have to, I guess you would say. But we'd like to operate from a, you could say, a floating platform that Admiral Roughead mentioned earlier.

We have airfields on aircraft carriers obviously that operate anywhere we want them operate and I think there's going to be a point in time that I can see in the next decade or so where we have to leave some of these places where we've been operating simply because we cannot support their type of government, whether it's a semi- tyrannical rule or a total dictatorship but they let us use their air.

So my questioning goes to ship building and I've been reading this, General Amos, the posture of the United States Marine Corps, it's a motivating document and a lot of talking there is about projecting force. So when it comes to the number of amphibs your number is 33, that is the minimum. I believe you have 31 and you would like 38.

So as we are moving forward to this time or we might be having to pull off of our land basis that we have established at various places throughout the world which in my mind makes amphibs that much more important, why are we operating at the bare minimum, that just doesn't seem to square with me, Mr. Secretary, maybe, or General or everybody, if you don't mind answering that. Thank you.

MABUS: Congressman, thank you and I'll give an overview and then ask General Amos to talk to it as well.

Several years ago the Commandant and the CNO sat down and looked at amphibious requirements and in a unconstrained environment 38 is the number, 33 can get the job done that the Marines need to get done in terms of getting two brigades across a beach in a contested environment.

We are building toward that 33. We're also building toward a little different mix of the 33, 11 big deck amphibs, LHAs or LHRs, 11 of the LPDs, 11 of the LSDs which will give us more flexibility in terms of how we set up amphibious ready groups and how we deploy a Marine expeditionary unit as you know so well from your previous service.

So I think that we've got the number right and what we'd like to do is make sure that we get to those 33 and that we get to the right mix. I would like to say that in FY '16, the next LHA that we're going to build, we're going back to putting a well deck in it to give the Marines more flexibility in how they move on and off those ships.

HUNTER: If I could be more pointed in my question, these requirements were written in 2009. These requirements were written before what has happened this year happened obviously and we can all say that in December the world will look a lot different than it looked in January. I think we can all agree on that.

And that a lot of these places where there is civil unrest and that we might have to take action or not, or that we decide it's not worth propping up simply to be there militarily, your requirement of 38 was done then.

So are we -- I don't know, I'm still not squaring it away, when you say 38 is a good number and we're working towards it, that was two years ago or a year and a half ago, it could be 45 right now and we could not have enough amphibians if we had to operate in two different theaters and do something because I know for a fact the operational number of amphibians that the Commandant is able to deploy at any given time is much less than that 33 number or the 31 number because of the rotation cycle and the maintenance cycle.

So his numbers are extremely low in what he could actually deploy in any given time. The numbers you're working on, sir, are old. Those are old numbers that don't take into account, I don't think what's happened just this year.

Could you respond to that please?

MABUS: Well, number one the way that the 33 number was arrived was in terms of operational, what is operational at any given time given the maintenance requirements and the other things that you talked about.

Number two though is coming up with this number. It was not coming up with a number in a static environment. It was under the terms of the last QDR in 2010 presented in early -- presented in early 2010 for the 2009 QDR. It was not only two major combat operations at any given point but also other -- the force was tested against three different scenarios which included two major combat operations at the same time, but also other things that were unforeseen, that you could have a situation occur in a specific area of the world, in addition to the major combat operation which I believe is what you're getting at.

And this force of 33 amphibians was tested against that and we believe will meet those requirements.

HUNTER: Thank you, gentlemen, for your service, dedication and unwavering duty. We really appreciate it and so does the nation. We're all lucky to have you. Thank you.

MCKEON: And just for the record, we were talking about 33, like we have 33. My numbers are that we currently have or will have by '12, 30. We won't have 33 if everything goes right until 2017.

MABUS: That's correct, Mr. Chairman.

MCKEON: Mrs. Hanabusa?

HANABUSA: Thank you, Mr. Chairman, and thank you, gentlemen, for being here.

First of all I'd like to thank Admiral Roughead, who I remember from Hawaii in your years there. And my first question is, is to the Admiral.

Admiral, you made an interesting comment in your testimony and it has to do with building tomorrow's Navy. I'm curious. Other than the hardware, the 313 that we want to get to and you did mention the whole concept of the cyber terrorism and battles with that. Do you have a view of what tomorrow's Navy is going to look like? You've been Chief of Navy now for four years.

What is your view of tomorrow's Navy that you want to build?

ROUGHEAD: Thank you for the question. And I would say that tomorrow's Navy still has to have the flexibility, the agility, and the ability to respond very quickly, the ability to operate far from the homeland in areas that are of great interest to us.

But I do believe that it also requires us to move into this cyber world which is something that we're all coming to grips with, to be able to operate systems, particularly unmanned systems, not just in the air which is what most tend to think of when we talk about unmanned systems. But I think there's a huge potential for unmanned underwater systems. And I think how those net together will be a shape of the force into the future.

I also look at the proliferation that's taking place and what are the systems that we'll need there. There's no question in my mind that ballistic missiles will continue to proliferate, will continue to become more sophisticated and will threaten at longer ranges which is why we and the Navy made the move to really make ballistic missile a core mission.

