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LIST OF PANEL MEMBERS AND WITNESSES

(DUE TO TECHNICAL DIFFICULTIES AT SOURCE, HEARING IS JOINED IN PROGRESS)

RICHARDSON:

I'm also, as the secretary said, very pleased to be here with Secretary Spencer and General Neller, two great leaders with whom I'm working to increase warfighting lethality of our Navy-Marine Corps team. And make no mistake, the Navy-Marine Corps team matters to America's security and economic prosperity now more than ever.

This hearing comes at a critical time in our nation's history. Thanks to decades of bipartisan congressional support, America's Navy still holds the title of best in the world, but our recent years of combat and physical uncertainty have eroded our warfighting advantage. As our national defense strategy makes clear, we are now in an era of great power competition. With the rising China and a resurgent Russia, America no longer enjoys a monopoly in sea power or sea control. Meanwhile, rogue regimes like North Korea and Iran threaten global stability.

Given these challenges, it's absolutely critical that we increase American naval power, and with a sense of urgency. In order to win in this competitive environment, we must take a balanced approach to build the Navy the nation needs.

RICHARDSON:

This Navy requires a bigger fleet, more ships, submarines, aircraft and special operations forces. Congress agreed with the conclusions of several thoughtful studies and a 355-ship Navy is now the law of the land. This will increase our Navy's ability to protect our homeland and our allies, to expand our influence as America's global maneuvering force, and to support American prosperity by safeguarding access to critical waterways.

And while there will always be a debate about the final number of ships to build, and that will fluctuate with the security environment in any given year, we can all agree on one thing: the Navy must get bigger and the demand signal is to start building now.

The Navy -- the nation's needs requires, also, a better fleet, more capability achieved through modernization, networking, agile operating concepts, and a talented force of sailors and civilians with officers of competence and character to lead them.

And finally, the nation requires a ready fleet: more at-sea time, more flying, more maintenance and more weapons of increased lethality that go faster, farther and are more survivable. As we discuss the 2019 budget request today, it's important to stress our Navy's commitment to good stewardship for every precious taxpayer dollar.

Under the secretary's leadership, we are determined to better understand the business of our business, to include embracing full participation in the department-wide audit, so we can look every American in the eye and tell them with confidence that their hard-earned money is being spent as carefully as if it were our own.

I'm very grateful to this committee and to Congress for recent budgetary actions that put us on a strong trajectory to increasing American naval power. Those stakes are high and there's more work to do.

War at sea is unforgiving: The winners sail away and the losers sink to the bottom of the ocean. In this complex and dynamic maritime environment, eager contenders are training to defeat us. So, I give you my work that we will -- my word that we will work every day to earn the title of the world's best navy.

I look forward to sailing alongside Congress to build the Navy the nation needs, a lethal Navy for our enemies in combat, a committed Navy for our allies and partners, and a safe Navy for our sailors.

Thank you and I look forward to your questions.

GRANGER:

Thank you.

General Neller?

NELLER:

Chairwoman Granger -- hey it works, all right -- Ranking Member Visclosky, members of the committee, I'm here today to testify on the current posture of your Marine Corps. Thank you for that opportunity to be here, and I look forward to your questions.

I know this committee, the Congress and the American people have high expectations for our Marines. As our nation's expeditionary force in readiness, you expect your Marines to operate forward with our Navy shipmates, reassure our partners, deter our rivals and respond to crisis. And when called to fight, you expect us to win. You expect a lot of your Marines and you should.

As we hold these hearings, 34,000 Marines are forward-deployed, some in harm's way, all engaged doing just what you expect them to be doing.

Your Marines are an integral part of the new defense strategy, and rest assured we're doing our best to increase our competitive advantage against our strategic competitors.

That said, we continue to face challenges, some a consequence of rival adaptations, some a result of unpredictable funding, some as a result of our adjustment to the new strategic environment. I (inaudible) support what our secretary and the CNO said.

NELLER:

Since the fall of the Soviet Union, the sea services have enjoyed a well-earned uncontested global dominance. Those days are over. Your Marine Corps remains capable, along with our Navy shipmates, but our competitive edge has eroded in every domain of warfare. We must modernize and address great power competition or risk falling further behind.

As we look ahead to the 2019 budget, developing your next-generation Marine Corps requires modernization of our Corps, the recovery -- continued recovery of our current readiness, and further investment to resource the next generation of Marines.

These priorities, coupled with adaptations to our global posture, will provide our nation's leaders the right capabilities at the right places to create the decision-making space necessary for the nation to compete, and if necessary fight, at the lowest cost and resources possible.

Despite the challenges facing us today -- in today's strategic environment, our Marine Corps remains the nation's forward-deployed agile expeditionary force in readiness as part of that Navy-Marine Corps team. To preserve that role and sustain the readiness it entails, we continue to require sustained, adequate and predictable funding to develop the right mix of advanced capabilities and ensure a ready and relevant force.

With Congress' support and sustained commitment, we can begin to restore our competitive naval advantage, enhance global deterrence and ensure that we send our sons and daughters into the next fight with every advantage that our nation can provide.

I look forward to your questions.

GRANGER:

(OFF-MIKE) briefers and all the members, we'll limit each member's question to five minutes. And I'd ask you that you -- those who are asking questions, if you're going to direct your question to one particular person, please do that; if not, indicate that you would like to ask that question of the entire panel.

Mr. Visclosky and Chairman Frelinghuysen have both said they will wait and move to the end. So I will follow their wonderful tradition and do the same thing, and call in order of the time that you arrived at the hearing.

Ms. Roby will go first.

ROBY:

This is an unusual turn of events.

(LAUGHTER)

I did get here a little early today.

So the Navy's 30-year shipbuilding plan maintained the recommendation for 52 small surface combatants as the LCS has been plagued with issues.

We -- we want to -- I want to just talk about, in recent media articles the Navy has stated that one LCS is sufficient to sustain the shipbuilding industrial base and the hot production lines as you transition to the new frigate.

Both LCS shipbuilders have publicly stated that they do not believe that one shop (ph) in the F.Y. '19 budget -- there's enough work to sustain the industrial base and hot production lines going into the frigate competition.

So can you explain your differing position on the -- on the industrial base from those who comprise the industrial base?

RICHARDSON:

Congresswoman, thank you.

As you read in the 30-year shipbuilding plan, one of the key attributes that we wanted to make everybody aware of is, yes, we need to increase our capacity. But we also need to understand what the industrial base can absorb and how we can work as partners with the industrial base, while purchasing our assets at the most effective and efficient rate.

We believe between '18 and '19 having four LCSs in the line for the yards will provide them, granted not optimal -- we believe that is a -- a good sustaining rate for both yards as we move into what's going to be a very robust competition for the frigate. Which, as you know, looks like fiscal year '20 decisions and '21 bill (ph).

ROBY:

And, Admiral Richardson, as you know, the long-range (inaudible)-surface missile, LRASM, is made in my district, in Troy, Alabama. And I realize we can't discuss all of its capabilities in an unclassified setting, but I'm impressed with what I know, and I'm glad that the Navy has asked for an additional 10 missiles on its unfunded priorities list.

However, I'm that this is current -- this is currently only an -- an air-launch missile. Wouldn't it be prudent for the Navy to also develop a surface-launch variant, whether it be from the vertical launch system tube or top-side launcher, to help provide you with distributed (ph) lethality? And then also, I understand that would consider this an -- an expensive missile, but on a cost-per-kill basis, compared to everything else the Navy has, it seems quite inexpensive.

RICHARDSON:

Ma'am, we agree.

And we're accelerating the production of that missile. We've moved it into the air-launch, as you said. And we're investigating expanding that to surface-launch applications as well.

ROBY:

Well, since I got to go first, I will be -- I will yield back my time. Thanks.
Thank you for answers.

GRANGER:

Mr. Ryan?

RYAN:

The trend continues here, I guess. Thank you, Madam Chair.

So major navies -- and I appreciate this hearing and thank you for your time and your leadership. One of the vulnerabilities we have with our Navy and other navies is the small seaborne and airborne threats. And this includes remote control boats and drones that might pass unnoticed by traditional radar technologies.

And as we work to stay ahead -- as we talk about the great power competition -- ahead of China, ahead of Russia militarily, we have to be focused on the newer technologies.

So I want to ask you about the directed energy weapons that could give our Navy the capabilities that we need to apply the right amount of force to the right type of threat. And we know that that the D.E. weapons can take the place of multimillion dollar missiles which we're interested in on this end, as far as helping us keep the budget contained as to where we think it needs to be. So can you -- just ask a couple questions and let you all touch on it wherever you can.

What's the Navy's broader strategy for directed energy and how are we addressing the growing threat? And then do you view the directed energy as a necessary part of the Navy's future offensive and defensive needs?

RICHARDSON:

Sir, I'll take that. With -- I'll be happy to take that question.

We have in the Navy an accelerated acquisition program which really -- comprised of some designated capabilities that we want to move to the fleet as fast as possible.

And inside that, there are very few programs, but one of those involves directed energy, both high-power microwave, but more specifically in the laser regime. So we are moving forward with a family of lasers to get those sea for exactly the reasons that you state.

They're absolutely fundamental to allowing us to address some of these small threats: small boats, small aircraft, unmanned aircraft. But also as the technology is allowing us to really address very high-end threats: anti-ship cruise missiles and those types of threats.

Furthermore, they can be used as a counter-ISR type of thing, a dazzler. And so, depending upon the energy that you are employing, they can be used across the full spectrum.

Finally, they get you on the right side of the cost curve in terms of dollars per shot instead of millions of dollars per shot.

So we're accelerating this as fast as we can. We've got some great progress. I'd love to come and brief you on the whole portfolio.

RICHARDSON:

But by virtue of moving this into the accelerated acquisition program, we -- we've achieved timescales compressing from three years to less than one year in terms of moving some of these lasers through to production and testing.

And so I look forward to briefing you all. It's an absolute high priority for us.

NELLER:

I would just say that it's just not at sea. I mean, there is a lot of activity, if you -- if we could talk in a classified setting, we can talk about what is going off the west coast of Yemen. There's, kind of, a live fire laboratory down there with some of the threats that you describe. But the same capabilities that we are going to need at sea, we're going to need ashore.

So the -- the small UAS threat is something that we're -- there's a lot of activity going on, from basic kinetic -- kinetic shoot them down, to try to break the link, to use a laser.

So -- and all the service are involved, and -- and the department's involved, OSD is involved. Dr. Roper, I believe, is working for the Air Force and his office -- special capabilities office, is working a lot of the stuff.

So there is, as the CNO says, a lot of activity and it's going to start to funnel down as we get to where we have to take this. But I think for the naval force, mounting these capabilities on ships, I think fairly soon we're going to be able to see what -- what their impact is. Because clearly our adversaries, to include (inaudible) violent extremist organizations, have taking advantage of very cheap off-the-shelf technology that gives them an advantage that right now we're still -- we have a capability to contest it, but they -- the D.E. stuff will really change the game for us.

RYAN:

Admiral, I had (ph) a very good brief, your team gave us.

And Madam Chair, I would just encourage everybody on the committee to get brief. It's a -- it's a, I think, very important next step for us to continue to fund and take to the next level.

I yield back.

(CROSSTALK)

SPENCER:

Can I just add a footnote there, because I think it's important for the whole committee to hear this?

Starting when -- Secretary Esper was the last one to land on the ground, but Secretary Esper, Wilson and myself meet with great regularity now. And one of the things that we are actually doing -- we had a meeting last week -- was pooling our S&T projects, because we realize that we're parallel-tracking many of the technologies we're talking about.

We're working with Mike Griffin now that he's on board, and really seeing how we can align our resources in the most effective manner in order to tackle some of these issues (inaudible).

RYAN:

Thank you.

I yield back.

GRANGER:

Thank you.

Mr. Diaz-Balart?

DIAZ-BALART:

Thank you very much, Madam Chairwoman.

Gentlemen, thank you. And two questions if I may throw them out there.

First, it's no secret that our -- that our public shipyards are having problems in providing scheduled overhaul and maintenance. And that's going to continue for the foreseeable future. So we're optimistic the F.Y. '19 budget will -- will be on track and -- and that's -- that's great. But I wonder if the public shipyards are prepared -- prepared for the -- the increases.

So does the Navy have a plan to correct the backlog in overload of maintenance work of our public shipyards, obviously to get more hulls operational?

And then the other one is that, no secret there either that the industrial base has continued to express concerns about the feast and famine cycles of skilled labor at shipyards. And so, obviously, that's problematic, but as the shipyards are leading up to multiple new projects in the next decade, like whether it's the Columbia-class sub or the (inaudible) aircraft carrier. So the public shipyards, as you all know, have expressed similar issues -- have similar issues with an inexperienced new labor force. And the second question: Is there any consideration in using our capable private shipyards in a greater capacity to offset some of these maintenance and workforce issues which potentially can only increase?

RICHARDSON:

Sir, I'll take the first whack at that, and then the secretary will come in behind me.

First, I think you've characterized that exactly right. The public shipyards are at capacity. We're growing in those public shipyards, We've done a lot to discipline our processes in the public shipyards. And that maintenance backlog is decreasing, particularly with our ballistic missile submarines, our carriers, our attack submarines, are coming into that discipline. We're hiring in those public shipyards and so we're doing everything we can.

We also recently issued our report on, sort of, the public shipyards that the nation needs, which is a complement to the 355-ship Navy the Nation Needs program as well. This requires an extensive 20-year plan to recapitalize those shipyards so that we can improve capacity, very much in the same way that some private sector industries have retooled, remapped production lines, et cetera, to increase capacity.

With respect to the industrial base, we also signed out a shipbuilding plan that complements the Navy the Nation Needs, and it talks exactly about this feast and famine cycle. We have (ph) described how we need to get out of this boom and bust approach to business, where peaks and valleys -- very, very hard for the workloads -- the workforce to accommodate that.

Finally, to get to your question, we're already moving to the private sector to help us with the overload in the public yards. I think we've moved four of our maintenance availabilities into the private sector. The private sector comes into the public yards to help us with capacity where that's appropriate.

So there is a good dialogue in terms of how to manage that workload over this national treasure, which is the combination of both the skilled shipbuilders and fitters to -- on both the public and private sector.

SPENCER:

I think just to add to that, Congressman, the -- the conversations that we've been having with industry are really starting to move the needle. As long as they see a signal that we're going to have the ability to put resources forward, there are more compelled, obviously, to put money into the research, development and enhancements.

It's just a (ph) punctuation on what the CNO just said. They are ready and willing, the private sector, to -- to -- to work with us on managing capacity and keep the public shipyards obviously at the full capacity. But managing the -- the workforce is going to be a challenge, but it's something that we're up and ready to do.

DIAZ-BALART:

And so you foresee the private shipyards having, you know, a larger role?

SPENCER:

Yes.

RICHARDSON:

So let my just punctuate that too.

The shipbuilding plan starts in 1955, right, and it projects 30 years forward. Since 1955, there been 14 shipbuilders that have gotten out of the defense business. And so, the industrial base that we talked about today that you questioned us on (ph), it's -- it's not the industrial base that we had in 1955.

And so, given this signal to grow the Navy, preserving and managing this industrial base will be a key component for us (ph).

DIAZ-BALART:

Thank you, Madam Chair.

GRANGER:

Thank you.

Ms. Kaptur?

KAPTUR:

Thank you, Madam Chair.

And welcome. Thank you so much for your service to our country and all those under your command.

Both General Neller and Admiral Richardson, in your testimony, you talked about -- General Neller, three main priorities, manpower being one of them, and Admiral Richardson, you talked about people and the young men and women under your command.

KAPTUR:

My question really goes to your assessment, based on everything you know through recruitment and retention, on the physical and mental well-being of those under your command, and some of the challenges you are facing, both in recruitment, retention and, particularly, I was going to ask General Neller, the deployment-to-dwell ratio is, you say in your testimony, one-to-two now. The optimal ratio is one-to-three.

And you mention in you testimony, some of the destructive behaviors that impact those who undergo the stress of military service. These include, of course, sexual assault, suicide, hazing (ph), excessive alcohol consumption.

I learned this past week, to my great dismay, that the Naval Academy has had to expel 40 of their cadets for drug trafficking and use. That just -- I can't tell you what an impact that had on me. I didn't read it in the newspaper. I wanted to verify if that is true or untrue, and whether this is something new or this is something that the military has faced consistently.

And I'd like to know, in terms of, what you see, in terms of recruitment, across our country, some of the challenges you face with the ability to put together leaders who are mentally, morally and physically fit. General Neller, those are the words that you used.

RICHARDSON:

Ma'am, if I could, before -- I just want to address right upfront that I'm not aware of any expulsion of 40 midshipmen for drug use. And so, I'm not sure from that information came from. We discussed it quickly.

KAPTUR:

Yes, yesterday.

RICHARDSON:

I checked on it. And there's nothing -- there is an investigation going on, but there's been no expulsions and it's nowhere near that number.

KAPTUR:

All right, thank you.

NELLER:

So, I think we're all aware that, you know, in the nation, I mean, it's a strategic issue that less than 30 percent of the young men and women of our nation are qualified just to join the military, either because of physical, mental or moral issues. So now we're down to 30 percent and now we have to find those that have (inaudible) it or are interested in doing this. And as there is some growth in the force, we're all out there competing in the same -- looking for the same type of young men or women.

So for your Marines, right now, you know, we're getting 99.7 high school grads. We've got a delayed entry pool of high school seniors that are waiting to graduate that comprises about 50 to 60 percent of those that we're going to assess and send to recruit training next year.

KAPTUR:

Is it easier, General, or harder to find individuals to..

NELLER:

It's always hard work. Our recruiters work really -- really hard. And, you know, the retention of these folks and their completion of their first contract is something we track.

Our attrition numbers are down, not to the degree that I would like for every Marine. And once you earn that title Marine, we want -- we expect there to be some attrition at entry-level training. So, they're really smart. They're -- they have a different expectation. They're digital natives.

Social media and the things that happen on social media affect them in different ways. I'm not a psychologist, but -- but this is a really good Marine Corps. And I could tell you about the Marine Corps I joined in 1976 and I don't want to be in that Marine Corps; not that there weren't good Marines, but I like this Marine Corps a lot better.

On retention, I was concerned about that last year because for the first time we were really struggling to make our numbers, to keep folks, particularly in our senior enlisted. This year we're -- we're on track to make it. So, whatever happened I think -- I think there was -- because we had an appropriation, we had money for bonuses, even with the economy being what it is, we're keeping enough qualified folks and some of the very best.

So, there are some behaviors -- I mean, I could show you the stats and -- I don't want to take up all the time. I will tell you, though, the one stat that consistently goes down, the number of people that are -- that are involved with illegal drug use. That number continues to go down every year, which is good.

We do struggle -- like all young people, we struggle with alcohol and certain behaviors, because 62 percent of the Marine Corps is 25 years old or less. So, I -- we have the blessing and the curse of youth and all the good things that youth brings and sometimes it is -- we're trying to make these young men and women grow up.

So, we watch this. I'm content with the force. We can always get better. But I think that you -- I mean, if you've traveled around and seen them, I think everybody would be imminently proud of the young men and women that wear the uniform of any service in the United States military.

KAPTUR:

Could I ask you, do you, in your budget...

GRANGER:

Thank you.

Judge Carter?

KAPTUR:

...do you feel you have enough funds for behavioral specialists to deal with some of the challenges you may face, as special ops did with some of the challenges they faced?

NELLER:

We continue to look at that and we continue to look at MARSOC as a -- and there's probably some diagnostic cognitive tools that we want to take a look at. I'd have to price those out, but I think when there's enough money that we'll be able to do that. And if I cannot, I'll come back and let the committee know.

KAPTUR:

Thank you.

GRANGER:

Thank you.

Judge Carter?

CARTER:

I thank you, Madam Chairman.

Welcome each and every one of you. I appreciate you being here.

We learned about the -- pardon my voice. I was checking votes too late last night.

The nuclear -- the NPR, Nuclear Posture Review, came up with some recommendations. One of which is they would put low-yield (inaudible) submarine-launch ballistic missiles, SLBM, along with sea-launched cruise missiles, SLM variant (ph).

Secretary Spencer, how does your budget address recommendations in the NPR to develop low-yield nuclear weapons? And when can we expect the capabilities to be added to the Navy?

SPENCER:

Congressmen, as you know, that's -- it's a new initiative and we're just getting started, to be very frank with you. To give you an answer right now, as to calendar dates, I'm not prepared. But more than happy to address it when we have it in sight and come and brief you.

CARTER:

And you'll let us know when it's going to be reflected in your budget, because we're -- we've been given a directive that's -- that's very important to our country.

SPENCER:

Most definitely.

CARTER:

Also, on that very -- very issue, do you -- how do you respond to claims of modifying the current delivery system, such as the SLBM, to carry low-yield weapons, decreases the nuclear threshold because adversaries might not be able to correctly identify a potential nuclear launch?

SPENCER:

To be very frank with you, I will come back to you on that. That's a -- an excellent point and question that, at this point, I don't have an answer for. I defer (inaudible).

RICHARDSON:

Sir, I'll take a stab.

I mean, this gets into some pretty big questions about deterrence theory and all those sorts of things. But, in general, what we're finding is that some of our adversaries are developing capabilities. And what you want, in terms of that, is to have, sort of, proportional responses, so that it does have the deterred effect that we're looking. And I think that's the theory behind the recommendations and in the NPR.

CARTER:

Thank you.

General, I have a question.

Can you briefly discuss the modernization priorities of the Marine Corps? Are the -- there specific modernization requirements, such as the next-generation combat -- combat vehicle or tactically communication networks, (inaudible) service collaboration, may be beneficial to develop new system? (Inaudible) ongoing the DOD-wide inter-service collaboration in many areas (inaudible).

NELLER:

There are number of areas we need to modernize in. Information warfare, which would include electronic warfare, is probably at the top of that. And we're getting after that by changing our higher headquarters and our three Corps-level (ph) headquarters changing it from a headquarters group into an information group and developing electronic warfare capabilities.

So that's one area. It also includes information and intel analysis. We need to expand our capability in long-range precision fires, which I think gets at what was talked about earlier. And we've got to improve our air defense, which is also tied to directed energy.

Command-and-control in a degraded environment, I believe -- we -- we have lived in a world of the past -- since 9/11 in a -- where we didn't have to worry about being contested in the communications area, and that we thought we could -- we didn't have to worry about moving our headquarters or masking our signatures. I would say those days are gone.

And we always have to be able to be more lethal in the -- in the ground fight and the air fight. So there are a whole lot of things going on, Congressman, that we're working on that, but those are the priorities that -- that are addressed in the budget. And aviation is a key part of that, but there's ground modernization.

So, you know, we -- the dilemma we face and the committee faces with us is we have the sustain the force for the current deployment, we've got to maintain legacy gear as we go out and do that, and we got to field and modernize the force and transition to the new equipment all at the same time. And that's -- you know, and the new stuff is very capable, but it also is very expensive.

CARTER:

Thank you.
I yield back.

GRANGER:

Thank you.
Mr. Ruppertsberger?

RUPPERSBERGER:

First thing, Marcy, (inaudible) your question. I'm on the board of the Naval Academy and any time we have incidents that you talked about and we get notified (inaudible). I think it's one of the finest institutions that I -- boards that I've served on. So if there's anything there, we would -- we would know about it (ph). Just want to verify that for Admiral Richardson.

Admiral Richardson, I'm going to ask you this question.

Last two years I've been asking questions about the torpedo defenses for our Navy. In 2010, as a result of an urgent operational needs statement issued regarding torpedo threats to our nation's high-value units, such as our aircraft carriers in the 7th Fleet area of responsibility, the Navy -- the Navy accelerated development and deployment of a surface ship torpedo defense program. And just last month, Admiral Harris testified to the House Armed Services Committee on challenges in the Indo-Pacific region -- Armed Services Committee (inaudible) stating that the torpedo threat, particularly from the Chinese and Russian submarines, has increased.

Now, it's my understanding there are three Navy offices involved in the surface ship torpedo program. However, looking at the F.Y. '19 request, the Navy has effectively canceled the program, despite recent positive test results and milestone achievements.

And my questions are: First, which Navy office is ultimately responsible for developing and deploying this critical capability? And then secondly, what role has funding constraints in the

Navy's F.Y. '19 budget request for this program led to this? And is addressing this threat still a priority?

RICHARDSON:

Sir, you're (ph) talking to a career submariner, so...

RUPPERSBERGER:

I know that.

RICHARDSON:

... (inaudible) the threat that the undersea domain brings. And completely dedicated to mitigating that threat against our entire Navy, not just our high-value units.

And the way we do that is through a layered defense, a layered defense with global and theater sensors, both fixed, mobile and deployable. And then through a mixture of aircraft and other -- and payload delivery platforms, we want to hold that threat out, far away from any kind of a target. And then we have, sort of, an in-close strike group defense that we can address those.

We've been putting investment into this anti-torpedo sort of very last bastion of defense, you know, this ship- or platform-level defense, for some time. Recent testing has shown that particularly in ocean and prototypic environments, there's just too much of a false alarm rate for the system to provide an effective contribution to that layered defense.

So we're, sort of, dialing down the investment in that program until the technology detection schemes, the signal-to-noise ratio, artificial intelligence, whatever may develop that will allow us to get that system to a position where it really provides a contribution to that defense.

And so we're watching that very closely.

RUPPERSBERGER:

So you're saying the program is not being canceled, that there are other alternatives? I mean, what -- what's the conclusion to...

RICHARDSON:

We've got some systems deployed. As I said, we invested in that. And we're just finding that the performance of those systems is not living up to what our initial hopes were -- were.

RUPPERSBERGER:

OK.

RICHARDSON:

So we're just continuing to follow the technology very closely, investing proportionally with the capability.

And I'll tell you, sir, that's a great thing, (inaudible) back and delivers reliable capability in prototypic environments, we will (inaudible).

RUPPERSBERGER:

And I also want to ask you -- I don't think I'm going to have the time. Will we have a second round? Are we having a second round?

GRANGER:

(OFF-MIKE)

RUPPERSBERGER:

About hypersonic, dealing with the same type of issue.

GRANGER:

(OFF-MIKE)

CALVERT:

Thank you, (inaudible).

Spencer -- Secretary Spencer, Admiral Richardson, General Neller, thank you for being here.

Thank you for your service to our country.

First I want to be parochial for a moment and mention NAVC (ph) Corona. It's -- which is located in my congressional district.

As you know, the small lab delivers big capability for the Navy through several mission areas, including performance assessment, readiness assessment, measurement calibration, (inaudible) system engineering. They're also rapidly growing in the live virtual constructive data analysis. Directed energy mission areas. I'm proud of the work they do and the support you and -- to support you and the warfighters.

So I just want to bring that up.

Secretary, Admiral, I've had the opportunity to talk to both of you about the importance of innovation. I think you're both here at a unique time and here at -- with the right leadership to bring about change in the Navy in how we acquire and incorporate innovative technologies.

However, as history has taught us, bureaucracies outlast the best of us. As you know, bureaucracy favors the status quo and there's little incentive for achieving efficiencies, incorporating disruptive technologies or methods, or deviating from incumbent providers. I have no doubt that you're committed to reforming how the Navy does business to better serve the warfighter and to have a more lethal force.

One of the priorities to accelerate capability in the budget request, \$18.5 billion for that effort in research development, a couple of questions.

The Navy budget document mentions workforce management. Can you please tell me how you plan on reforming the workforce and, importantly, changing the culture to be more adaptive and agile?

SPENCER:

Congressman, you hit -- you hit the nail on the head when it comes to being in the right place at the right time for innovation. I just want to comment on that first, because it starts at the top, coupled with urgency, because the two fit hand in hand, especially when we look at what our mission set is.

As we go forward, one of the battle cries that is -- is permeating throughout the organization is, "Innovation doesn't mean we have to sit here and bang your head against the wall thinking something new. Look above your silo, look out of your area of expertise, find some innovation in what we call RND, rip it off and deploy it, and get it into the service as quickly as possible to the warfighter's hands." That is one of the primary themes that we are working now for innovation. As far as workforce management goes, one of the greater assets that we were lucky enough to recruit is our head of acquisitions, as you know, Mr. Geurts, who has been at this for quite some time.

We really do have to spend the time, energy and -- and resources to bring our workforce around to the sense of urgency and give them the tools to actually explore and leverage the ability to, quote/unquote, "R&D," as I just explained it.

It's going to be some new muscle movements for the organization. It's going to involve some new DNA. But I also think we can -- we can manage with what we have to provide a measurable (ph) return.

CALVERT:

We all know that innovation rarely comes from big companies. How will you change acquisition practices to seek out innovators, typically mid-size, small businesses? If innovation is disruptive to current practices and even may result in a PM (ph) savings on budget, how do you ensure that these innovators are not discarded to protect budgets?

RICHARDSON:

Sir, I'll tell you, I'll just support the secretary's comments on this and say that Secretary Guerts and I have already met -- a couple of different venues where we just are talking directly to small business, and we're listening as much as we're providing opportunities for them to join; listening to them tell us what our bureaucratic obstacles may be, where we can knock those down, how they can better into the game, to have that agility and flexibility that you described.

So, we're very focused on small business and their role in innovation. I agree with the secretary's comments that having the right people in the right place is absolutely essential to doing that. And with the accommodation of authorities that the Congress has already given us to focus on small business and the tremendous opportunity, I think we'll get at this.

CALVERT:

Well, thank you. And thank you for your answers. And I just might put a little shout out for NASSCO down in San Diego. It's a great little shipyard.

(CROSSTALK)

SPENCER:

If I could also just put a punctuation mark, if I could (inaudible), a vignette for you, Congressman, is that we found -- and this actually came up through NCIS.

We found that there was a component manufacturer in our hypersonic experimentation that is a very small organization -- and what I mean by small, it is four Ph.D.s -- and the intellectual property goes home with the, quote/unquote, "CEO" on his laptop every night. And NCIS said this is too much of a -- of a threat and came down, as you might imagine, with the best intentions in the world, as a big bureaucracy to challenge this. And the little business owner said, "I can't afford this."

We are actually trying to adapt now and find a construct and a context that works to provide us the satisfaction that's protected and allows him to keep doing business without being suffocated.

CALVERT:

Good, thank you.

GRANGER:

Ms. McCollum?

MCCOLLUM:

As been said earlier, thank you for your service and for those who serve under you. I go to deployments, that's Reserve and National Guard, and I -- most of us, I included, always say, "We wish for you a successful mission. We wish for you a speedy mission and to come home safe." So, I'm going to ask some questions and then (inaudible) be follow up in the office.

(UNKNOWN)

(OFF-MIKE)

MCCOLLUM:

I'm trying to -- trying -- trying to do the best. I'll use my substitute teacher voice. How's that? I want to ask you about the concerns on this committee and one of them is our pilots. Our pilots across the services are increasingly experiencing reports of psychological events, including hypoxia. And as, I know you'll all agree with me, safety in flight is non-negotiable, but a recent NASA report on this issue shows that the Navy has more work to do.

I understand that the Navy has been making a strong effort to ensure any aircraft mechanical issues are fixed, but I remain concerned that we are not doing enough to focus on the pilots themselves. The NASA report states, and I quote, "Events do not happen to planes, they happen to people."

So, can you give us an update on the Navy's actions team's efforts and how involved the Navy medical community has been in determining the potential causes? Can you describe the Navy's coordination across services on solving this problem, particularly, with the Air Force, to ensure that we're leveraging solutions across the military?

I'd also like to ask you about two concerns that were trending this year. First is the series of fatal ship collisions, including the USS Fitzgerald and the USS McCain. Second, what appears to be an increasing trend in the Marine Corps, in the number of aviation crashes and fatalities. In fact, Breaking Defense reported last year that the Marine aviation deaths were six times that of the Navy.

Now, obviously, both of these trends are concerning to everyone in this room, and that includes you gentlemen.

So, Admiral Richardson, now that the Navy's comprehensive review of ship collision is completed, how has the Navy changed training procedures to reflect what is found in this proper procedure? In your full testimony, there's some, but I'd like more.

And, General Neller, these crashes are a symptom of a readiness crisis, an issue with the air frames, or if it was something else? What is the Marine Corps doing to address these aviation failures?

In the time remaining, if you want to just touch on it, I know I haven't given you enough time remaining to get into (inaudible), so please brief me.

RICHARDSON:

I'll start and I'll address the physiological episode issue right upfront, which, as you said, is a combination of system, you know, the aircraft, and also the person.

In fact, just last week I was down in Oceania and I visited both the -- the repair facilities that are doing the system modifications to address, sort of, the system degradation and get at this. And also, held a roundtable with 12 of the pilots who had experienced these physiological episodes to make sure that they're getting exactly what you say; you know, the proper medical care individually, now we're approaching this as a system properly.

In fact, one of those aviators is my aide, Lieutenant Commander Danielle Theriot (ph), a strike fighter aviator, right behind me. She was part of that roundtable.

I think that a major part of this is -- involves communication, so that everybody knows exactly what is happening. We are moving together. We brought NASA onboard, we brought on all of the private vendors, Boeing, Kabam (ph), the manufactures that are doing this. We're working very closely with the Air Force and the medical community to make sure that we are moving forward in as focused a way that we're -- as possible.

RICHARDSON:

With respect to the breathing gas issues that are resident in the training aircraft, the T-45, those are -- those efforts are paying off and we're seeing a decrease in breathing gas issues in our training community.

With respect to the F-18s, those are mostly cockpit environment -- pressurizations. And while we're seeing some progress in those, we haven't really found a full smoking gun. But we've got a number of the material issues that -- and upgrades that we're doing to address the problem. And then also, as I said, making sure that these aviators get the full medical treatment and we're concentrating on them to learn everything we can about this phenomenon.

With respect to the Fitzgerald and McCain, I appeared and briefed this committee earlier. I thought it was very thorough. I'll be happy and answer more thoroughly for the record. But suffice it to say that since we last talked, we are moving out with alacrity in this area, both from an education and training standpoint.

We've got \$600 million in our budget to address increased simulators, both in the schools and the fleet concentration areas, common bridge equipment across the surface force. All of these operator tools that -- both for training, education and operations, will help us get after this. I'm going to take a brief this afternoon on the modifications to the surface warfare officer career pattern to include increased education opportunities and certification opportunities.

And so, everything that we talked about before, during the brief remains valid. Much of that has been accomplished and what is not already accomplished, is in full speed development.

NELLER:

So we -- I agree with everything the CNO said about the physiological issues, both the quality of the air and the pressurization in the cockpit.

Our numbers are a little bit different. For whatever reason, even flying the same model type series, we haven't had the same number of incidents as the Navy. But we track it.

Certain things that we did: I would tell you that before, if something within the -- there are like 14 parts to the oxygen system of an aircraft, and we didn't fix it unless it failed, "Like OK, we've got to wait for it to break." Now, it's, "OK, we're going to repair this part, and we had to do a better job at maintaining a system." So we gave pilots different sensors, we changed the altimeter. We did everything -- and we listen to them.

I think that's the most -- most important thing is when the people were telling us, "Hey, we're having these issues when we get out there," "OK, let's talk about it." Now it's part of the training regimen -- I mean, I'm an infantry officer and I spent a lot of time on aviation, and obviously we want everybody to be safe.

And so, I don't know if we will ever get to zero, because I think that's just part of the -- of the high risk of flying high altitude. But we try to put everything in there. And the numbers are what they are, and I can give you all that data.

On the class A, we had a horrible year last year. It was terrible. We had 12 class As, and part of the reason that we have some of the high casualties is, we had one aircraft, we lost 16 people on a C-130. And so I think we know what happened in that case, and the families are in the process of being notified.

I would tell you that in -- in almost all the cases, the material condition of the aircraft was not part of the -- of the event.

So what are we doing about it? This year we've had one, and we have not had any fatalities. So I'm very superstitious and I'd rather not talk about that anymore.

So we're -- we're tracking and we'll see what happens.

We are flying a lot more, although there is no correlation between flight hours and these events. In some cases there were some aircrew that didn't have enough hours.

But I think, whether it was wakeup call or we're doing -- I know we're doing a better job of paying attention, but we are flying more, the hours are going up. I think everybody's focused on this. And I'm hopeful that we'll -- that we'll be in a better place at the end of this year and we will not lose anybody.

I mean, it's one thing to lose an airplane -- but it's not just the class As. I mean, class As are the ones that make the news, but we've got to do better across the board.

I mean, we end up damaging aircraft, certain things. It's -- being at sea is a tough environment, you've got to tell the aircraft, whether it be (inaudible) helicopter or tilt-rotor, you've got to get it across the flight deck, you've got to get into the hangar bay. It's not a lot of space; you really got to pay attention.

So we've talked to commercial industry, we've had Delta come out and talk to us. I'd say one of the things we've done, is we've increased the number of maintainers that go to our weapons trainer and instructor course, because we realize we just can't train the air crew, you've got to train the maintainer, and so now they're involved in this.

So, just like the CNO said, this is an enterprise effort to try to arrest this -- these issues, because we need to keep all the planes that we have flying. And so we'll continue to work on it; we're not going to take our eye off it. It's not going to get fixed. It's something that, you know, you just, kind of, keep your eye on all the time. And whenever I talk to the commanders, we make sure that they understand that we've got to be safe.

GRANGER:

Thank you.

Chairman Rogers?

ROGERS:

Thank you for your service to your country.

One of the major policies of our government is ensuring that we're doing all we can to deter Russian aggression in Europe. Whether we're talking about kinetic operations in Georgia, Crimea, Ukraine; attempting to influence foreign elections; just recently boasting about their military capability and this so-called new missile that they crow about, it's clear that Russia is obviously seeking to re-exert itself as a global player.

I recently met with the Estonian secretary of defense, visiting also in the Ukraine (inaudible), as well as Georgia, all of whom are very much concerned, obviously, because they're impacted in a direct way in Russia efforts in -- in Europe.

One of the primary means that we are responding to this aggression is through the European Deterrence Initiative, EDI. In 2019, the lion's share of Navy and Marine Corps EDI is for theater anti-submarine warfare, P-8 airfield management, multinational exercises and pre-positioning of Marine Corps equipment.

This question is for any or all of you, but can you describe your view of our efforts with EDI or otherwise in countering Russian aggression in Europe?

Mr. Secretary, would you lead off?

SPENCER:

Certainly, Congressman.

Let me just emphasize one of the first overseas trips I took was up to the Arctic Conference. And we spent some time in Norway and listened to both the MOD and the CHOD in Norway talk about what's going on. The (inaudible) had just finished the summer exercise in Russia. And it was a very eye-opening exercise for me and I consider myself somewhat informed.

Up in the Arctic Circle alone, you're seeing Russia, you know, repaving 12,000-foot runways, putting 10,000 Spetsnaz above the Arctic Circle for search and rescue. Everyone is quite keyed up.

SPENCER:

The EDI, as far as dollars and cents go for the Navy and Marine Corps, is our contribution. Remember that we are the forward-deployed force. The fact that we have our submarines, our

surface ships and our aviation assets already deployed and flying is meaningful. This is additive on top of that.

I defer to both the CNO and the commandant to add on to that, but it is definitely a concerted, combined effort.

RICHARDSON:

So, I'll take the next stab and then let the commandant finish out.

But I will tell you that as a major component of this resurgent Russia has been in their maritime, they've really never taken their eye off the development and deployment of their undersea forces, but they've really stepped on the gas and stepped that up, both in technology and in a -- sort of the capacity, the amount of time that they're spending deployed.

That's exactly why our investments there are focused on the anti-submarine warfare problem, both enhancing our undersea sensors and then, as you pointed out, infrastructure for the anti-submarine aircraft, the P-8.

As well, we're making more robust our facilities in Rota and some of the other navy ports that we forward deploy to.

As well -- and it's indicative of this global problem and the Navy-Marine Corps team, your naval forces, as the global maneuver force, is that we are spending a lot more time in the European theater. And so, carrier strike groups, for instance, that would just transit through the Mediterranean at maximum speed to get to the Middle East are now spending much more time in the Mediterranean and not only contributing to Operations Inherent Resolve, et cetera, but also working the Russian presence problem in the Eastern Mediterranean, Black Sea, Baltic, et cetera. So, I think we're very focused on this. (Inaudible) we have flexed both from an investment standpoint and an operational standpoint.

NELLER:

We've had a Marine presence in Romania for many years. The Special Purpose MAGTF that operates out of Moron, Spain, is a force that's available to both the commander of AFRICOM and EUCOM. We now have 300 Marines up in Norway, and, although, you would think 300 Marines are not a big deal, I'm sure that Mr. Putin's well aware that they're there and -- because we needed to get back in the cold weather environment and take advantage of the gear set that we have there that we've started to rebuild.

So, right now, today, Congressman, we've got Marines training in Sweden with the Swedes and the Finns. There an amphib ship that just transited into the Black Sea that's going to do an exercise with the Romanians.

We continue to train the Georgian battalion that goes to Afghanistan. The Georgians have no Marine Corps, but we've been doing it for years and, quite frankly, they like having the Marines there.

I was just there recently, and the United States agreed to sell them Javelin missiles for their own self-defense. And I think we could do the same with the Ukrainians because we hear the same thing.

So, that's not our area of strength. I mean, that's really a (inaudible) and if you look at the National Defense Strategy, the Army's pretty much told to go there and do that, but we'll continue to work that. We're well -- there are contingency plans that are being drawn up, where there's a sufficient Marine and Navy capability that would be involved if Russia were to violate the Article V of the Washington Treaty of the NATO alliance.

So, we're there and not in the numbers that you might like or others might like, but within our capacity.

So, I will tell you this fall, and to just close on this, we've done a lot of stuff -- a lot of (inaudible) of our allies in NATO have marine corps and amphibious capability. The Spanish, the Brits, the Greeks, the Italians, the Portuguese have a small capability. So, this fall, in October, there'll be a large NATO exercise, probably the largest amphibious naval exercise that's been held since the height of the Cold War. It's called Trident Juncture.

(Inaudible) 45,000 NATO servicemembers and, you know, tens, if not dozens and dozens, of ships and aircraft that will be exercising off the coast of Norway against a simulated threat. And I'm sure there'll be demarches and other things by the Russian Federation.

But I think that's an indication of the seriousness that the strategy takes and that our NATO allies will want to see us there and be committed to their defense.

ROGERS:

Well, some of us are very much concerned about -- as you are. As part of the building partnership capacity category of the EDI, you're only requesting \$3 million for multinational operations, compared to \$22 million for Air Force, \$56 million for special operations, \$21 million for the Army, \$200 million for security assistance to Ukraine.

So, I would hope we would -- Madam Secretary -- Mr. Secretary, I would hope that we would put more weight on the EDI, particularly in the Ukraine, Georgia and that world between Western Europe and Russia.

GRANGER:

Thank you. That wasn't a question, right?

ROGERS:

Right.

GRANGER:

So, I'll call on Mr. Visclosky.

VISCLOSKY:

Thank you, gentlemen. I have four or five questions; I'll ask two now because we have colleagues and (inaudible) go a second round.

Just an observation before I begin.

Secretary, (inaudible) your interchange with Mr. Calvert about the four Ph.D.s, I never came close to getting one of those, but I appreciate the attentiveness to small-business people.

My colleagues have heard me complain in the past, that while the department has talked about fostering of small businesses, I tend to doubt that they actually do it or have their heart in it. I've used a firm in my district that does cyber-security. A very small group, started out with a couple of people. And the board of directors had to invest more than \$1 million in cash simply to qualify, to begin to bid on contracts they had no guarantee they were going to get. And I view that as a huge discouragement.

So, I appreciate your comments and I believe your sincerity, as well as your colleagues', in fostering them.

General Neller, what I would ask about is your request in '19 for an increase of a 1,000 troops. Absolutely believe you need them. But also note that for '19, there's a reduction in the requests for operations and maintenance. Could you explain, with additional troops, why you would have a reduction in the O&M account?

NELLER:

Congressman Visclosky, the 1,000 people -- there's always a bill out there that we never ever reduce when -- which we get from the operating force for what they call table of organization,

equipment or change request. In other words, "Hey, I need more people to do this and I can't afford to give up other people." So, we're always trying to buy that down.

NELLER:

The Marine Corps Force 2025 changes some of the capability sets that we need and some of the skill sets we need. So those 1,000 people are already asked for in a number of different ways, whether they be cyber, more intel analysis, more security cooperation, ability people to do advisers and different people here and there, some are civilians.

So, on the O&M side, we've looked at what we do on O&M side, on the green side, and, quite frankly, it's -- we've had enough money to do the training that we need to do. And so, we were able to take some risk and able to move it to that other account to be able to buy these -- these individuals. And we felt that that was a better use of our money at that time.

So, I'm not -- I think we felt that that -- if there was any risk, that risk was manageable, and that's why we did what we did.

VISCLOSKY:

The second question I would have is on environmental restoration. There a number of compounds, PFOSs, PFOAs, I couldn't begin to pronounce the names of these compounds. But both the Navy and Air Force have identified areas beyond their bases where the ground water has been contaminated. It's an issue department-wide. It's a issue in civil society as well.

A number of us -- Ms. Kaptur is ranking on Energy and Water, Chairman Frelinghuysen and I both serve on Energy and Water. We see it at the Department of Energy.

My sense is every year we invest in environmental restoration and cleanup, but I don't see the list getting smaller in any discernible way.

Given the fact that you have taken over, Mr. Secretary, is there a matrix you were going to use? Is there some way we could -- if we're having a conversation a year from now -- and I realize these are each unique, very difficult -- some way to discernibly know that the monies are ensuring progress here?

SPENCER:

The bottom line answer is, yes, Congressman, there will be. We can do that we can produce that for you.

On the top of the wave, I will tell you, having been intimately involved with one major environmental impact program that we're -- that's (inaudible) out in Long Island, it is an ever-evolving issue. They're adding new chemical compounds to the list at all time.

But the bottom line is, the Navy-Marine Corps team is everyone's neighbor where they're living, and we will hold up our responsibilities to make sure that we are correcting issues that we caused.

VISCLOSKY:

I would appreciate if we could follow up. Both for our personnel, military and civilian, on those bases around those as well as civilians, we do have an obligation. The cleanup's (ph) not the first thing I think about when I get up in the morning, I have to admit that too. But I think it's very important.

Thank you, Madam Chair.

GRANGER:

Thank you.

COLE:

Thank you, Madam Chairman.

I'm going to build on the question that Chairman Rogers asked. I'd like you to give us -- I'll ask two questions and then give you as much time as you want to respond.

First, since we've changed our -- our national strategy to recognize we're in a new period of great power competition, give us a quick description of the things that worry you most that the Russians and, particularly, the Chinese are doing now, the capabilities that they're developing, both quantitatively and qualitatively, you're worried about.

And second, I would also ask you that in addition to what we're doing to counter that, how much are our allies doing to be helpful, particularly, the Japanese in the Pacific and, obviously, the European powers in the Atlantic?

SPENCER:

Let me provide the 30,000-foot view from the Department of the Navy and then I'll ask the commandant and the CNO to step in.

But what keeps me up at night? There are two organizations.

If I look at Russia, one of the things that keep me up is their underwater capabilities. They never let up on that, as the CNO referred to earlier. I am still flummoxed by their economic model, to see where they're putting their resources and is that, in fact, sustainable when you look at the demographics of their society? But nonetheless, in the immediacy, it does concern me.

When it comes to China, the bottom line there is the -- is the checkbook, to be very frank with you. Not only in the dollars and cents that they are writing to support their military expansion and their technological RND work, but what they're doing around the globe that I know that you all are aware of, which is weaponizing capital, to be very frank with you; going into Sri Lanka, redoing the port; putting an interest rate -- not as aide, but as a total secured loan with a pretty hefty coupon. Debtor fails on that and the -- the asset owner comes and reclaims it and says, "These are now ours." They're doing that around the globe. And so, their open checkbook keeps me up at night.

I defer to both the CNO and the (inaudible) as to their observations.

NELLER:

I, kind of, look it -- there's like the near term and the long term. The Chinese are playing the long game. They're -- as the secretary said, everywhere I go, they're there. They don't have any (inaudible) their concern with human rights is not there. They've got big bags of cash.

And if we have an issue with a host nation -- I was just Thailand and they have not -- since the coup in '14, they have not had a duly democratically elected government. So by law, I cannot have Thai officers attend our schools, which they've done for years and years and years. I met three Thai officers that I trained as a captain. They're now generals that lead their marine corps. So, we don't need a loss generation of Thai officers like we had a loss generation of Pakistanis and Indonesians, in my professional opinion.

So, they're -- they're very clever. And they're in the Marianas, they're down in the Solomons. They're doing exactly what the secretary said: They're going in, they're buying -- they're buying airfields and ports to extend their reach so that -- they want to win without fighting. The Russians, I think, are a little more in your face. I don't think they want to fight us personally, but I think they want to be able to impose their will and use intimidation. I mean, they're capable -- they've recapitalized their capability. I'm not going to get into specifics because that's really classified, but whether it be undersea, whether it be strategic weapons, whether it be their aviation, even their ground combat.

And I believe they've used the Syria operation as kind of a live fire evaluation for their systems and for their military to get them -- because the one thing they don't have, like the Chinese don't

have, that we have is, they don't have 17 years at war to give you the experience. All though, the war we would fight with them is a little bit different than what we've been fighting.

So, we pay attention to it. Not -- you know, it's something we watch and I think that's why we're here. And I think you've -- you are -- the Congress has decided that the U.S. military, in order to compete against these, so that we don't have to go to war; that we want to be in a position to negotiate from strength and make sure our State Department folks and the president of the United States can negotiate where we're not being held hostage by somebody's capability.

RICHARDSON:

Sir, if I could just close it up, I don't have anything to add to the secretary or the commandant's comments on Russia and China and their capability. Anything more, I'd be happy to bring you a classified brief on both of those situations.

With respect to our allies, we are -- we continue -- and I think that naval forces, in particular, continue to partner with our allies. And some of those allies and partners can go to the pretty high end in naval warfare with us, and if they had both the capacity, the capability and the willingness to do that against some of these emerging threats. And we exercise with them routinely. You know, a lot of our exercises, while the funding might not be tagged for partner development, those exercises serve to do exactly that as when we operate alongside our partners.

RICHARDSON:

And then -- and then the spectrum unfolds, right? So, you go from the very high end down to allies and partners that are challenged to secure their territorial seas, and we help them with maritime domain awareness and those sorts of things.

So there is, you know, a very coherent team approach or a foreign investment strategy and our FMS programs are targeted toward that strategy; important parts to enable interoperability. With respect to what keeps me up at night, the highest priority I think I could offer for myself is a return to normal order of the domestic side. That allows stable, adequate funding on a predictable basis, that allows us to address these threats at pace, at tempo to stay in competition.

COLE:

Thank you, Madam Chairman.

GRANGER:

Thank you.

Mr. Frelinghuysen -- Chairman Frelinghuysen?

FRELINGHUYSEN:

Thank you very much.

Mr. Secretary, I thank you for your services. Secretary, also thank you for your services as a Marine; we know Marines never retire.

Let me say, I have some of rhetorical questions, but this is the House Appropriations Committee and once we get our bill passed for 2018, you're going to have a lot of money to deal with. And I -- this is a rhetorical question, but perhaps you want to -- how are you going to spend it in the time that you have between now and October 1st?

Let me ask I've got a few other questions.

Will you be using some of this money to deal with the coming Strike Fighter and submarine mission shortfalls? And apropos of Mr. Diaz-Balart, how quickly can the Navy reduce its depot maintenance backlog? These are the type of questions that I think deserve some responses.

And may I say, apropos of the comments relative to what China's doing in the South China Sea, in terms of denial, I mean it's sort of parallel to what the Chinese are doing with One Belt, One Road. They are in a commanding position. And we've talked about it. Numbers matter, the size of the fleet, I mean where are shipbuilding's -- what are shipbuilding's prospects as a result of this influx of money for 2018, which hopefully will be done shortly, and the 2019 funds which go up to \$716 billion to be shared by all the services?

SPENCER:

Mr. Chairman, excellent question and front of mind.

If I was to relate to you how I approached the secretary of the Navy's position in Title 10, it's running a business.

We are now coming out of a period of doing more with less, and we've been in the backward crouch, so to speak, in that regard. We now have the resources to stop analyzing the threat and be the threat. But that is going to take some new muscle movements and were going to have to really make sure that we are on game for this.

We are putting the tools in place to monitor how we're going to put the resources out. In my weekly meetings with FMC (ph), we are monitoring what we're doing now on the C.R. curve, and we will step up into '18 when the bill is approved, ready to step to '19.

We would ask -- and I totally understand the role of the Appropriations Committee, and I understand the control, which is warranted. I would ask if we could find any relief in...

FRELINGHUYSEN:

We are addressing the whole issue of flexibility.

SPENCER:

It'd be greatly appreciated.

FRELINGHUYSEN:

Obviously, the committee has its interests and jurisdiction. And oversight is important. Sometimes when you get a huge bucket of money people say, "This is the gold mine."

But we -- the committee still -- I know under Ms. Granger's chairmanship, wants to make sure that all of those dollars are spent responsibly. So we -- I think we worked out a path forward to provide that degree of flexibility you and the other services are looking for.

SPENCER:

Outstanding. We welcome that with open arms.

We will not do any sort of, quote/unquote, "foolish spending." We can't afford to.

I will tell you that we have programs racked and stacked, we have our contracting people already gearing up, because it is going to be a task. But we will come before you when, if fact, we see some difficulties, to see if we can have -- make you completely aware and transparent of where we stand.

RICHARDSON:

Sir, if I could just add, yes, how are we going to spend the money? I'd say from a top-level perspective, we're going to spend the money responsibly, we're going to spend the money in a way that is completely auditable, and we're going to spend the money in a way that is fully transparent and cognizant of the oversight responsibilities of this committee.

And so, while you have given us great resources, we pledge...

FRELINGHUYSEN:

We weren't happy about -- none of us here -- about the series of continuing resolutions. We know that does terrible things to the services. An embarrassment of the appropriations process that we had to go through this.

I won't say we weren't part of the problem, but sometimes you can blame the higher-ups or you can blame the other body, but it was inexcusable that we went through this process.

But now you have, I think, some degree of stability for a couple of years...

RICHARDSON:

There's no doubt about it. The request for additional appropriations in '17 stopped the bleeding, got us onto a path of health. '18 and '19, those figures absolutely will do a tremendous amount to cure that.

With respect to the industrial base, which you touched on in your question, the numbers do count. We are at 282 ships in the battle fleet. By 2023, we will be at 326. And so, we are building ships.

We're building ships in a way that -- in a balanced way that not only builds the platform, but builds the weapons, builds the systems, the people, the infrastructure, the whole naval power enchilada to make sure that we deliver naval power and capability.

Also, as has been talked about earlier, investing into the industrial base, both the shipbuilders and the ship maintainers on the public and private side.

Finally we are fully funding our readiness accounts, and so, whether that's in ship maintenance, aircraft maintenance, whether that's parts, whether that's flying hours, steaming hours, all of that. And if we run into issues with executability, we will be back here first to make sure that we identify that to you and will have a solution to where we can spend that money to great effect.

GRANGER:

Thank you.

FRELINGHUYSEN:

Thank you. Thank you, (inaudible).

GRANGER:

Following up, I remind you that I think you still have a goal of reaching 355 ships by the mid-2050s. And so, I had the great opportunity of visiting some of the shipbuilders. They're very concerned that they don't have the workforce. It's generational, many (inaudible) families. And so keeping up with that will be very important.

We're going to have a very quick second round. If you can limit to one question that can be asked quickly.

And we're going to start with Mr. Ryan.

RYAN:

Thank you, Madam Chair.

Briefly, I have a question on the rail gun, again, talking about a technology -- a rail gun system for our U.S. ships. My understanding is these weapons can fire projectiles at extremely high speeds with a range exceeding a hundred miles once fully operational. I know China has demonstrated a capability for shipboard rail guns, and I'm just concerned, again, that we're maybe falling short here.

Can you give us an update on what we're doing to increase the rate of fire?

RICHARDSON:

Fully invested in rail gun. We continue to test it. We've demonstrated it at lower firing rates and smaller ranges -- shorter ranges. Now we have to do the engineering to, sort of, crank it up and get it at the designated firing rates at the 80- to 100-mile range that you describe.

That involves a number of technologies. The barrel itself is probably the limiting case, the engineering on that, the materials required to sustain that power pulse, and the heat and pressure that's involved in launching those projectiles. And we're doubling down on that.

But also, sir, as you know, you -- you know about directed energy types of capabilities. The power system to generate that power pulse is another thing. And then integrating it into a ship the size of a destroyer is the final piece.

We're very conscious of the recent reports about Chinese progress in that area. Following that very closely.

As a benefit, too, of the program -- the railgun program, we have developed a projectile -- high-velocity projectile, which is actually usable across the fleet in a number of different applications, not only in the railgun. And so, it's a very fruitful program that we continue to invest in.

SPENCER:

And, Congressman, since both of your questions were technology-oriented, let me say that when it comes to the secretariat level running the R&D enterprise under the thesis of portfolio management, we're linking that to the NDS implementation. And while classified, I can tell you we're aligned in where we're putting our dollars. In the two buckets that you spoke about, there's alignment there. And we're focusing where our dollars are going in a much more keen fashion in portfolio management.

RYAN:

Great. Thank you. Well, given your background work, counting on you to make this happen.
Thank you.
I yield back.

GRANGER:

Thank you.
Ms. Roby?

ROBY:

Thank you, Madam Chairman.
Just real quickly, as the chairman stated, numbers matter. