

**Senate Armed Services Committee Holds Hearing  
on the Navy Posture in Review of the Proposed Fiscal 2016 Defense Authorization**

**March 10, 2015**

MCCAIN:

Good morning.

I want to welcome the witnesses. I thank you all for being here this morning.

The committee meets to receive testimony on the plans and programs of the Department of the Navy for fiscal year 2016.

I want to thank each of our witnesses for their distinguished service to the nation as well as to the sailors, Marines and civilians they lead, who are serving around the world today.

This is Admiral Greenert's last posture hearing before the committee, and I'm sure he is relieved to know that, but his last appearance as chief of naval operations.

And I'd like to thank you, Admiral Greenert, for your 40 years of distinguished service to our Navy. And I wish you and Darlene (ph) all the best in the future.

In the last three months, some of America's most experienced statesmen and strategic thinkers have offered this committee a clear, unified and alarming assessment of current worldwide threats and U.S. national security strategy.

As Dr. Kissinger testified on January 29th, the United States has not faced a more diverse and complex array of crises since the end of the Second World War.

The actual global challenges we face are compounded by the limitations of the Budget Control Act and sequestration, which are a self-inflicted national security crisis. Indeed, all four of the military service chiefs have testified that defense spending at sequestration levels would put American lives at risk.

Now, more than ever, a strong Navy and Marine Corps are central to our nation's ability to deter adversaries, assure allies and defend our national interests.

From our strategy of rebalancing to the Asia-Pacific region to conducting ongoing operations against ISIL, to deterring rogue actors like Iran and North Korea, to many other requirements, the U.S. Navy and Marine Corps are key pillars of our national security strategy.

Yet, by any measure, today's fleet of 275 ships is too small to address these critical security challenges. The Navy's force structure assessment requirement is 306 ships. The bipartisan

National Defense Panel calls for a fleet of 323 to 346 ships. And our combatant commanders say they require 450 ships.

But under sequestration, the Navy has said the fleet could shrink to 260 ships.

Equally troubling, the Marine Corps continues personnel reductions, down from 202,000 active duty Marines in 2012 to 184,000 today to 182,000 in 2017.

With the demands on our sailors and Marines rising, these force reductions, coupled with major readiness shortfalls due to sequestration are lengthening deployments, cutting training and time at home with families, and putting our all-volunteer force under considerable strain.

MCCAIN:

The president's budget request attempts to buy as much readiness as the department can execute for fiscal year '16, and this is yet another reason why we cannot afford a defense budget at sequestration levels. The president's budget also includes significant funding requests for major Navy and Marine Corps acquisition programs.

In the current fiscal environment, it is all the more important for this committee to conduct rigorous oversight of these programs to ensure that the Department of the Navy is making the best use of limited taxpayer dollars. That is exactly what we will do.

With a littoral combat ship, despite initial cost overruns that more than doubled the cost per ship, the Navy appears to have stabilized the cost of the LCS sea frames. And yet the program still faces challenges to deliver the promised warfighting capability.

All three of the LCS mission packages still need significant further testing and must overcome major technology integration challenges.

Regarding the secretary of defense's decision to upgrade the LCS, this committee will continue seeking further information to justify this decision.

Without a clear capabilities-based assessment, it is unclear what operational requirements the upgraded the LSC is designed to meet, and that's how much more lethal and survivable the ship needs to be.

In short, the Navy must demonstrate what problem the upgraded LCS is trying to solve. We cannot afford to make this mistake again

For the first three Ford-class carriers, despite cost overruns of more than \$2 billion each, this program has not exceeded the cost cap in the last three years.

However, the second Ford-class carrier, the USS John F. Kennedy will deliver in Fiscal Year 2022 less capable and less complete, due to the Navy's proposed two-phased delivery approach.

This plan would leave us with an incomplete ship, should world events demand an additional aircraft carrier or if the USS Nimitz encounters unforeseen problems in the final years of its 50-year service life.

I'm also concerned about the Navy's plan to delay full-ship shock trials from the first to the second Ford-class carriers. That day -- that delay is hard to justify for a new ship that is this complex.

This committee also has a duty to shape the future of our Navy and Marine Corps. With three service combatant classes set to retire soon, now is the time to lay the analytical groundwork to replace those ships.

As the Navy develops requirements for the next class of amphibious vessel, we must ensure that our warships are capable of supporting the Marines in the manner they plan to fight in the future.

We must also carefully examine the future aircraft carrier fleet and the carrier air wing. \$12 billion or more for one ship is simply too expensive.

We must do even more to reduce cost and increase competition within the aircraft carrier program, and as challenges to American air-power projection grow, we must chart a path to achieve the unmanned strike capability from our aircraft carriers.

We look forward to the witnesses' testimony today and hope that they will cover the broad spectrum of policy procurement, readiness, personnel and resource issues that the department confronts.

Senator Reed?

REED:

Well, thank you very much, Mr. Chairman.

Let me join you in welcoming Secretary Mabus, Admiral Greenert and General Dunford to the committee this morning to testify on the plans and programs of the Department of the Navy and the review of the 2016 annual budget request.

Let me also thank Secretary Mabus for joining us last Saturday at Quonset Point for the keel-laying ceremony for the USS Colorado. Thank you, Mr. Secretary.

I want to welcome General Dunford to his first posture hearing, and I also want to join the chairman in commending the outstanding work of Admiral Greenert as he departs at least this venue. Thank you very much, sir, for your extraordinary service to the -- to the Navy and to the nation.

Our witnesses this morning face huge challenges as they strive to balance the need to support ongoing operations and sustain readiness with the need to modernize and keep the technology edge so critical to military success.

These challenges have been made particularly difficult by the fiscal constraints of the Budget Control Act and sequestration. All the military departments have been forced to make painful tradeoffs, and now the threat of sequestration continues to loom.

If Congress does not act to end sequestration, I believe our long-term national-security interests will be threatened.

Last year, the Department of the Navy was facing serious readiness problems caused by deferred maintenance, reduced steaming and flying hours and canceled training and deployments.

Increased emphasis on readiness in this year's budget will address some of the Navy's most serious readiness problems but result in a serious shortfall in modernization funds to meet future threats. I'm interested in hearing the witnesses' views of the increase in this risk, because of the shortfall.

REED:

All areas of our naval forces are overtaxed. The Navy is facing shortfalls in attack submarines, air and missile defense cruisers, destroyers and strike fighter inventories. They have already been operating for two years now with fewer than the required 11 aircraft carriers. And during the next decade, as a first priority, the Navy will need to buy a new class of strategic missile submarines to replace the Ohio Class submarines, a very costly venture. I'm interested in hearing how the Navy is managing its operational tempo with these shortfalls.

I'm also interested in the witnesses' views on how they will manage competing demands in the budget once the cost of the Ohio replacement begins.

The president's budget request calls for Marine Corps end-strength of 184,000 Marines, down from the wartime high of over 200,000 Marines. I'm interested to learn how the Marine Corps will manage mission risk for a force this size, particularly with the additional mission such as increased embassy security.

For Marine Corps modernization, the F.Y. 2016 request supports the decisions made last year that made the strategy for ground (ph) systems more sound. The Marine Corps clearly remains committed to the revitalization of its armored amphibious assault capabilities with a budget request that includes funds for mobility and survivability upgrades for its current family of armored amphibious assault vehicles, and continues the competitive search for a new wheeled amphibious combat vehicle.

We understand that the amphibious combat vehicle program would integrate a number of existing technologies into a new vehicle. The Marine Corps has described this program as, quote, "non-developmental," which raises questions about what "non-developmental" means when you're developing a new system. I'm interested in your insights, Commandant, on what this whole program is involved.

It also is clear the Marine Corps' real amphibious challenge on what General Dunford has called the "amphibious gap" has more to do with ships and connectives, than air and seaborne assault systems. Navy witnesses have testified about the number of ships required to meet amphibious shipping goals.

Sometimes lost in that discussion is the fact that changes to Marine Corps ground or air components rippled through the amphibious ship force requirement. I know that the Navy's planned purchase of the LPD-28 amphibious transport is one effort to address the amphibious shipping shortfall. I'm interested to know what else the Department of the Navy is doing to close or mitigate the gap between requirements and capabilities to ensure our amphibious force meets our needs and is capable and ready.

The Defense Department's defense strategic guidance issued in January 2012, followed by the 2014 QDR, and this January by a new national security strategy, all echo a renewed U.S. military orientation on the Asia-Pacific. Consistent with that strategy, the Defense Department has been working to realign U.S. military forces in South Korea and Okinawa, and plan to position Navy and Marine Corps forces in Australia, Singapore and possibly elsewhere in the region.

The department has also been implementing a plan to forward- deploy more ships, as shown by the Navy's second rotational deployment of a littoral combat ship, the USS Fort Worth, in Singapore. I'm interested in hearing more about these and other aspects of that deployment.

Again, there are many questions, but I want to conclude by once again thanking all of you for your extraordinary service to the nation, to the Navy and to the Marine Corps.

Thank you.

MCCAIN:

Mr. Secretary?

MABUS:

Thank you, Mr. Chairman.

Chairman McCain, Ranking Member Reed, members of this committee, thank you for this opportunity to discuss the Department of the Navy, with Chief of Naval Operations John Greenert and Commandant of the Marine Corps Joe Dunford. I have the great privilege of

representing the sailors and Marines who serve our nation around the world, the civilians who support them, and all of their families.

As the chairman and Senator Reed pointed out, this is Admiral Greenert's last posture testimony before this committee. He's been a steady hand at the helm of the Navy through the past four years of international instability and budget turbulence, and every day his judgment, his advice, his good counsel have been critical. It's an honor to serve with him, and he will leave a lasting legacy.

Today, our security interests face an increasing array of threats and demands, while our budget situation, as you so clearly pointed out, Mr. Chairman, grows more challenging. But it is clear that the Navy and Marine Corps team offer the best value to advance both our global security and our economic interest.

Uniquely, the Navy and Marine Corps provide presence around the globe, around the clock. We're the first -- we're the nation's first line of defense, ready for anything that may come over the horizon. Presence means that we respond faster, we main on station longer, we carry everything we need with us, and do whatever missions are assigned by our nation's leaders, without needing anyone else's permission.

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

We are truly America's away team. We deploy in peace just as much as in war and our role in the last seventy years in securing sea lanes and freedom of commerce has boosted our own and the world's economy. Nearly half the world's population lives within 100 miles of the sea; 90 percent of all global trade goes by sea; and 95 percent of all voice (ph) and data goes under the ocean.

The shelves of our stores are stocked with just-in-time delivery, with products from all over the globe and some 38 million American jobs are directly linked to seaborne international trade. For seven decades, the Navy and Marine Corps have been the primary protector of this international system. And that's why our national defense strategy is so clearly focused on the maritime domain and requires investment in maritime assets.

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

The presence our Navy and Marine Corps uniquely delivers is built on four foundations: people, platforms, power and partnerships. These are key to the capability, capacity and success of our naval services and they remain my top priorities.

People -- our sailors and Marines are well known for their ability to exercise independent judgment and the flexibility to adapt to changing circumstances. We remain committed to providing our sailors, Marines and our civilians with the training and the support they need to maintain our naval presence. And we include in this their dedicated families, our injured and our wounded.

We've launched a comprehensive approach to assure the world's healthiest, fittest, most resilience and best-educated force, one which truly represents America's diversity. We continue to aggressively combat sexual assault, abuse, ethical failings, and similar challenges. And we're exploring innovative means to improve the way we manage the force.

In platforms, our people, as good as they are, cannot do their job without ships -- providing presence, being where we're needed when we're needed requires those ships. Quantity has a quality all its own. That means we have to have a properly sized and a properly balanced fleet.

On September 11th, 2001, the Navy's battle force stood at 316 ships. By 2008, our fleet had declined to 278 ships. Our focus on two ground wars only partly explains that decline. In the five years before I came to this office, the Navy contracted for only 27 ships, not enough to stop the slide in the size of the fleet. In my first five years, we've contracted for 70 ships, halting and reversing the decline. By the end of the decade, our fleet will once again top 300 ships.

We've accomplished this with a direct and fundamental business approach based in large part on the legislation which originated in this committee, authored by Chairman McCain and then-Chairman Levin, things like increasing competition, relying more on fixed-price contracts; and thanks to this committee and Congress's help, multi- year and block buys.

But budget instability and budget uncertainty seriously erode our ability to grow our fleet, manage our resources and maintain the industrial base. Without a correctly sized and shaped fleet, the Navy and Marine Corps will not be able to meet the demands for the kinds of missions for which we are the best and often the only option. In the face of budgetary uncertainty, cutting ships is the most damaging and least-reversible course of action, which is why I'm committed to preserving shipbuilding to the maximum extent possible.

**MABUS:**

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

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

Our ability to maintain presence and advance global security will also be augmented through partnerships. Cooperation makes us more effective and diffuses tensions, reduces misunderstandings.

Again and again our naval forces have proven themselves the most immediate, the most capable and the most adaptable option when a crisis develops.

Overall, the president's F.Y. '16 budget balances current readiness needed to execute assigned missions while sustaining a highly capable fleet, all within a tough fiscal climate.

That climate demands, as you pointed out, Mr. Chairman, our most rigorous examination of every dollar we spend, and continuing our aggressive efforts to cut unnecessary costs in every program and shift resources from tail to tooth.

When America has called, the Navy and Marine Corps have always been there. In order to ensure that we continue to provide the naval force our nation's leaders and the American people expect, the commandant, the chief of naval operations and I look forward to answering your questions and to working together with this committee and with Congress to maintain our great Navy and Marine Corps.

Thank you.

MCCAIN:

Thank you, Mr. Secretary.

And the complete statements that have been submitted by all three of you will be included in the record.

General Dunford?

DUNFORD:

Chairman McCain and Ranking Member Reed and distinguished members of the committee, I'm honored to be here today with Secretary Mabus and Admiral Greenert to represent your Marines.

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

I know this committee and the American people have high expectations for Marines as our expeditionary-ready force. You expect your Marines to operate forward, engage with our partners, deter potential adversaries and respond to crises. And when we fight, you expect us to win.



You expect a lot from your Marines, and you should. This morning, as you hold this hearing, over 31,000 Marines are forward deployed and engaged, doing exactly what you'd expect of them.

Our role as the nation's expeditionary-ready force informs that we man, train and equip the force. It also prioritizes the allocation of resources that we receive from Congress.

Over the last few years, we've prioritized the readiness of our forward-deployed forces. These are the forces you can count on for immediate crisis response. These are the forces that supported the recent evacuation of U.S. citizens in South Sudan, Libya and Yemen. These forces are currently conducting strikes in Syria and Iraq, training the Iraqi army and protecting our embassy in Baghdad. These are the 22,500 Marines in the Pacific west of the International Date Line.

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

In order to maintain the readiness of our forward-deployed forces, we have not sufficiently invested in our home station readiness, modernization, infrastructure sustainment and quality-of-life programs.

As a result, approximately half of our nondeployed units, those are the units you depend on for unforeseen contingencies, are suffering personnel, equipment and training shortfalls. In a major conflict, these shortfalls will result in a delayed response and/or the unnecessary loss of American lives.

Over time, under-investing in modernization will result in maintaining older and obsolete equipment at a higher cost and degraded capabilities. In many areas, funding levels are forcing us to maintain legacy capabilities instead of innovating and adapting for tomorrow's threats.

It will eventually erode our competitive advantage, and we don't ever want our Marines and sailors in a fair fight.

The readiness challenges we have today provide context for my message this morning: We can meet the requirements of the defense strategic guidance with the president's budget, but there is no margin. BCA funding levels will exacerbate the challenges that we have today. It will also result in a Marine Corps with fewer available active duty battalions and squadrons than would be required for a single major contingency.

Perhaps more concerning, it will result in fewer Marines and sailors being forward deployed and in a position to immediately respond to crises involving our diplomatic posts, American citizens or U.S. interests.

As we saw in the wake of Benghazi, the American people expect us to respond to today's crisis today. And we can only do that if we're properly postured forward.

In closing, my assessment is that funding below the president's budget level will require that we develop a new strategy.

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

GREENERT:

Chairman McCain, Ranking Member Reed and distinguished members of the committee, thank you for the opportunity to testify today. It's my honor to serve and represent more than 600,000 active and reserve sailors, our civilians and their families, especially the 41,000 sailors who are underway and deployed around the world today.

It's my pleasure to testify this morning beside Secretary Mabus and General Dunford.

Chairman, your Navy-Marine Corps team is united in fulfilling their longstanding mandate to be where it matters, when it matters, ready to respond to crises.

Now, to that point, recent events exemplify the value of forward presence. Last August, the Bush Carrier Strike Group relocated from the Arabian Sea to the Arabian Gulf, it's about 750 miles, in less than 30 hours and immediately began flying 20 to 30 combat sorties per day. And for 54 days, that was the only coalition strike option to project power against ISIS.

The destroyer Truxtun arrived in the Black Sea within a week after Russia invaded Crimea. And the littoral combat ship Fort Worth and the destroyer Sampson were among the first vessels to support the search effort the Air Asia Flight 8501 in the Java Sea.

So we have been where it matters, when it matters.

But, Mr. Chairman, as I have testified before, the continuing resolution and the sequestration of 2013 degraded our readiness and our capabilities, and we have not yet recovered.

Budget reductions have forced reduction of afloat and ashore operations, generated maintenance backlogs, and have compelled us to extend unit deployments.

Since 2013, many of our ships have been on deployment for eight to 10 months or longer, and that exacts a cost on the resiliency of our people and the service lives of our ships.

Now, this degraded readiness has reduced our ability to respond to contingencies. For example, our combatant commanders require that three carrier strike groups and three amphibious ready groups be ready to respond within 30 days to a crisis. That's our covenant to them.

However, today, on average, we have been able to keep one carrier strike group and one amphibious ready group in this readiness posture. So we're at one-third of the requirement.

Now, assuming the best case of an on-time, adequate and stable budget and no major contingencies, we might be able to recover from the accumulated backlogs by 2018 for our carrier strike groups and by 2020 for our amphibious ready groups.

So that's at least five years after this first round of sequestration. And that's just a glimpse of the damage sequestration would cause if we go back there.

We've been forced to slow Navy modernization. The overall impact of the budget shortfalls in the past three years has declined our relative warfighting advantages in several areas, notably anti-surface warfare, anti-submarine warfare, air-to-air warfare, and what we call integrated air and missile defense.

So we have been compelled to accept significant risk in the execution of two key missions that are specified in the defense strategy. I've provided each of you a handout that summarizes where the Navy stands with the missions and where we stand in relation to those missions under this -- the two budgets, the president's budget and sequestration.

The first mission at risk is to deter and defeat aggression, which really means to win a war at sea, while deterring another at sea in a different theater. And the second mission at risk is to project power despite anti-access and area denial challenges.

Mr. Chairman, when I say "risk," I mean that some of our platforms, our people, and our systems will arrive late to the fight. They will arrive without -- with -- they will arrive with insufficient ordnance, and they'll be without modern combat system sensors and networks that are required. And they will be inadequately prepared to fight.

Now, ultimately, this means more ships and aircraft out of action in battle, more sailors, Marines and merchant mariners killed, and less credibility, frankly, to deter adversaries and to assure allies in the future.

Given the circumstances, our Pres Bud '16 submission represents the absolute minimum funding levels needed to execute our strategic guidance. To bring the Navy program into balance within that fiscal guidance, we focused to build the appropriate capability and then deliver that capability at whatever capacity we could afford.

We were once again compelled to defer upgrades in aircraft, upgrades in ship and submarines, and to take significant reductions in aircraft procurement, munitions and shore infrastructure.

GREENERT:

So, Mr. Chairman, today's world is more complex, more uncertain and more turbulent. Our adversaries are modernizing and expanding their capabilities. It's vital that we have an adequate,

predictable and a timely budget to remain an effective Navy. I thank you and I thank this Committee for what they've done for us and I look forward to working with the Congress to find solutions that will ensure our Navy retains the ability to organize, train and equip our great sailors and their families in the defense of this nation. Thank you.

MCCAIN:

I want to thank the witnesses and its very compelling remarks. Admiral Greenert -- General Dunford, do you share Admiral Greenert's level of concern, concerning the effects of a sequestration and the, as Admiral Greenert pointed out, a significant period of time before we can even recover from the present effects of sequestration?

DUNFORD:

Chairman, I absolutely do. The sequestration of 2013 has certainly impacted our current level of readiness. And frankly, if we go to sequestration, we'll be unable to meet the current strategy and we'll certainly have to reduce the capacity of Marines that have forward deployed.

MCCAIN:

I believe you were asked by another. I believe it was Senator King, is this, the sequestration, put the lives of the men and women who are serving in uniform in greater risk?

DUNFORD:

Chairman, I'll take that. It absolutely does, Chairman, and in this way. We have readiness challenges at home station. My expectation is that when Marines are called, we will go. And they'll either go late or they'll go with shortfalls in equipment and training that would absolutely put young Americans' lives at risk.

MCCAIN:

Admiral Greenert?

GREENERT:

Absolutely, Chairman. A lot of people write recently about today. And Today's Navy, a nice article recently. This is about the future Navy. Our benchmark is 2020. If we don't modernize, we'll be late. We will not be ready. We won't have what we need to defeat and deny.

MCCAIN:

Is it affecting the morale and retention of outstanding men and women?

GREENERT:

It is. The families are angry with the -- with sequestration, in general, and the threat of it again. We have pilots, a very key part of our ability to project power who our -- our retention is low on pilots, it's low on nuclear trained operators, Aegis technicians and cyber.

MCCAIN:

And General Dunford, the deployments are longer. Is that correct?

DUNFORD:

Chairman, the biggest significance is the time between deployments. Most of our units, our infantry battalion's our fighting squadrons, are deploying for less than a 1 to 2 deployment to dwell ratio. What that means is they're deploying for seven months and are actually home for less than 14 months, before they deploy. And that continues almost at infinitum.

MCCAIN:

So that is another factor on re-enlistment?

DUNFORD:

Chairman, it will be over time. We have not seen the impact on the ability to recruit and retain high-quality forces right now. But it does have an impact on two things. It has an impact on training across a range of military operations and it also has an impact on the amount of time our Marines are able to spend with their families between deployments.

MCCAIN:

Mr. Secretary, you and I have had conversations about the situation of the cost overruns of the aircraft carriers of the Gerald R. Ford. And I understand that the follow-on 78 and 79, I guess, they are or will be around \$12 billion each. Is that correct?

MABUS:

The 79 has a congressional cost cap of about \$11.5 and we're under that.

MCCAIN:

And I hope, Mr. Secretary, given new technologies and drones and a lot of other aspects of warfare, including the F-35 capabilities that we will be looking at alternatives, as well, to the Nimitz class or the latest class of aircraft carriers. Is that correct?

MABUS:

It is, Senator. I think that, as you and I discussed, everything is getting smaller and faster with the possible exception of the military.

MCCAIN:

I guess, I'm not quite clear on why -- isn't it true that the major cost overruns were due to advances or new technology in launching and electromagnetic aircraft launching system advance resting gear, dual-band radar and advanced weapons elevators, are those still the greater risks and -- on the cost problem with the Gerald R. Ford and the Kennedy?

MABUS:

Mr. Chairman, you're absolutely correct that those were some of the reasons for the cost overruns. You and I are in pretty violent (ph) agreement that the way the Ford was built is not the way to build a ship. And it was being designed while it was being built, too much new technology was trying to be forced and that technology was not material.

Today, though, the Ford is 87 percent complete. The testing on the electromagnetic launch and the advanced arresting gear is where it should be and it's moving along in the risk of anymore cost overruns, as you pointed out in your opening statement. We've had stable costs for the last three years or more now. And it goes down every day. There is still some risk in the testing of those brand-new systems that we've never used before.

MCCAIN:

General Dunford and Admiral Greenert, could you give brief update on the progress of the F-35?

DUNFORD:

Chairman in our case, the first squadron will be an initial operating capability this summer. That's the VMFA 121 out in Yuma, Arizona. I visited the squadron a couple weeks ago. I'm confident that we're on path to bring that squadron up to IOC. And we also have a good number of aircraft late in across the next -- across the five-year defense plan to bring the F-35B into service.

MCCAIN:

Admiral.

GREENERT:

We had our carrier test this past summer. It went great. Tailhook was certified. We had no blotters. So the avionics, the aircraft itself, for the C model, that's ours, is good. We still have a way to go for the software. That's the 3F software. Right now, we're on track for a IOC of late fiscal year '18 or early '19. My concern is that this software is able to do -- integrate all of the weapons systems that we have on the current aircraft on our air wings. So this aircraft has to fit into our air wing. We can't fit the air wing around the aircraft. But so far, so good. We have to keep really close watch on it.

MCCAIN:

Thank you.

Senator Reed.

REED:

Well, thank you, Mr. Chairman. And let me first say that the Chairman's questions regarding sequestration and your responses about the real and dramatic effects on the lives of the men and women that we serve are, I think, another strong indication of the need for a collective and bipartisan action to end sequestration. So thank you, Gentlemen, and thank you Mr. Chairman.

Mr. Secretary and Admiral Greenert, last year in the defense authorization Bill, we in section 1022 created the National Sea Based Deterrence Fund, which was designed to help you from a Department of Defense level to build or replacement of the Ohio class submarine. I -- can I just ask both of you how intend to use this fund? And in general, your plans for the replacement of the Ohio? And Mr. Secretary, if you want to begin?

MABUS:

Well, we very much appreciate the establishment of this fund. CNO and I have been talking for some time now about when we begin to build the Ohio class replacement in 2021, if it is a pure Navy build it will devastate some part of the Navy, either our shipbuilding or readiness or something, because the high cost of these and because we don't recapitalize them very often.

If you look back in history, there is -- there's precedent for either making this a national program because it is the most survivable leg of our deterrence triad or adding funds to Navy shipbuilding to accommodate the 41 for Freedom and late '50, early '60s. and the Ohio class in the late '70s through '92.

Both times Navy shipbuilding was increased pretty dramatically to accommodate the summaries. But to show you the effects from '76 to '80, Navy shipbuilding budget doubled to accommodate the Ohio class. Our fleet still declined by 40 percent because it simply wasn't enough to do both.

REED:

Admiral Greenert.

GREENERT:

Senator, first of all, I think it's a great start. I think we need to pursue clarity of the intent of the Congress. And what I mean by that is the legal ramifications for sources of the fundings we could put in there. It is just other Navy shipbuilding accounts? Is it just other Navy

appropriations? Or do we mean the whole Department of Defense could contribute to this fund which, in my view, would be great.

REED:

Thank you very much. In my view, it would be great, too. And that was the intent, I believe. But we'd -- the clarification we'll try to produce for you, sir.

General Dunford, again, I -- in my opening remarks, I talked about the -- the Fighting Vehicle Program. And we've -- this has been an interesting and tortured path. The expeditionary fighting vehicle was canceled. We've had several different concepts. And this has spanned the careers of several commandants. Now, we're into this new amphibious combat vehicle, which is described as non-developmental. And I seriously -- your comments upon what you see as the challenge? What are you trying to accomplish by this? And how do you avoid sort of the fate of the -- of the preceding vehicles, which we spent money on, but could never deliver?

DUNFORD:

Senator, thanks. We've been working for some time, as you alluded to, to replace the 40-year-old amphibious assault vehicle. And -- and until two years ago, we were trying to reconcile the protection required against today's threat, the cost that we could afford, and then the ship to shore capability -- that high-speed self-deploying capability. It turned out that we couldn't reconcile those three. And so, a decision was made to break the program into thirds. So, the third is to address the need for ground tactical vehicles with adequate protection for our marines ashore right now. And so, that vehicle would be moved from ship to shore in a connector.

The second phase would be to get our vehicles to at least have the same capability as today's assault amphibious vehicle. That is, it could self-deploy to an amphibious ship. And from that point down the road, we have a decision point to then pursue again a self-deploying high-speed vehicle if at that time we can reconcile those three variables I talked about.

REED:

Hmm.

DUNFORD:

Or to continue to make improvements to the second phase, which is a vehicle with at or greater than capability to our current assault amphibious vehicle. But -- but, Senator, the reason why we're where we are is, we simply couldn't reconcile those three things -- the cost, the capability and the protection required against the current threat.

REED:



So, you are focusing first on a vehicle that will be -- basically, have some limited fording capability to get a short distance in low surf, and then fight on land with all the protections we've seen against IEDs and those things, and all the lessons we've learned? That's the first phase?

DUNFORD:

That's -- that's exactly right, Senator. We expect our vehicles will operate 90 percent of the time ashore. And so, this first-phase vehicle is optimized for ground protection and mobility ashore.

REED:

And the second phase is going to be a completely different vehicle? Or it's -- or you're trying...

DUNFORD:

No, Senator. I was out to the Nevada auto test center about three weeks ago to look at the current state of the vehicles. And quite frankly, I think in most cases, although we have asked for a vehicle that just provides adequate ground mobility, and -- and not necessarily a self-deploying vehicle, all of the individuals right now that are competitive in the process have a vehicle that actually, I think, may get pretty close to the second phase that we require.

REED:

Thank you very much.

And just, finally, Mr. Secretary, the director of Operation Test Evaluation has raised some concerns about the survivability of the LCS. And if Admiral Greenert wants to take the question also -- and also the ones that have been modified as -- to operate as frigates. Have you specifically established survivability requirements for the modified LCS? And have you -- are those requirements much different than the initial requirements to LCS?

MABUS:

The small surface combatant task force looked -- looked at that and did upgrade the survivability by things like hardening the area around the magazine, around various combat systems.

CNO has pointed out very accurately in the past, the best way to survive is not to get hit. And so, we've upped the defensive capabilities of that ship. And it's also a very fast ship, too. To keep that -- it's -- it's important to keep in mind that this is a small surface combatant. That it is -- the - the new upgraded ones have been designated a frigate. But they are not -- they're not destroyers. They're not cruisers. And they have a very different role to play. But the survivability for a small surface combatant, particularly with the upgrades, meets -- meets our fleet requirements, and meets the requirements that we have set.

REED:

Thank you. Thank you, gentlemen.

MCCAIN:

(OFF-MIKE)

INHOFE:

Thank you, Mr. Chairman.

I'd say to our panel, we have good attendance up here, so we're going to be talking about a lot of systems. And I'll kind of start off on one, Admiral Greenert, that -- that I think has changed quite a bit, and that's the JSOW Program. I -- I think a year ago, they were talking about adding 4 -- 4,400 or so of the JSOWs. And that was in the -- in the '15 -- in the '15 budget.

I don't remember -- what is the current inventory of them? If we were going to get -- how many more would that represent when you said 4,400?

GREENERT:

I'd have to get you those numbers. I don't have them handy here.

INHOFE:

I mean, is it, like, 2,000 now, or...

GREENERT:

We -- we benchmark against the combat requirement.

INHOFE:

Mm-hmm.

GREENERT:

And, again, I got to get you the number.

INHOFE:

OK...

GREENERT:

But...

INHOFE:

That's fine. But my -- I guess my point is, if we were talking about projecting in last year's budget 4,432 more of the JSOWs over the life of the program, which would have included at that time -- because we have in this budget, or we had in this budget, 200 to be bought -- that all of a sudden -- at least it was to me -- the program was terminated. And I -- I'm just wondering, what has happened that makes -- that caused that not to be a necessary component as it was considered to be before now?

GREENERT:

Well, we had to take some chances. And I'm not happy at all. We don't have enough munitions. I'm very concerned about it, and I think I expressed it.

INHOFE:

Mm-hmm.

GREENERT:

But the point was, we felt we were at the combat expenditure. We watched very closely how we -- how many we used during the year. When I say "combat," I mean we have enough for what we believe would be the model number. And can we reconstitute the line? And we felt we could. So, we're taking risk.

INHOFE:

OK, that...

GREENERT:

It's not good.

INHOFE:

... that's a good point. You're adding risk by having to do this. You would prefer not to?

GREENERT:

I'd prefer not to. I have risk in other munitions that are just as bad. It's not a good picture, Senator.

INHOFE:

Yeah. Yeah, I know. That's right.

Senator Reed talked about -- General Dunford -- about the -- the F-35. Just to get a -- elaborate a little bit more -- that would actually be there in replacing the F-18s. Is that correct? And the EA-6Bs?

DUNFORD:

And the AV-8s, Senator. It'll replace three...

INHOFE:

All -- all three?

DUNFORD:

... all of which are over 20 years old.

INHOFE:

All right. Yeah, that's right. 23 years old, the F-18s, and the E-6Bs, 27. So -- and you've looked at the missions of all these, and you're satisfied that these missions are going to be met with this change in getting rid of the older -- but the F-35 is going to be capable of doing it?

DUNFORD:

Well, Senator, it'll do that, but it's probably also important to point out that this -- this actually doesn't just replace the F-18, the AV-8 or the EA-6. It's a fundamentally different capability. It's a transformational capability. It'll do everything that those three aircraft will do, but also, in terms of the information environment, it'll do a significant amount more for the Marine air-ground task force.

INHOFE:

The -- when we had the -- you talked about the -- no, Admiral Greenert, you talked about the pilots and that we have a pilot shortage. You've talked to your -- your -- the Air Force and the problems that they're having right now. Are your -- their -- your problems similar to that?

GREENERT:

They are. What happens is, people get deployed. They're flying all the time. In fact, they're flying so much, working up quickly to go on deployment, some of them say, "I can't even get a will done." And then when we come back, we shut down.

INHOFE:

Yeah.

GREENERT:

And they sit around here and they look out on the tarmac, and there's a Super Hornet they'd love to be flying, but we don't have the funding to provide that. And they say, "What's with this? It's not what I signed up for."

INHOFE:

It's -- or that's the same thing that -- that General Welsh talked about.

GREENERT:

It is, yes, sir.

INHOFE:

It's the same situation. Now, tell me if this is true -- because I -- I remember bringing this up, kind of comparing the cost of replacing some training versus retention. The -- as I understand, the tenures of the retention or bonus was around \$250,000. That's in the Air Force. Is that comparable to the Navy?

GREENERT:

It's comparable.

INHOFE:

Yeah?

GREENERT:

We have the same thing.

INHOFE:

Yeah? And then also, the training, if you take the F-22 capability, is going to be something like \$17 million. I mean, I -- we -- up here, we look at the economics of this thing. And, obviously, it's far better if we can -- we can retain these -- these people, rather than to go through training. Have you thought of anything specifically that would help you in that respect?

GREENERT:

We have, yes, sir. And so, we -- we use the term -- we want to optimize what we call as our training plan -- our fleet response training plan. And you hit the nail on the head. It's getting the flying done more consistently throughout. Keep them, if you will, busy, proficient -- that they feel a part -- they have a predictable future out there, instead of a cycling process as they get ready to deploy.

INHOFE:

Yeah, and that's the message I get when I talk to those -- we know there's a lot of competition with the airlines. We know that in the training, it's -- it's a supply and demand thing, so...

GREENERT:

Senator, Excuse me. The -- a consistent budget will really help us be able to do that. Consistency's key.

INHOFE:

Absolutely. I understand that.

And you said, General Dunford, when Senator McCain asked you some specific questions about it, you said, and I wrote it down, funding below the president's budget will require a new strategy. And you answered a couple of questions about some of the specifics. But what would an overall new strategy look like? What are we talking about?

DUNFORD:

Well, Senator, what I really meant was that on a day- to-day basis we wouldn't have the Marines that are forward deployed to meet the sure-allies part of the strategy and the respond-to-crisis part of the strategy.

And then we would have fewer forces than would require to meet a single, major contingency. And so in my mind, that does, from a Marine Corps perspective, drive the need for a new strategy.

INHOFE:

Yeah, I understand.

DUNFORD:

So it's a capacity issue as well as a readiness issue.

INHOFE:

OK. My time's expired, but if you want to expand on that for the record, please do because that would be something that we need to be equipped with here. Thank you.

DUNFORD:

We'll do that, Senator. Thank you.

WICKER:

(OFF MIKE) Senator Manchin.

MANCHIN:

Thank you, Mr. Chairman.

And thank all of you for your service and appreciate it very much.

You know, it's -- I'll take a little different twist in this. There's not a person I know in West Virginia that's not extremely proud of the military that we have and have served with distinction and truly is proud to have the greatest military that history has ever recorded.

With that being said, I sat in my first meetings on this Armed Services Committee, and at that time we had the Joint Chiefs of Staff and Admiral Mullen was here. And the question was asked to Admiral Mullen, what's the greatest threat the United States of America faces? And I thought I was going to hear his depiction of an evaluation of around-the-world terror that we were facing.

He didn't even hesitate. He said the finances of our country is the greatest threat we face.

We're at \$18 trillion and growing. We'll grow another half-a- trillion this year.

With that being said, people back home in West Virginia want us to be responsible and they ask the question and they said, you know, we hear that our military, our Department of Defense will spend more than the next seven or eight countries combined. How come we can't do it more efficiently or more effectively?

And if money is the problem, we've got to make sure that we have the money to do it. But are we using the money wisely?

So through procurement, we're trying to get audits, we're trying to find out why procurements and why everyone has a different platform. Everything seems to be siloed, if you will, rather than integrated.

And I don't know if you all have a comment or an answer to that, but it's hard to go back home and explain, you know, we're going to be -- I think the request is a little under \$600 billion this year for fiscal '16. Is the request 585?

And I think just from the Navy, yours have gone from 149 to 161, your request.

So they're not going this way. And I know you're saying if sequestering kicks in. Sequestering has a real onerous, I think, connotation to it because of the way it's administered. And if we allowed you all to do maybe things differently than us intervening in it and trying to tell you how to do your job, it might be a little bit better.

I appreciate that, too, and I know it's hard for you all to make those comments, Secretary.

But is there ways that we can do it more effective and efficiently? And what can we do to untie your hands to let you do more with maybe a little more challenging financial, but be able to have the ability to do more with what you have?

MABUS:

Senator, first, you're absolutely correct that we as a military have to be efficient, have to be effective, have to use the taxpayers' money very efficiently. My father was the cheapest human that God ever saw fit to put on this earth, I think, and I am his son. And so we have been using the tools that this committee and this Congress has given us, things that I talked about, firm, fixed-price contracts, driving down things like debt.

But I'll show you a chart. Here's what we have to do to buy anything. You can't read it, I can't either from here. It's spaghetti. It's a labyrinth that you've got to go through. You could help us by taking out some of those things. Make us focus on what's important, and that's the outcome.

We're also looking at things like contracts. The Navy spends about \$40 billion a year on contracts. And until a couple of years ago, we could not track that money from the time you appropriated, authorized and appropriated it, until it got to the contractor. We can today. And we're saving today 10 percent a year, so \$4 billion a year on contracts.

We're going to do better than that. Those are hard things. Those are not easy things.

The last thing is that there's really four parts to the Department of Defense, or five parts; there are the four services, the three departments, Army, Navy, Air Force, but there's also the Department of Defense, the defense agencies that are all overhead and they have grown far, far faster on average than the services.

MANCHIN:

Let me just say one thing and one final thing because my time will be running out real quick, and I'm so sorry.

But every time we talk about a lack of resources or money, General and Admiral, both, it's always reduction of force, how it's going to affect the people on the front line. When we look at you all's staff, your staff keeps growing and growing and growing, even though you talk about reduction of force. It doesn't make sense why all -- we go to the front line immediately and have a reduction of force when the staff has made no sacrifices.

MABUS:

Can I take a shot at that, sir?

MANCHIN:

Whoever.

MABUS:



I'm going to defend my two service chiefs here. Their staffs have not grown. The uniforms and the civilians in the Department of the Navy have not grown. In fact, from '14 to '16 we have a difference of 10 civilians.

We're not growing. In fact, the Marines are shrinking, the Navy is staying steady. And the staffs are staying steady or going down. We're doing a 20 percent reduction in headquarters staff.

But again, it's what we call the fourth estate, the Department of Defense agencies, things like the Defense Finance and Accounting Service, things like the Defense Logistics Agency, and their contractors have just grown exponentially.

And so that's where the growth is coming. It's not -- I'll speak just for the Department of the Navy -- it's not in the department.

MANCHIN:

Thank you.

WICKER:

Thank you.

Secretary Mabus, maybe we'll have time to get back to that point.

But let me go ahead with my planned questions.

Admiral Greenert, we sort of decided on this rebalance to Asia before the latest provocations from Russia, before ISIS took over so much territory. If sequestration returns in October, what sort of gap will these cuts create between America's Asia rebalance strategy and the already important tasks of deterring Russia and defeating ISIS? And can you highlight to this committee the role amphibious ships will have in executing these missions?

Admiral Greenert?

GREENERT:

Yes, Senator. One of the top priorities we have is presence. So other than funding the sea-based strategic deterrent, I need to make sure that we are present around the world. So my point would be we will pursue forward presence. You won't see much reduction under a Budget Control Act scenario in our forward presence.

Most of the rebalance to the Asia Pacific is what we call forward stationed or forward deployed Naval force in Japan, in Singapore and in Guam. Those will continue to in fact increase.

Our distribution around the world is we are increasing the forces in the European Command as we look at how we're going to deploy in the future strictly for the reason you stated with the instability in the AFRICOM and the EUCOM region. It's not dramatic, but it is there.

Amphibious forces play a very important part in what we call the new normal, the ability to respond quickly to counterterrorism, to piracy and to support our forces and defend Americans abroad, especially in our embassies.

WICKER:

So the Asia Pacific rebalance won't take a hit from sequestration and our European presence will not take a hit from sequestration, those hits will take place elsewhere. Is that your take?

GREENERT:

Those hits, if you will, will take place in our ability to respond to supplement those forces forward. And those forces forward won't be as modern as they need to be. We'll have dramatic decreases in modernization.

WICKER:

OK.

General Dunford, as you know, I've been worrying aloud about Afghanistan. General Dempsey told our committee last week there's a terrorist network that stretches from Afghanistan to Nigeria and we've got to keep pressure on it throughout its entire length. He went on to say, "I think Afghanistan is and will remain an anchor point for that pressure."

Do you agree with that, General Dunford?

DUNFORD:

Senator, I do -- I do agree with that. I think -- I think Afghanistan as a counterterrorism partner and as a platform from which the United States can protect its interests in southwest Asia is absolutely critical.

WICKER:

Am I right, then, to worry about the current plans for drawing down our forces in Afghanistan, to worry that those are based on more of a political calculation rather than the facts on the ground?

DUNFORD:

Senator, my understanding from listening to Secretary Carter's testimony and General Dempsey's testimony and General Campbell's testimony is that they're all reviewing the current plan in light -- in light of the points you just made.

WICKER:

I hope we do. You know, last week before the committee, I pointed out to Secretary Carter and General Dempsey that things are headed in the right direction in Afghanistan. I don't know if the people -- the American people appreciate that. But we've made great gains there. President Ghani and chief opposition leader, Dr. Abdullah, are in a partnership. They want us there as a stabilizing force. And I just hope that we're not about to throw away what progress we've made.

Secretary Mabus, you and I have been friends a long time. Remarkable testimony, actually -- very profound statement that you had which you, of course, had to abridge during your oral remarks. You mentioned what Thomas Paine said about the cause of America is in a great measure the cause of all mankind. I almost want to substitute the word "cost" there. And it seems that it falls on the United States of America.

You also correctly say, "For seven decades, the United States Navy and Marine Corps have been the primary protector of this international system." We're doing it for everybody else. There's a sound basis in this proposition that rising international prosperity is directly linked to the United States Navy. Thank you to our military and our Navy. We've kept the sealanes open, you say. We've kept freedom of navigation open for anybody engaged in peaceful and legitimate trade. As the president said, we have been the anchor of global security.

This is for you, but also for our friends internationally listening -- listening to this. We are going to have to insist on more of a contribution from our international partners. We -- we keep the lanes open for them. Our friends in Europe, our NATO friends, our other friends in Europe are depending on what exactly you're talking about.

And I would just say we are -- we are going to have to collectively come up with a plan to convince our partners in international security that it is in their interest, too, to make the financial sacrifice to help us afford all of this protection that we're giving to the world.

Would you like to comment on that, Mr. Secretary?

MABUS:

Well, first to say we have been friends for a long time. And second, to say that it's one of the reasons that we're pursuing these partnerships. And that's a message that you just gave that I take to countries around the world, that we can't do it by ourselves and that they have to bear their fair share of any burden. And as part of that, to be interoperable with us, to exercise with us, to make sure that we -- we go to -- we go into things together.

And one of the things that -- one of the tangible things that's happening right now is the French aircraft carrier Charles de Gaulle is in the Arabian Gulf conducting strikes against ISIS. That's the sort of partnership that -- that not only we need, but that the world needs.

WICKER:

Thank you. And I've gone way over. I -- I hope that I speak for Senator Hirono, my ranking member on Seapower, that you'll perhaps give us some language to address the problems you pointed out in that very confusing chart. And if there are suggestions you have for ways that we can cut through that red tape and make -- make procurement of important weapons systems a little easier and a little more favorable to our fighting men and women, I hope you'll get that to Senator Hirono and me.

Thank you.

MABUS:

I'd be very happy to. Thank you, Senator.

MCCAIN:

The senator is correct. He's gone way over.

(LAUGHTER)

Senator Donnelly?

DONNELLY:

Thank you, Mr. Chairman.

I have taken warning of that comment that you just made.

Mr. Secretary, thank you for your service. And I want to tell you, and you already know, you have a great team sitting there with you -- General Dunford, Admiral Greenert.

And Admiral, thank you for everything you've done for our country. We were extraordinarily blessed to have you on command and we appreciate it.

I also want to mention, Mr. Secretary and to Admiral Greenert, I want to take a moment to recognize the superior performance of the Navy's nuclear forces. It has been exceptional. You have created a culture of outstanding performance and it has not gone unnoticed. And so, as a nation, we really feel in your debt for having done all of that.

Now, I want to ask you about suicide prevention. It's been such a challenge for our services. It's been something we've all worked on together. And what I want to talk about is physician assistants. They have a great reputation in the mission, a great reputation for medical care. And the first is to Admiral Greenert and to Secretary Mabus, and then I'll get to General Dunford second.

But to Admiral and Mr. Secretary, what are your thoughts about expanding the services' use of P.A.s specializing in psychiatric care to fill some of the provider gaps that we see?

GREENERT:

It's an excellent idea. We've looked at things like this. I have to go back and take another round through that. But clearly, we can use more folks to help us with the resiliency in the psychological arena.

DUNFORD:

Senator, I'm big fans of physician's assistants, of nurse practitioners, of people that we can -- we can get out in bigger numbers to -- to help with some of this resiliency. Because as you pointed out, suicide is one of the big challenges we face, and not just in the military. It's the second-leading cause of death of Americans 18 to 32 years old.

DONNELLY:

It is a staggering and scary statistic. And General, you've done a great job in embedding mental health providers with the expeditionary units. What are your thoughts on the utility of physician assistants also helping in the Marine Corps with psychiatric care?

DUNFORD:

No, Senator, thanks. And I think my answer would be similar to Admiral Greenert's in the sense that I'd be supportive of anything that would increase the capacity of us to deal with the resilience of our Marines and sailors and also their mental health.

DONNELLY:

OK. Thank you.

And Mr. Secretary, as you know, in Crane in Indiana, we work on counterfeit part detection. How big a threat do you see that being in the years ahead?

MABUS:

Well, it's something that we have seen in the past and it could be critical in the future. It's -- it's important for us to stay on top of that because some of the counterfeit parts that we've detected that Crane found earlier were critical parts in our submarines, for example. You can't take chances on things like that.

And it's one of those capabilities that we have -- we've absolutely got to keep up and it's part of the acquisition strategy that we've got to have adequate oversight. And I'll go a little bit further here in that our acquisition workforce -- the people at Crane, the people around the country that

oversaw things like this, went down pretty considerably. And since 2010, we've been rebuilding that workforce to do exactly some of those very specialized skills like that.

DONNELLY:

General Dunford, the Marines have played such a strong role in Anbar province in Iraq over the years. A lot of extraordinary relations were created between the Marines and the Sunni tribes. As we take the battle to ISIL, can you give me an update as to what role the Marines are playing in terms of trying to cultivate those long-term relationships because they're so critical to our success?

DUNFORD:

No, thank you, Senator. And we do in fact have forces in Anbar province today. We've got two 25-man training teams with the Iraqi 7th Division. We've also got a Marine colonel who is the commander of our special purpose Marine air-ground task force. And that force now is focused on supporting General Austin's counter-ISIL efforts.

DUNFORD:

In addition to developing those relationships in Anbar province, we've got Marines protecting the embassy in Baghdad. And then also we provide the tactical recovery of aircraft in personnel missions. So we support the strikes that go in both with Harriers and with the joint force aircraft. We support the strikes that go into Iraq and Syria with the V-22, so that if something did happen, we'd be in a position to recover aircraft and personnel.

DONNELLY:

Thank you.

Thank you, Mr. Chairman.

MCCAIN:

(OFF-MIKE)

ROUNDS:

Thank you, Mr. Chairman

And gentleman, thank you for your service. I'd like to follow up a little bit on what Senator Inhofe was discussing. And in particular, Admiral Greenert, you were responding to the munitions questions. But this would be for both you and General Dunford. And in your judgment, are your munitions inventory sufficient to support current operations and the Defense strategic guidance plan. Are there individual munitions whose inventories either present or

projected, which are insufficient to meet the requirements? And if so, what are they and what is being done to address the shortfalls?

GREENERT:

For operations today, we have sufficient munitions. For operations in the future, my benchmark year -- our benchmarks year is 2020. There's a series of missions we have to do. They're outlined on the card that I gave you, where they're effectively based on upon the war plans. We have insufficient munitions in 2020, even in -- and some munitions in the President's budget, they are air-to-air, they are surface-to-surface, if you will, cruise missile. Some of our air to ground and as the -- Senator Inhofe mentioned, the Joint Standoff Weapon, the JSOW. Now the air-to-air has to element. There's a longer range and a medium range. Both of those have shortfalls.

In our lightweight torpedo we have a shortfall and our heavy weight torpedo we have a shortfall. A shortfall is defined as the combatant command believes they need all of this to win in the mode, you know, campaign and you have to have enough to reload, so that you're not just standing around here, saying, well, we won, but we're empty, if you see what I mean. So that's kind of the baseline, sir.

ROUNDS:

General Dunford?

DUNFORD:

Senator, we have adequate ammunition for today. We've taken risk in the ammunition that would be needed for a major contingency, as we've dealt with the budget challenges.

The three major areas that we have shortfalls are in our Javelin systems and TOW systems. Those are anti-tank weapon systems. The other area is in HIMARS rockets. That's an artillery system, a rocket for artillery. And it is a large number of other smaller areas of ammunition that were short. Those are the main areas. And again, it's been a decision that we've made as we try to balance risk. And for the Marine Corps, as I mentioned in my opening statement, we always ensure that our -- as our units that are forward deployed or next to deployed have the wherewithal to accomplish the mission. And so what we end up doing is taken risk at home stations and against a major contingency. And that's exactly what we've done in the case of ammunition.

ROUNDS:

Thank you.

Secretary Mabus, you pointed out in the procurement process the complications and the added costs that come with that. Are there programs that would benefit from cost-reduction initiatives,

such as multiyear procurement, or Block Buys, that do not currently have those authorities. If there are, would you care to elaborate on them?

MABUS:

Well, thanks. Senator, thanks to this Committee and, in particular, thanks to Congress, we've got multiyear authority on things like the Virginia class submarines where we bought 10 submarines for the price of nine because of that multiyear. And we've got a multiyear on the Marine Osprey V-22s. And it's dramatically driven down the cost. We've got a multiyear on our VDG 51s, our destroyers, which has also pretty dramatically driven down the cost, Block Buys on the Littoral Combat Ship.

Any time, we can do that, we very much want to and appreciate this Committee. Expanding those authorities to do that for weapon systems for things like that would certainly be helpful. But it's some of the things, as I said in my opening statement, is just basic business concepts, getting more competition in, doing some of these longer-term things, so that industry knows what we're going to buy so that they can make the investment up front in infrastructure and job training, so that they can buy things in economic order quantities, so that we can drive the costs down.

And the chart I held up just shows some of the steps that we have to go through, even if we get a multiyear, even if we get a Block Buy, we have to go through this very convoluted process that really adds on value the end and it doesn't give us a better weapons system.

ROUNDS:

Thank you.

Mr. Chairman, I'll yield back my nine seconds.

MCCAIN:

You're a hero. It's very thoughtful.

Senator Blumenthal, you have an extra nine seconds.

BLUMENTHAL:

Thank you, Mr. Chairman. I want to begin by thanking all three of you for your extraordinary service to our nation. And Admiral Greenert, particularly my personal thanks to you for your numerous visits to Connecticut and your strong advocacy of our Navy's strength, particularly when it comes to submarines. And I know that all of us on this Committee and the American people join me in gratitude to you.



I want to ask a question about submarines. The Virginia Payload Module, which I think is really critically important to the Virginia class submarines that we're going to be procuring. And as you know, the Virginia Payload Module adds significantly to the number of Tomahawks that can be paired (ph) -- I think it's 76 percent -- which will be especially important at a time when the number of boats in our fleet diminishes to minimum or below minimum strength.

And so, I am wondering whether there is the possibility that acquisition program, I know that the Virginia Payload Module Virginia class subs are going to be procured at the beginning in 2019 with one. And that in subsequent year one, whether that program can be accelerated so that more of the Virginia-class boats have the DPM and are able to increase their capacity to deliver that kind of attack.

GREENERT:

We're going to look at that, Senator. And by, I think, in April-May we'll be done studying that. We'd like to do that. We have to look at the technical risk associated with that. So if it's feasible, we'll give it a good try to get that done. If we go to that year, 18, we're into -- the Secretary just mentioned a Block Buy that -- we have a Block Buy in there. So we're going to have to transfer -- transition that bridge, if you will, into trying to manipulate such a major part into a Block Buy. So I don't know what I'll do to defend it (ph), but we'll have to study that.

BLUMENTHAL:

And what do you think is the timetable for making that determination?

GREENERT:

By May, we should have an answer. We'll be very close with your Committee and make sure they know -- I'm sorry, with your staff and make sure they know how it's coming along.

BLUMENTHAL:

If you could keep us informed, I would appreciate it.

GREENERT:

Will do. Yes, sir.

BLUMENTHAL:

Let me move to an issue that I know concerns all of you, the impact of post-traumatic stress, the care for our men and women in uniform.

General Dunford, I know you've been very, very cognizant and attentive to this issue. Are you satisfied that this budget has enough in the way of resources to deal with post-traumatic stress

and traumatic brain injury which, as you also know, is the cause of not only threat to readiness, but also suicide and other facts?

DUNFORD:

Senator, we consciously protected those programs as we've built the president's budget in 2016. But I would tell you, again, it goes back to what happens with BCA levels or sequestration. Will become increasingly difficult to protect those kinds of programs, as well as a number of other programs as we draw down the budget even further.

BLUMENTHAL:

On that topic, Secretary Mabus, the connectivity to the Veterans Administration on Health Issues, on a number of personnel-related issues has been questioned and challenged in this very room by the V.A.'s officials and by other members of the Department of Defense. I wonder whether there's more that you can see being done to better relate and transfer information that is important to disability claims to health care and V.A. and so forth?

MABUS:

Absolutely, Senator. That's one of the critical things we do, particularly for our wounded or injured. As we move them from active duty to the V.A. We've got a goal in days of how long it takes to move someone, both Navy and Marine Corps are under that goal. We're doing it faster. But the goal is not a quick goal. It's -- it's too long. And we need to -- we need to get better at that. We need to get better at having systems that talk to each other between DOD and -- and the V.A.

And -- but it is something that we're very, very conscious of. And trying to eliminate some duplication in terms of disability determination that -- that both DOD and the V.A. run. And sometimes, they -- they do the same things, just at different times.

BLUMENTHAL:

Thank you.

Thanks, Mr. Chairman.

MCCAIN:

(OFF-MIKE)

ERNST:

Thank you, Mr. Chair.

Gentlemen, thank you so much for being here today. I appreciate your service and you're willing to testify in front of this Committee.

General Dunford, I'd like to start with you, sir.

The budget that we have right now in front of us reflects a switch from land-based operations, large-scale battles back to being a quick reactionary force for the Marines. And I know that the marines are going to adapt accordingly. So, they always do that very well. But I do worry that our forces are going through a lot of uncertainty with financial constraints. And we seem to be caught off guard by our adversaries. Our enemies are capturing stockpiles of weapons, some of which are the M-16s and the M-4s. And we have been using this individual weapons system for 50 years now. It was developed in 1964. This still remains our soldier and our airmen's basic rifle. And that puts us at an equal playing level with -- with our adversaries on the ground.

Is it possible that while we're taking a look at advancing our ships, modernizing our ships, modernizing our aviation platforms, within the budget, is there room to move on advancing individual weapon systems that -- that put us at a technological advantage over our adversaries?

DUNFORD:

Senator, thanks for that question. And that actually is one of my greatest concerns. You know, we know historically, the Marine Corps needs to invest a minimum of about 11 percent or 12 percent -- and that's fairly small -- of our overall obligation authority into modernization and capability development. Now, this year, we're at about 9 percent, so it's lower than -- than it has been historically. And I -- I am concerned. But today, I think we're doing a pretty good job of resetting our capabilities to the fight that we had yesterday.

I'm not satisfied we're investing enough in the capabilities that we need to fight tomorrow, and what your suggestion is -- modernization of things like weapons.

I would say this. I agree with your point that we need to be able to do that. But I also would just make a point that it's not just the weapon, it's who's behind that weapon. And so, it's still not a fair fight, even if the enemy has the same weapon as we do. It's the marine behind the weapon that makes the M-16 most effective.

But -- but your point about increased investment in these areas -- that is one of the sacrifices we've made as we continue to fight today's fight, and make sure our marines that are forward deployed have what they need. We have taken risk in our capability development.

ERNST:

Mm-hmm. Exceptional. Thank you, General, for pointing out. It is -- it is that marine that's behind that weapon system. And making sure that we are training them appropriately and have the means to do that is extremely important.

One thing that I would love to address to both Admiral and -- and to you, as well, General and Secretary.

In -- in the statements, we have -- we talked a little bit about -- the total force that we have out there, which would include not only our active duty personnel, but those reserve members that are being used as -- as operational forces. And I would love to hear you elaborate a little bit about the role that -- that our reserve members have played in backfilling for your components.

GREENERT:

Well, I would be remiss if I didn't acknowledge, this is the 100th anniversary of the Navy Reserve this year. In fact, just a few days ago. So, happy anniversary...

ERNST:

Yeah, happy anniversary.

GREENERT:

... to the Navy Reserve.

We are absolutely unable to -- to function without our Navy Reserve today. They've gone from sort of folks that were there for a strategic force in case of the big war to now, they are part of our total force. They do our logistics -- most all of our logistics. A lot of our medical. They're in cyber in a huge way.

As we go to the unmanned and the remote areas, they are operators in waiting. And a lot of them are integrating fully in that regard. They do our RIVRON force. That means our high value units -- our submarines, our ships -- out and around the world, so -- and they do -- building partnership capacity. So -- there are other areas that they are working their way into. So, very effective force woven into the fiber of who we are today.

ERNST:

Thank you.

DUNFORD:

Senator, thanks. Our ability to meet the combatant commanders requirements on a day-to-day basis and in response to a major contingency is inextricably linked to the readiness of our Marine Corps Reserve. They are -- they're integrated into everything that we do, to the point where, when we look at our requirements over the next couple of years, we actually have a fourth generation plan that fully integrates our reserves into our ability to meet those forward presence requirements every day. So, that to us is what we mean by an -- when you use the term "operational reserve," what it means is that we're using them on a day-to-day basis to meet not

only the routine requirements of the combatant commander, but, again, the historic need for a strategic reserve that could respond to an unexpected major contingency.

ERNST:

Mm-hmm. Thank you very much, gentlemen.

Thank you, Mr. Chair.

MCCAIN:

(OFF-MIKE)

HIRONO:

Thank you, Mr. Chairman.

And, gentlemen, thank you for your service. And a particular aloha and mahalo to Admiral Greenert, this being your last force posture testimony.

Secretary Mabus, as you know, I am very committed to the rebalance to the Asia-Pacific. And we had a discussion about that yesterday between you and me. And so, it is really important that our efforts to maintain stability in the Asia-Pacific area is important to our national security, even as there are conflicts arising in other parts of the world.

And as you stated in your testimony, quote, "We must have the right platforms in the right places to ensure our friends and allies understand our commitment," end quote.

So, the rebalance has to be more than rhetoric. And as we discussed yesterday, I trust that the Navy, as it updates its strategic laydown and dispersal plan, will ensure that future plans will reflect the rebalance in terms of equipment, personnel and partnership opportunities. And I certainly look forward to further discussions with you.

Now, Secretary Mabus, do you think that this budget reflects our continued commitment to the rebalance with sufficient specificity?

MABUS:

Senator, I do. The -- the commitment to the rebalance is real. It's absolute. And you can begin to -- to see the things that are already happening. You -- you're seeing the second deployment of an LCS to Singapore. And by 2017, we'll have four LCSs in Singapore. The crews will fall in on the ships, instead of the ships coming -- coming back home.

Today, you're seeing more than 1,000 marines rotationally deployed to Darwin, Australia. And within the next year or two, that'll go up to a full nearly 2,500 marines -- Special Purpose Marine Air Ground Task Force.

You're -- you're seeing the -- the plans that we have to put our newest equipment, both ships and aircraft, in the region. And we're -- we're going from about 55 percent of our fleet in the Pacific to 60 percent. But I think the important number is that the fleet is getting bigger so that 60 percent of this fleet is going to be bigger than the fleet of the past.

We, in this budget, specifically have the -- have the resources to carry out that. But I will echo Admiral Greenert and General Dunford. This is the minimum that -- that we -- that we have to have in order to do not only the rebalance, but all the other missions that we're called upon to do.

HIRONO:

Thank you. I think I heard your response to Senator Donnelly's question about your concern about counterfeited parts. And I believe you said that you do have a concern about that.

MABUS:

Well...

HIRONO:

And I just wanted to ask you one question, though. I -- you do have a concern about counterfeit parts? I heard that correctly?

MABUS:

Yes.

HIRONO:

So, I was just wondering whether you were aware of any technological product that can be embedded in parts to ensure that it is not a counterfeit part.

MABUS:

Senator, I'm not aware of any specific chip or whatever that you can embed in it. What I am aware of is that our quality control folks in places like Crane, Indiana, that the senator was talking about are exceptionally good at spotting those counterfeits.

HIRONO:

I am aware of a particular product that I would love to talk with you further in a different context.

Regarding your energy efforts, we do need a sustained, long-term commitment to research and development in this area. And meeting our energy security needs and preserving the superiority of our forces in the face of energy supply challenges in the 21st century are important goals.

In your testimony, you highlighted the 2009 formal energy goals for the Department of the Navy, which includes using energy more efficiently and diversifying our sources of power. And I certainly agree with your efforts. Could you give us an update, briefly, on the 2009 formal energy goals? And how does the president's budget proposal support these energy goals?

MABUS:

Be happy to. The biggest goal was that by no later than 2020, at least half of all energy, both afloat and ashore, will come from non-fossil fuel sources. The goal is to make us better warfighters. In terms of our bases, we will be there at the end of '15. And we're saving money by doing it. We're -- we will have a gigawatt of power into our bases from non-fossil fuel sources by the end of '15.

In terms of afloat, we will buy no alternative fuels unless it's absolutely cost-competitive with traditional fuels. But that seems to be the case, even with today's low oil prices and we are moving pretty aggressively to do that. We've demonstrated -- we've certified all our ships. We've certified all our aircraft on this.

In terms of efficiencies, we are making great strides in efficiencies. And the president's budget supports both the diversifying the kinds of energy and also the efficiencies.

HIRONO:

Thank you.

And I appreciate the indulgence of the chair. I have gone over. Mahalo.

AYOTTE:

I want to thank the chairman.

I want to thank all of you for your leadership to the country and our military at such an important time.

I just wanted to associate myself with some of the comments that Senator Blumenthal made about the Virginia payload module. I'm very interested if that is feasible, as well, Admiral, in going forward. And I look forward to seeing what you come forward with in May. I think it's important if we can expedite that and it's possible to do that.

I also wanted to follow up, Admiral. In your prepared statement, you noted that our naval shipyards and depots are critical to maintaining warfighter readiness for the force. And I certainly agree with that. And in order to have a strong attack submarine fleet, we need to ensure that those submarines are maintained properly and quickly, and that they're combat-ready.

And one thing that I wanted to ask about is making sure that the facilities we have are prepared to do that, and doing that in the most efficient ways so that we can save dollars and get things done sooner. I know that Senator King shares my pride with the work done at the Portsmouth Naval Shipyard. And in fact, they have -- the workers at the shipyard have actually been producing ahead of schedule the maintenance.

Just recently in April of last year, they un-docked the USS Topeka days ahead of schedule -- 20 days ahead of schedule. In June, following a maintenance availability, the workers at the Portsmouth Naval Shipyard returned the USS California to the fleet 14 days ahead of schedule. And in September, they delivered the USS Springfield back to the fleet ahead of schedule and under budget.

And one of the things that they've brought to the attention of my office is that they are doing this with facilities that are, frankly, outdated in some instances. They're working in structural shops that are on average over 100 years old and have deteriorated to the point of partial failure. For example, the heat-treat (ph) forage area was recently condemned, and the buildings have exceeded their useful life.

And so the fact that they're delivering faster and under budget even with these facilities, can you imagine what they could do with more modern facilities?

There's a military construction project that has been submitted for reprogramming. It's called P-266 structural shops consolidation. It will address many of the problems that I just talked about. And it will achieve efficiencies, improve working conditions; most importantly, save money and time, which I know we're all looking to do; and result in submarines being sent back to the fleet even more quickly. And I'm confident with -- if we're able to do this, it will allow them to do an even better job, and they're doing an incredible job now.

So, Admiral, I'm not expecting you to be familiar with all of these projects off-hand, but this is a very important one to our shipyard. And I think that will most importantly drive cost efficiencies and results for the Navy. So I would like an update on where this reprogramming request is. And obviously, I don't need you, if you have it now, great; if you don't, that's something you could submit to our office as quickly as possible. I'd appreciate it.

GREENERT:

I'll take it for the record and get you a complete answer, Senator.

AYOTTE:

Thank you very much.

I also wanted to follow up, just to ask in general about the importance of the Navy civilian workforce, and what -- what we see, Secretary Mabus, in terms of the importance of the civilian



workforce. Many of them, I think, as the economy improves, the competition for the types of skills that they have, that they're able to work, obviously, on such important equipment like our attack submarines or other equipment, then we're going to see more competition for their skills. And we want to make sure that they stay in the Navy and able to serve the Navy.

So, can you talk to me about what's the strength of the civilian workforce? How do we see recruitment going forward? And what -- what are the challenges we face there and any concerns you may have?

MABUS:

Thank you, Senator.

In terms of the public shipyards like Portsmouth, if you want to see the effects of sequestration, you don't have to look any farther than that. There was a hiring freeze put in place because of sequestration. So as people left, they could not be replaced. There was a furlough that some of them were exempt from, but not all. There was the government shutdown, when they couldn't work.

And because of all those things, we've got a backlog in those public shipyards. They do great work, but they have to have enough of those artisans, enough of those people with the specific skills to do it. And again, that is a great tangible example of -- of the -- not only effects immediately of sequestration, but how it stretches out. Because it will take us until about 2018, as the CNO said, to recover from that.

The civilian workforce writ large, we wouldn't have a fleet to put to sea without those civilians. And we lost 12 civilians killed in the line of duty at the Washington Navy Yard. So they are in every way an integral, vital part of our Navy and Marine Corps.

AYOTTE:

Thank you, Mr. Secretary.

Admiral?

GREENERT:

Ma'am, this morning, there's a great article on what the director for Office of Personnel Management is trying to do for quick hiring. We are trying desperately to hire people into our shipyards because we need to build it up. It's hard. The sequestration has hurt us. And the Gordian knot of getting through the paperwork to hire someone, it's difficult to compete for this young talent.

AYOTTE:

And these are incredibly talented people. I mean, I've had the chance to meet many of them.

GREENERT:

Yes, ma'am.

AYOTTE:

And -- exactly.

Thank you.

KING:

Thank you, Mr. Chair.

Admiral Greenert, I want to associate my comments. It must be -- I'm sure you're very sad that this is your last hearing before this committee, but you've had a long and very distinguished career, and I want to thank you.

Secretary Mabus, your dad should have met my dad. I can remember my dad standing in front of me on the long-distance telephone looking at his watch, watching the time go by. I think they had -- would have had some spiritual kinship.

Admiral Greenert, the Arctic is an important area of policy. I know you've been looking at it. The Navy has developed a strategy. Just -- just briefly, do you see the Arctic as a emerging area of importance -- of strategic importance, national security importance to this country?

GREENERT:

Senator, I do. I think we need to look at it deliberately and understand it. Therefore, things like ICE-X, where we were together almost a year ago, we need to do it more frequently, get industry up there and study the place, find out when is it going to melt. What -- what are the sea lines of communication that will open? Are there territorial disputes? Who has them? Are there threats? Russia is increasing their military presence. Sort of makes sense in that that is where a sea line of communication is. But also, how do we survive up there -- our ships, our aircraft and our people?

KING:

I think one -- just a simple example about infrastructure. Icebreakers -- we have one heavy-duty, one medium-duty Coast Guard. The Russians have 17 icebreakers in the Arctic. And if we're talking about innocent passage, trade, icebreakers are the highway builders, if you will. And that's an area -- I know it's not -- it's not a naval question, but I mean, that's an example of how we are really not adequately, I believe, developing our -- our strategic interests in that region.

Again, for Secretary Mabus and Admiral Greenert, it -- it strikes me that one of the issues that really isn't talked about -- we talked a lot about sequestration, and I don't have to pile on on that subject. We all agree that it's -- it's a serious risk to the national security of this country. But the industrial base -- you can't turn off and on a shipyard. And one of the things that worry me as I look at charts from Bath Iron Works, for example, in Maine, that -- if -- if we don't have the workload, the employment drops down. If a skilled shipbuilder leaves to go to some other area of the country or some other profession, they're gone, and you can't just turn that back on.

Secretary Mabus, is that something that concerns you?

MABUS:

It concerns me every day, Senator. And it's one of the reasons that I said in my opening statement and the statement -- the larger statement to the Committee -- that I will protect shipbuilding to the maximum extent possible, because it's not reversible. If you -- if you don't build a Navy ship one year, you never build it. It's not something that money the next year can make up. And it's primarily because of that industrial base. If you lose those highly skilled workers and their unique skills -- they're not -- they're not easily learned. In fact, I was -- as Senator Reed said, I was at Quonset Point with the -- a keel laying for the USS Colorado. They recognized more than 10 people who were celebrating their 40th anniversary at that shipyard, that -- that had worked there for more than 40 years.

So, the industrial base, if you lose it -- if you lose these high-quality, high skilled shipbuilders, you don't get them back. And you -- you see the effects today in terms of Bath or some of our other shipyards. What you see is the effect on our fleet 10 years from now, 15 years from now, 20 years from now. And it's something that -- I've said -- evidently, I used a term that nobody else had used much, but I'm going to protect shipbuilding till the last dog dies. We're -- we're going to try to stay there partly for the industrial base...

KING:

And -- and...

MABUS:

... but also for our Navy.

KING:

... and one of the problems is the, the long lead time means that the shortchanging we're doing now is going to have the effect five, 10 -- 10 years from now -- I remember learning in drivers ed that if you are going above a certain speed, your headlights won't illuminate the wall in time for you to stop. And, in effect, there's a wall out there that we're very close to hitting. We just won't

know it for about 10 years because of the decisions we're making now in terms of the shortsightedness of this sequester policy.

MABUS:

We -- we are living today with decisions that were made 10, 15 years ago in terms of the size of our fleet. The people sitting in all these chairs 15, 20 years from now will be living with the decisions we make today. And, as I said, in shipbuilding, they're not reversible.

KING:

Well, you -- you ended your prepared testimony with a -- with a quote from Theodore Roosevelt about -- about the Navy as a instrument of peace. From that same speech, Roosevelt said something that is extraordinarily applicable to the discussion we've been having today about readiness. He said, "The veteran seamen of our warships are as -- of as high a type as can be found in any navy which rise to the waters of the world. They're unsurpassed in daring and resolution and readiness and thorough knowledge of their profession." This is Teddy Roosevelt 100 years ago. "To build the finest ship with the deadliest battery, and to send it afloat with a raw crew, no matter how brave they are individually, would be to ensure disaster if a foe of average capacity were encountered." This is the -- this is the payoff line -- "Neither ships, nor men can be improvised when the war has begun.

General Dunford, I would assume you -- that this is all about readiness and training and the irresponsibility of our not solving this -- this funding problem so that you can have your -- your men and women ready.

DUNFORD:

Absolutely, Senator. I mean, that's what you expect from the nation's ready force, is that when you call us, we're there. As I mentioned earlier, when you call us for today's crisis, we'll respond actually today. And that's what it's all about.

KING:

Thank you, gentlemen, for your service.

Thank you, Mr. Chairman.

MCCAIN:

(OFF-MIKE)

KAINE:

Thank you, Mr. Chairman, and thanks to all the witnesses. Admiral Greenert, I add my comments to those of my colleagues about your service. And we'll miss you at these hearings.

I'm sure Angus was joking a bit when he said you're so sad to be here for the last time, but you've been very, very helpful. And I'm -- and we all appreciate that.

On sequester, I can't resist, Secretary Mabus, since you started talking about how cheap your dad was -- I've done a lot of budgets. I've done them as the managing director of a, you know, law firm with lawyers in three countries. I've done them as mayor. I've done them as governor. I'm the only governor in the history of my state -- this is a sad accolade, not a good one -- I'm the only one in the history of my state that left office with a smaller budget than the one I started with, because of being governor in the worst recession in 75 years.

Sequester violates every principle of good budgeting that any competent manager in the public or private sector would follow. Period, full stop. Sequester violates every principle of budgeting that any competent private or public sector manager would follow.

I am proud that one of my first votes as a senator in February, 2013 was to eliminate the sequester. I know how to find budgetary savings. I've done it my whole life. But non-strategic across-the-board cuts can be done with a slide rule. It's not about the application of human judgment. And any budgetary philosophy that says, "We don't care about human judgment. We're just going to, you know, do this kind of across-the-board cutting" is foolish.

I have watched us have some very significant discussions on this Committee where I think we've all come to a bipartisan consensus about Afghanistan -- and let me make an analogy -- that a calendar-based strategy is a bad idea. A conditions-based strategy is a good idea. And I just want to analogize that to our budgetary reality.

We are -- we're either going to be sequester-based and say, "Well, we're obligated to follow caps that the Congress put in place in August of 2011, before we saw the degree of cyber attacks from Northern Korea. Before we saw Vladimir Putin go into Ukraine. Before ISIL was gobbling up territory in Iraq, in Syria. Before Boko Haram was slaughtering thousands upon thousands of people in Africa.

We're either going to be sequester-based, and ignore every bit of reality that has occurred since August of 2011, or we're going to be conditioned-based in our budgeting. And I would just like to ask all my colleagues, we've -- we decided on Afghanistan, I think, as a body that we ought to be conditions-based, not calendar-based. And I would say for purposes of funding our military and other priorities, let's be just as conditions-based. And let's not grab onto some bizarre incompetent budgetary theory, and elevate that over the security of the nation.

So, that's just my editorial comment. And what I intend to do as a member of the Budget Committee, as a member of the Armed Services Committee, and certainly in any floor activity about budget or appropriations.

I want to offer some praise to General Dunford and Admiral Greenert. In your written testimony -- and you had to truncate it here today -- you both talked about something that I think is really important, which is helping your marines and sailors transition from active life to civilian life. The -- the transition of people into a civilian workforce, where only 1 percent of adults have served in the military -- so there isn't a natural understanding for what a gunnery sergeant does or what an E-5 is.

The care about that transition, which is something that I think the DOD generally has kind of woken up to more recently as we've had Iraq and Afghan war vets especially enlisted, with unemployment rates that are unacceptably high.

I -- I think you've all come a long way in the last couple years in being really intentional about this. And in both of your written testimonies, you talked about efforts that have been underway to help folks get credentials that match civilian work skills, and to help people think in a more significant way about that transition.

General Dunford knows I got a son who's an officer in the -- in the Marines. And about two weeks into taking his first platoon, he called me up and he said, "Hey, Dad, My NCO, who is, you know, the guy I'm really relying on, has just told me he's leaving in two weeks. And he doesn't know how to find a job." And if you wait till somebody's at the end of their time, and then try to cram it all into their head and help them figure out how to transition the last couple weeks, it's not going to work very well. But if you start on day one and make that a priority, it will work a lot better. And our marines will be marines for life, and our sailors will be sailors for life. And I give you all a lot of credit for making that a priority, and your written testimony today attributes to it.

KAINE:

To -- one question that I want to ask that may be a question for the record -- because it may involve classified information. I'm concerned about the stability of the government of Bahrain. The 5th Fleet is headquartered in Bahrain, and that 5th Fleet is not only important for our -- for our defense, but it keeps open sea lanes in an important part of the world that allow shipments of oil and other shipments that affect the global economy.

The instability of Bahrain in my view causes me significant concern about the long-term viability of the 5th Fleet there as its headquarters. But certainly, the security of the lives of those Americans who are serving, but also whether that is, you know, can we have a 5th Fleet strategically positioned there given that instability?

And maybe for the record, I would like to ask if you could just offer some thoughts, appropriately classified if need be, about what the instability issues, what threats that poses and what the Navy is doing to consider how to mitigate those threats, if you could, Admiral Greenert.

GREENERT:

I'll take that for the record and get you a complete answer, Senator.

KAINE:

Thank you.

Thank you, Mr. Chairman.

MCCAIN:

Thank you, Senator Kaine. And I thank you also for your eloquent dissertation on sequestration. And I totally agree with it. I thank you for that.

Senator Cotton?

COTTON:

Mr. Secretary, Admiral, General, thank you very much for your years of distinguished service to our country and for all of the men and women you represent -- the sailors, the Marines and the civilians.

I was an Army guy myself. General Dunford, I've had many of your Marines tell me that the Army stands for "Ain't Ready for Marines Yet." That's not true is it?

(LAUGHTER)

DUNFORD:

It just may be, Senator.

(LAUGHTER)

COTTON:

A shocking revelation.

Well, there's no substitute for having an Army, but there's also certainly no substitute for a Navy and Marine Corps that's constantly on watch all around the globe, that is never in peacetime phase because it's always deployed somewhere. And we're very grateful for what you all do.

Admiral Greenert, you've written and spoken at greater length in other forums about the concept of payloads, not platforms. Could you give us maybe a truncated, simple version here of what you mean by that and how it informs the procurement plan for the Navy in the future?

GREENERT:

Yes, Senator. We're a capital-intensive service. And so when we build a ship, it's there for 30 years at least, and been longer. To put an integrated, complicated system in there inside, weapons system in such a vessel, when you want to change it out, you've got to take the ship out of service for 18 months to two years. That -- we can't do that anymore. We can't afford to take it out of service. That's one.

Two, the industry and technology is moving so fast, they can put together a weapons system that can come in in a modular fashion. So, the deal today is to put together a platform, what I call, a platform that has enough cooling, volume, persistence, and time at sea, and the ability to support the upgrades -- quick and fast upgrades.

The -- the Enterprise was our first aircraft carrier, built in 1961. Its first mission was the Cuban missile crisis. It's last mission was off Afghanistan in 2012. And it had the most modern systems we had -- a platform with several changes of payloads.

And so that's what I'm getting at. It applies to aircraft and it applies to ships for sure.

COTTON:

General Dunford, would you care to comment on how that concept may or may not apply to a ground force like the Marine Corps, or for that matter, the Army?

DUNFORD:

Senator, I'd like to take that for the record. I'm not sure I can answer that.

COTTON:

OK.

Admiral Greenert, would you like to comment? Because obviously, the Navy and the Air Force are much bigger platforms for capital-intensive investments than General Dunford tends to use in the Marine Corps; that the Army uses in its ground operations.

GREENERT:

Well, again, payloads and platforms, my support for General -- I'm a supporting entity for the Marine Corps. So when I build an amphibious ship, it has to be able to expand to bring in the Marines' systems as they evolve and expand. So it's very much a part of what I support for Joe Dunford there.

And in fact, we fell behind in that regard. As the Marines went ashore, if you will, in Afghanistan and Iraq, we didn't evolve in our SIFS (ph), and now we're making that adjustment working together.

COTTON:



Thank you.

I also would like to associate myself with the comments of Senator Kaine and Senator McCain about the impact of sequestration, in particular impacts on readiness. I'd be curious to hear from both Admiral Greenert and General Dunford about the timeline that you think it may be -- that may be required to get back to full readiness in your two services.

GREENERT:

If we have a predictable, stable budget at the right level, which we believe the president's budget is minimally there, we will be back where we need to be in 2018 for our carrier strike groups and 2020 for my amphibious readiness groups supporting General Dunford.

DUNFORD:

Senator, our timeline is roughly the same -- sometime between 2018 and 2020. But of course, that -- that very much is dependent on future budgets as well.

COTTON:

Do you care to comment on the status of morale for your sailors and your Marines, especially over the last two years in a sequestration environment?

GREENERT:

Well, when sequestration hit morale, it was hard on them. It was a hit to morale. They were angry. They didn't understand. What is this? Why did I -- what did I do? So now the families are angry. They've gotten over that.

Today, their anxious, but morale is good overall. It's not very good and it's not poor. It's good. They understand that we're looking out for their basic needs and we're providing the ready forces when they deploy. But there's a great anxiety out there, and if we go back to that, I'm not sure exactly what's going to happen. I lived through this in the late '70s and early '80s.

DUNFORD:

On balance, Senator, we have a very young force. I'd probably describe the reaction as angst at this point. They're concerned about it. Where I'm mostly concerned, though, the mid-grade staff NCOs and the mid-grade officers who are looking to the future of uncertainty and would make decisions to leave the Marine Corps when we want them to stay.

COTTON:

Thank you. Thank you all again for your service and thank you again for all the hard work that the Marines and sailors you represent do, as well as their families, since there is no peacetime Navy or Marine Corps and you're always on watch.

MCCAIN:

(OFF-MIKE)

SHAHEEN:

Thank you, Mr. Chairman.

Thank you all very much for being here, Secretary Mabus, Admiral Greenert and General Dunford. And thank you for your service to the country.

Admiral Greenert, we're going to miss you, but we hope you'll be back in another capacity at some point.

As we were discussing, Admiral, before the hearing started, I had, as you all know, the great opportunity yesterday to embark with the USS New Hampshire submarine to go out for the day, to dive with the submarine. It was -- it was really an experience of a lifetime, and I very much appreciated that.

And I was especially impressed by the dedication and the professionalism of our men serving on that submarine, as on all of our submarines -- impressed by the teamwork that they all experienced; that as they pointed out to me, a submarine only runs if everybody works together. And the cook knew as much about the ship and how it was laid out and the operations as the people in the operations room. So it was very impressive.

And one of the things that became clear as we were discussing with folks about their experience on the New Hampshire was that while, General Dunford can appreciate this, a lot of the discussion during the wars in Afghanistan and Iraq has been about the toll that that's taken on our fighting men and women.

And one of the things that was clear yesterday, not because anybody on the New Hampshire complained about it, but the toll that the reduction in our ships and their capacity has on the men and women who serve on those ships. Because the deployments increased, just as our deployments increased during Iraq and Afghanistan, in a way that I think is less clear to the American public and the toll that that takes.

And I wonder, Admiral or Secretary Mabus, if either of you would like to speak to what that shortfall in our ship capacity, the impact that that has on the men and women who are serving on those ships.

GREENERT:

You explained it very well, Senator. There's a -- there's a commitment, a covenant that we have for providing ready forces forward around the world to be, what we like to say, where it matters,

when it matters. If you have less ships to distribute, those which are out there will stay on the watch longer.

We have a phenomenon that we're trying to get out of, as we were just describing, how long it would take to get out of -- to get our readiness right. And that is, when we had sequestration, all of our maintenance slowed down -- Portsmouth Naval Shipyard, Puget, all of our shipyards slow down to kind of parade rest, as we like to say.

So now we're trying to get that back up, get the workforce back because many left as a result of sequestration. Somebody's out there standing the watch, and that's that longer deployment waiting for the other folks to get their maintenance and training done to come out and relieve them. That hurts and takes a while.

MABUS:

Senator, in the early '90s, we had about a 400-ship Navy and we had on average 100 ships forward-deployed. Today, we have a little bit less than a 300-ship Navy and we still have 100 ships forward-deployed. So, you explained it very well. Sailors are going out for longer. They're staying for longer.

One of the things that we've been working on is trying to make those deployments more predictable and not just the deployments, but the things, since, you know, we're talking about the training, the maintenance and the surge capability when they come back. And it's called the Optimize Fleet Response Plan. We're doing it for our carriers first, then our strike groups. We're going to do it for our amphibious ready groups next. But it's trying to do that.

And the last thing I'd like to say is that it's one of the reasons that I remain so committed to shipbuilding to getting the right number of those great hulls, so that it will ease some of the stress on the sailors that -- who -- the men and women who sail in them.

SHAHEEN:

Thank you. Well, one of the things I neglected to say that you all know is that the U.S.S. New Hampshire is a Virginia-class sub. And one of the things that was very exciting to hear from folks on the ship was that they always feel very good when -- it's the Portsmouth Naval Shipyard who has done the work because they do such a great job at the shipyard. So I just -- I had to put that plug in for the Portsmouth shipyard, because they do such great work.

I'm really out of time. But, Mr. Chairman, if I could ask one more question?

MCCAIN:

(OFF-MIKE)

SHAHEEN:

Thank you.

Secretary Mabus, last September, the Departments of Energy, Navy and Agriculture awarded contracts to three companies to construct and commission bio refineries to produce drop-in fuels to help meet our transportation needs, drop-in biofuels. Can you speak to why think this is so important for the Navy?

MABUS:

It's important because it makes us better war fighters. It's important because it takes fuel away as a weapon to be used against us. All you have to do is look at the headlines about Crimea, the Ukraine, Europe today and Russia using fuel as a weapon. And we're trying to avoid that. It will also help us smooth out some of these huge price swings in the oil and gas market

And finally, I'm a big believer in the free market. I think you need competition in things like light fuels. Now we are -- we will not buy any alternative fuel, unless it's absolutely price competitive, with traditional fuels. The other two requirements that we have, one is that it be drop-in. And as you said, we're not changing engines or settings. And third that it take no land out of food production. So we're looking at second-generation, third-generation biofuel production.

SHAHEEN:

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

MCCAIN:

Senator Graham.

GRAHAM:

Thank you all for your service. What's the morale in the Marine Corps like, General?

MCCAIN:

Senator, it's high.

GRAHAM:

Yeah. Well, it should be high, because you're the finest fighting force on earth. And I want to tell the Marine and the Navy, better days are coming to the families. We're going to get our act together in Congress. I don't know exactly how yet, but we will. We're not going to leave you hanging. We're not going to take modernization off the table, so you can't fight the next war effectively. And we're going to somehow solve the problem we've created. So just hang in there. Keep your chin up and focused on the mission.

General, do you agree it would be smart to leave the residual force behind in Afghanistan, if conditions require it?

DUNFORD:

I do, Senator.

GREENERT:

From a Navy perspective, Admiral, do you believe that the threats we face are growing, as I speak?

GREENERT:

I do, absolutely.

GRAHAM:

Do both of you agree that there are more terrorist organizations with more capability with more safe havens with more weapons, with more desire to attack the homeland than any time since 9/11?

GREENERT:

I do.

DUNFORD:

I do, Senator.

GRAHAM:

When it comes to Iraq and Syria, do you agree with me that if we take ISIL alone, and when I say we, the United States and the region, that we must win?

DUNFORD:

Yes, Senator.

GRAHAM:

How many Marines were involved in the first battle and the second battle of Fallujah?

DUNFORD:

The first battle, Senator, was about two regimental combat teams of -- in the order of 6,000. The second battle and, of course, it was soldiers as well, and the second battle was about 14,000 U.S. forces. That's marine and soldiers.

GRAHAM:

So do you agree with me, without that capacity, it would have been very difficult for the Sunni tribes to provide over Al Qaida and Iraq at the time?

DUNFORD:

Without -- absolutely, Senator.

GRAHAM:

OK. So we're about to fight a bigger force. And how many members of our military do we have in Iraq today?

DUNFORD:

Senator, I don't know the exact numbers. But I think on the order of 3,000.

GRAHAM:

How many of those are Marines?

DUNFORD:

We've got about 500 Marines, Senator, that are actually on the ground in Iraq...

GRAHAM:

Do you agree with me, both of you, that ISIL represents a threat to us, not just the region?

DUNFORD:

I do, Senator.

GRAHAM:

You agree with that, Admiral?

GREENERT:

Yes, I do, Senator.

GRAHAM:

So anybody who thinks that defeating or destroying ISIL is their problem, not ours, is making a huge mistake?

DUNFORD:

I agree with that, Senator.

GREENERT:

We have to prevail. Yes, Senator.

GRAHAM:

Do you agree that it's in our national security interest to make sure that not only they're degraded and they're destroyed, they don't come back?

DUNFORD:

I agree with that, Senator.

GRAHAM:

Do you agree with me that the best way to ensure that you degrade and destroy ISIL is to have some American ground forces to help the regional forces?

DUNFORD:

Senator, Right now, I think it's critical that we provide U.S. support. And I think, as you know, we're waiting for General Austin to make a recommendation as to exactly what this support would be.

GRAHAM:

Doesn't that guarantee the highest chance of success is to have some American capability on the ground, enhancing our regional partners?

DUNFORD:

Certainly, my perspective would be as a link to our supporting capability.

GRAHAM:

Do you agree with me that any Marine or soldier, sailor, airman who participated in these operations would be protecting the homeland?

DUNFORD:

I believe that, Senator.

GRAHAM:

If somebody died trying to deal with ISIL in Iraq or Syria, they would have died on behalf of protecting their nation.

DUNFORD:

They would have died in protecting our national interests, it's clear, Senator.

GRAHAM:

Do you agree with me that if we don't stop ISIL, sooner, rather than later, the likelihood of another attack against this country grows.

DUNFORD:

I think it grows. But also, I think if we don't stop them there'll be destabilization in the really, as well, its inimical to our national interests.

GRAHAM:

Do you worry about the King of Jordan, if they don't at least get slowed down or degraded pretty quickly?

DUNFORD:

I do, Senator.

GRAHAM:

Do you, Admiral?

GREENERT:

I do, Senator. Yes, I do.

GRAHAM:

So to both of you and to those who serve under you, I am sorry that some of you may have to go back. I regret it more than you'll ever know. But I think you know better than anyone else, why you may have to go back. And the only commitment I will make, as a Senator from South Carolina, is that if you go back, you go back to win and that we get this right this time.

Thank you all for your service.

ACTING CHAIRMAN:

Senator McCaskill.

MCCASKILL:



Thank you all for being here. I sometimes neglect to say how much respect I have for all of you. I'm so busy getting after something that I forget to tell you. So let me do that before I get after something.

Admiral Greenert, I'm dismayed about the "Fat Leonard" Scandal. I am dismayed because it rips at the fabric of honor and integrity that defines our military. And one of the things that I have tried to do, since I was allowed to join this important committee is make sure when we have those moments that the consequences go to the very top, instead of hanging out at the middle or the bottom, which has sometimes occurred, when there is a scandal like this.

So what I would like you or Secretary Mabus to speak to the accountability of those at the top of the chain of command, for this conduct did occur on their watch.

MABUS:

The Leonard Francis scandals that...

MCCASKILL:

Correct.

MABUS:

Well, Senator, we're going to hold people accountable that violated either the law or Navy ethics. And I've already issued letters of censure to three admirals -- one three-star, two two-star admirals. The two two-stars elected to retire. The three-star had already decided to retire.

MABUS:

One thing, though, that I think is important about this situation is that the reason this was uncovered is that we set up financial trip wires that Glenn Defense Marine Asia, GDMA, went across. And so, red flags were raised. NCIS investigated this for three years with no leaks.

We during that investigation found that an NCIS agent was furnishing Mr. Francis with information. That -- they set up a -- some false information to him. And it led to Mr. Francis believing that the investigation had been shut down. It allowed us to -- to arrest him on American soil.

He has implicated a number of naval personnel. We are at the -- on the timetable of the U.S. attorney's office in San Diego in terms of how quickly we -- we get to these things. And that's been a frustration, because we have -- it's taken a long, long time. But I've set up a consolidated disposition authority. So, if somebody was found not to be criminally not liable, we're taking a look at him to see if they're -- if they violated Navy ethics.

We are -- we're stepping up ethics training for COs, XOs, people in areas of responsibility. We've completely overhauled our procurement requirements and regulations in terms of husbanding these services that -- that GDMA provided. Now, we've -- we're auditing that on a routine basis.

And one thing I -- I do want to say, though, is that you can have all the ethics training in the world. If somebody doesn't know it's wrong to steal, somebody doesn't know it's wrong to take a bribe, they missed something at home.

MCCASKILL:

Right.

MABUS:

And what we have to do is set up a system that will catch them and will hold them accountable. And you're right -- it's -- it's up and down the chain. And I think that by the first actions -- I not only took the actions to censure three admirals. I've taken two more from access to classified information...

MCCASKILL:

Mm-hmm.

MABUS:

... based on allegations. I don't know if those allegations are correct yet, but in order to protect the -- the integrity of the service.

Finally, Senator, unique among the services -- when we make a change in command -- when we do something to an off -- a senior officer, or a CO or a flag officer, we announce it. We try to be completely transparent about this. Partly, it's because of what we can -- the -- the learning effect that it will have on other people.

MCCASKILL:

Right.

MABUS:

But partly because people need to know what's happening in the service. We have not seen the numbers to up. But because we announce it, we tend to get more scrutiny.

MCCASKILL:

Well, I appreciate that. And I appreciate that you all have done this. I wanted you to know, I'm very interested in how all of this shakes out. And if there's anything I can do to prod the U.S. Attorney into doing justice in the most efficient and effective and time-sensitive way, let me know.

I don't have much time left. I do want to ask a couple of questions that you all can respond on the record for me at a later date. Because I don't want to hold up Senator from Alaska. But I -- I -- one is, obviously, the electronic capability platform as it relates to the Growlers.

I know you testified last week, Admiral, about a shortage of two to three squadrons. I'm very concerned about that. I would be concerned about that if these amazing aircraft were not built in Saint Louis. Because the capability of the electronic battlefield that we face now. And I would like you to respond to what -- I'm worried that this joint study that's going on now won't be completed in time for us to really evaluate whether the needs jointly even exceed what you have said, which is two to three squadrons, in terms of a shortfall. So, I -- that, I need on the record.

And for you, General Dunford, I'd like an updating on how the realigning of Guam is going. You know, this is something that we've worked on in this Committee. And when I used to chair Readiness, this was something we talked about a lot.

If you would get to the Committee and specifically to my office, where we are with the realignment of Guam and what the situation is on that, I would be very appreciative.

DUNFORD:

We'll get that information to you, Senator. Thank you.

MCCASKILL:

I know everybody has covered sequestration before I got here, but for what every -- every other senator said about sequestration, me, too.

Thank you.

ACTING CHAIRMAN:

Senator Sullivan?

SULLIVAN:

Thank you, Mr. Chairman. And, Senator McCaskill, I might get a highlight of your final question as actually one of my first questions.

So, gentlemen, I appreciate your service and your frank testimony. General Dunford, I also appreciate your highlighting the bang for the buck component of the Marine Corps' spending and

war- fighting capability -- 6 percent of the budget, 21 percent of the infantry battalions. I think that's important for the American people to understand and recognize.

I do want to follow on a number of the general questions from Senator Wicker, Hirono, McCaskill, on the redeployment -- the pivot to Asia, in particular, with regard to some of our ground forces. And as part of this Committee's oversight responsibility, I'll be heading to the region relatively soon to look at some of the issues in terms of what cost, training, readiness, deployment capabilities, as it relates to the Guam redeployment, but also some other issues.

I'm just curious -- I would just like -- General Dunford, from your perspective, how -- how -- what are the issues we should be thinking of when we're -- when we're looking at that? And are you satisfied with how that redeployment's going? As you probably know, there's some concerns about that. And I think they've been consistent concerns over the years.

DUNFORD:

Senator, thanks. That clearly is one of the more important issues we're grappling with right now, is the Pacific. I think maybe break it out into three -- three pieces.

The first would be capacity. And for the United States Marine Corps, what the rebalance means is 22,500 marines West of the dateline.

SULLIVAN:

Right.

DUNFORD:

And we're there now. So, as we've drawn down the force in Iraq and Afghanistan, we've reconstituted our unit deployment program and get those numbers back for our 3rd Marine Expeditionary Force back to what they ought to be.

The second piece is the re-posture of forces relieving some of the pressure in Okinawa, building up forces in Guam. And then, as the secretary talked about, forces in Australia, as well.

So, there's -- there's several pieces. It's the Guam piece, it's the Australia piece, and then forces will go to Iwakuni, Japan, and then some forces will eventually go to Hawaii, as well.

We're just getting started with that this year in the president's budget '16. There is a training range in Guam that's one of the preconditions for us to bring forces down to Guam. We'll bring a total of 5,000 forces to Guam eventually. We're rotating this -- this spring another force of 1,000 marines into Australia, with an eventual plan to bring that number up to 2,500. But I think in terms of the issues that you should be concerned about, one clearly is the progress for the Futenma Replacement Facility and how that progresses in Japan, because that's going to be critical. We have the Futenma Replacement Facility in order for us to leave our current Futenma

Air Station, and then make the deployment -- make the redeployment to Guam, as well, to properly support the marines that are in the area.

The other piece is -- is lift in the area. We're going to -- we're going to better support the combatant commander's day-to-day requirements by disaggregating (inaudible) out there.

SULLIVAN:

Right.

DUNFORD:

So, in other words, by moving to Guam and moving to Australia, we get better coverage in the Pacific on a day-to-day basis. But then in a contingency, we've got to aggregate those forces, for example, in a conflict on the Korean Peninsula. And so, one of the real critical things we're working on within the Department of the Navy with the secretary and CNO's help is the additional lift that would be required to move marines around.

So, there's enabling capability, and the first is life -- amphibious life and other forms of lift -- to move marines around both for training and for contingency purposes. And then -- and then, as well, the training facilities and the -- and the quality of life support that will be on Guam over time.

But all this is -- we're a lot further -- I've been -- I've touched for probably off and on for the last 10 years, Senator. And we're finally now starting to pour concrete. We're starting to actually move forward with the plan. So, I feel much better about it than I have in recent years.

SULLIVAN:

Right. Thank you.

I want to switch and follow on to the question that Senator King had talked about in terms of -- in terms of the Arctic. And I'll be a little more blunt. You know, we have a DOD 13-page Arctic strategy. And yet, when you look at what the Russians are doing in the Arctic, it's -- it's actually quite impressive. Impressive, but disturbing.

So, I'm sure you gentlemen are somewhat familiar. But General Dempsey mentioned in testimony with the secretary of Defense last week, the Russians are looking at four new Arctic combat brigades as our U.S. Army is thinking about pulling them out of the Arctic. I think that would give Vladimir Putin a lot of joy.

They are building new airfields -- 13 new airfields. They're conducting long-range air patrols with their Bear bombers off the coast of Alaska again.

SULLIVAN:

They have, incredibly, six new icebreakers coming, five more planned to add to their fleet of 40. Meanwhile, the United States is thinking about an additional one to our fleet of five.

Does it concern you, particularly when we talk about keeping ceilings open, there's going to be a very, important ceiling that's developing the Northwest Arctic Passage there?

And has the Navy given any thought to this, in terms of particularly adding ice-breakers to the Navy's shipping fleet, if we're going to be remotely competitive with the Russians in the Arctic, that they have stood up a new Arctic command and they are all in in the Arctic and it's not -- 13 pages of paper. It's concrete, it's ships, it's airfields. And we're thinking about removing forces from Alaska and we don't even have -- I think we're number five or six in the world in terms of ice-breakers. It seems to me a ludicrous situation that the Navy should be concerned about.

GREENERT:

Well, the purview of the ice-breakers is the Department of Homeland Security, the Coast Guard. So if we split that, then we'll be clobbering our strategy. And it's -- although it sounds like a petty answer, you know, somebody has to be in charge here. And right now, it resides with the Department of Homeland Security.

Am I concerned? Yes, Senator, I am concerned. Because for us to take our combat ships up there, we have to work in conjunction with that and make sure that we can get up there as well. So we have to look at a hardening of our hulls and we look toward that. And also, it's not just surface ships which we'd send a focus on. It's the aircraft and the undersea domain.

So as I mentioned earlier, we're going to -- we've increased -- I've directed the increase in our exercise capacity up there and our activity up there. And we are spending a little bit more. It's modest right now, exercising with the Norwegians with the Scandinavian countries and with Canada in that arena, to get used to operating out there.

SULLIVAN:

Mr. Secretary, any thoughts?

MABUS:

We -- as the ice melts in the Arctic our responsibilities clearly are going up. We just -- the CNO and I just issued the new Navy road map for the Arctic. We updated it. I stopped through the University -- through -- at Fairbanks -- the University of Alaska at Fairbanks.

In terms of it's not just platforms and it's not just capability, it's what we're facing up there where we not only have less ice, but it's freezing in different ways. And so, as we send our submarines up there, they don't have a whole lot of clearance both above or below and the ice is forming in different ways that are beginning to be a hazard to navigation.

But as the CNO said, we are -- we're upping our exercises, we're upping our research into the area, we're moving in terms of hardening hulls, in terms of war-fighting capabilities. And as you know, we have a seal training unit on Kodiak, specifically focused on cold- weather combat. In fact, every Seal goes through it, right after they come out of BUDS.

So we are concerned about it. We're trying to move on it. But it, again, is one of these things that in this budget situation, you have to make some very, very hard choices. And we don't have the capability that we would like to have in the Arctic.

SULLIVAN:

Thank you.

Thank you, Mr. Chairman.

REED:

On behalf of Chairman McCain, let me thank the witnesses for their excellent testimony and for their service to the nation and the Navy and the Marine Corps. I adjourn the hearing. The hearing is adjourned.

###