And the reason I mentioned that is because something that is in Hawaii that is absolutely key to that is the Pacific Missile Range Facility at Barking Sands. There is no other place on the planet where that type of work is done, where the developments of this future capability will have to continue to evolve.

So, you know, those are some of the things. And at the bottom of it all will be the young men and women that operate this very sophisticated force, because even when we talk about unmanned, it still requires a human being to direct it to make critical decisions and to operate it. And so, looking and attracting those young men and women who want to be part of this future Navy is something that is probably the most important thing that we'll all be doing.

HANABUSA: And thank you, Admiral. And I think one of the understated facts that it takes someone to come here to know is really the ability of the Navy to have stepped up in Afghanistan and Iraq. And I know that a lot of the -- what we call (inaudible) OCO is attributed to all of you and I think that we owe you a great deal of gratitude for that.

I also would like to know from the Secretary, one other thing that I've been intrigued by when we talk about the nuclear capabilities and the Ohio-class and going from 14 to 12 and 22 capabilities. How is that really -- for lack of a better description, how do you get that and the

President's view of a nuclear-free weapon type of situation? How do we get those two things to work together? It just seems like we're talking about nuclear weapons and we're talking -- and our President is saying we're going to work towards non-nuclear weapons.

So how do you do that?

MABUS: Well, for the current time being, we have a triad of deterrence and our Ohio-class submarines provide one leg of that deterrence and I think that it's a critical national mission today.

We hope to work toward a reduction in that. But until that day comes, I think, it's incumbent on us to not only have that capability, but for it to be credible, for it to be up to date, and for it to be very survivable.

HANABUSA: One tube, what is that capable of doing? It just seems like 24 to 20. They may not mean that much of a difference. I mean, you're talking about nuclear weapons, aren't you?

MABUS: Yes, you are. But you're also talking about, in terms of, what the mission is and what the targets would be under consideration. And in terms of coming up with the number of tubes, we have looked particularly with the uniform service of what the requirements are, what the mission is for this submarine and we feel confident that the number of tubes that we are laying in for the Ohio- class replacement will meet all the missions that we have.

HANABUSA: Thank you.

MCKEON: Thank you.

HANABUSA: Thank you, Mr. Chairman.

MCKEON: Mr. Jones?

JONES: Mr. Chairman, thank you very much. Mr. Secretary, I see you sitting there. I saw the Admiral Roughead and General Amos. What is your title?

MABUS: Secretary of the Navy, sir.

JONES: Secretary of the Navy. OK.

In 1947, the National Security Act stated that we have four equal services and, in fact, it says the Marine Corps, Army, Navy, and Air Force as the four services given statutory missions. So I would assume in my mind that means they're equal.

You, many times -- in the 16, 17 years I've been here, I've heard many times that we are -- the Navy and Marine Corps are one fighting team. Would you agree with that statement -- one fighting team?

MABUS: Yes, sir, one fighting team and one family.

JONES: Right, one family. Well, I'm pleased to hear that because I, again -- and I won't fight the Chairman and the previous Chairman who have been very supportive going back to (inaudible). I believe in -- that the family should carry one name and that name would obviously be Navy and Marine Corps.

I have another issue and I would like to bring this up, but our time goes so quickly. But I can assure you that when -- I hope you've been to see the Navy football team play since you've been Secretary of the Navy.

MABUS: I have. So far, they haven't lost when I've gone either.

JONES: Well, I'm sure the Navy and Marine Corps loves to hear that and I mean that sincerely.

Well, a few years ago, we were here on the weekend and the Navy's playing Notre Dame. And so for the first time, sitting in my office, I happen to observe that on one sleeve, it has the Navy anchor. On the other sleeve, it has the Marine emblem of the globe and anchor. I guess, you've noticed that on the jerseys.

MABUS: Yes, sir.

JONES: OK. Well, again, we will fight this. We had 423 co- sponsors in the House last year, Pat Roberts had 80 senators and I made the statement, "You couldn't get 80 senators last year to agree there's a Santa Clause".

So we're going to take the same fight up this year. We believe that it's the right thing to do to share that the families are fully and clearly recognized as four separate fighting teams. And even though the Navy and Marine Corps is a family and we appreciate that, they should have -- the coach of the team or the leader of the team should carry the name of both.

It's a tragedy when a Marine dies in this country. And I have a copy of a letter that when a Marine dies, he receives a letter from the Secretary of the Navy, Washington D.C. with the Navy flag, nothing in the condolence letter about the Marine Corps -- nothing.

Yes, it does have in the first paragraph where it has the name of the Marine who was killed that he was a Marine, but in the heading, the family's name in the heading does nothing about Marine Corps. So thank you for your precise answers. I appreciate that very much.

I want to go back to a point now. I have received letters from you, Mr. Secretary, and the new Commandant and previous Commandants about my concern about clearing the name of two pilots who were killed in Arizona. Nineteen Marines were killed when they were asked to do something they never should've been asked to do because the plane was not ready.

In the one minute I have left, I have a copy of the guidelines for the British Royal Air Force. If there's a plane crash, this is the guidelines that they try to follow. And I don't have the time and you wouldn't have time enough to answer -- to ask you but one question. I want to go to the part that deals with guide to the consideration of human failings. We call them human factors. They say human failings.

This is the question. I'd like to know if you agree with this or not. I realize these are the British regulations and not yours or not ours. Maybe I should say it that way. Only in cases where there's absolutely no doubt whatsoever should deceased aircrew be found negligent. Do you agree with that?

MABUS: Well, what I would agree with, Congressman, is that we should follow very carefully our regulations in terms of when we investigate an accident and the reports that come out of that.

JONES: Mr. Secretary, that's fine. But I would tell you that your rules and regulations, when dead men cannot speak for themselves and dead men were put in a plane that should not have been doing the procedure it was, then we need to follow what the British say and I'll repeat it again, only in cases where there's absolutely no doubt whatsoever should deceased aircrew be found negligent.

Thank you for your answer.

MCKEON: Thank you. Mr. Larsen?

LARSEN: Thank you, Mr. Chairman.

Admiral Roughead I think I'm expecting a letter from you by Friday regarding the P-8 and so I -- well, that's all I'll say about it. You can thank me later. But with regards to Aegis and looking at some other issues on one of the other subcommittees I have -- strategic forces, and of course as well as on the Sea Power, can you discuss the Sea-based Missile Defense requirements for us surface combatants. I know they're still in review.

Has there been progress in determining what the requirements are for the Navy to meet the requirements of the Phase Adaptive Approach and what kind of timeline are we seeing -- what investment do we see in this budget and what kind of timeline do we see to meet those requirements?

ROUGHEAD: Yes, sir. Thank you.

We are moving forward on Phase Adaptive Approach. And, in fact, the first ship and the first phase will be sailing this month to be part of the Phase Adaptive Approach in Europe. We also have been maintaining another ship in the Mediterranean with ballistic missile advanced capability.

I do believe that we've been able to settle on the number of ships that are required. And that's what really drives the request in this budget to ramp up the number of ships and then the number of interceptors.

Those ships are still going to be very busy, there's no question about that, through this five-year plan that we have in place. But we have closed in and your support to get us to have the 41 BMD-capable ships by the end of this setup (ph) is going to be very key to minimizing the stress on that BMD force.

LARSEN: Just a question on that. Is the Navy's plan to make these primarily BMD ships first or are these going to be on call for that? That is -- obviously, they can do everything as far it can do, but are we going to ask them to be BMD first?

ROUGHEAD: They will receive more extensive training in BMD. They'll be heavily focused on BMD. We'll make sure that they're exercised routinely in BMD. So that will be an overriding case.

But as you mentioned, these are multi-mission ships. They can do much more than that and, in fact, in this past week, the USS Stout which is the BMD ship in the Mediterranean is the ship that escorted the ferry that was carrying the Americans from Libya to Malta.

So we can't simply say they're BMD. We expect them to do more. They will do more. But they're going to be the BMD horses of the Navy.

LARSEN: Great. With regards to the Next Generation Jammer, do we have a timing on the

fielding of that? I know the budget just starts putting money into it, but what's the timing on fielding to replace - do you have anything on that?

ROUGHEAD: I'll get back to you on the exact timeline on that. But clearly, by the end of the decade, it's where we want to be with that -- capabilities.

LARSEN: And that will be able to ship to the 35, sorry to the 18G.

ROUGHEAD: Absolutely. Yes, sir.

LARSEN: Yeah. Yeah.

And, Commandant, is the Marine Corps anticipating that the 35B will have electronic attack capability or is that going to be -- I'm not quite sure. Is that going to be all in the Navy now or as you move away from your EA-6Bs?

AMOS: Congressman, we transitioned from the Prowlers to the F- 35B. We will have a significant electronic warfare, electronic attack capability in that airplane resident just the way it's coming off the line. So it's pretty significant.

There is every expectation that they'll will take the Next Generation Jamming Pod that's being developed -- or is developed now for the F-18G and more than likely -- you know, or translate that to the F-35B. So it will be an electronic attack capable airplane.

LARSEN: OK. OK. That's great. We've been tracking that. (Inaudible) has been tracking that -- this progress for a while.

Secretary Mabus, see you don't get off too easy, again, we're going to be discussing these issues of satellites and probably strategic forces. But the mobile user (inaudible) system programs experienced significant challenges, have increased costs and schedule delays, and don't feel special. You can apply that to a lot of our satellite programs, something we've all been watching and trying to get on top of.

But it now appears to be on track for the first launch in '011 this. Do you have concerns about any capability gaps or have we looked at alternatives to fill those gaps until this is up, as well as any gaps once the first one's up until we get further buses launched?

MABUS:

You're correct on all of these things. And the thing we're looking at to fill any capability gaps is commercial service on a commercial satellite to make sure that we don't have the gaps because this is such a critical component of everything that we do.

LARSEN: That's right. Thank you, Mr. Chairman.

MCKEON: Secretary, Admiral, and General, thank you very much for your time here today and for your responsiveness. I'm sure we'll continue to work together as we go through the budget process.

This hearing is now adjourned.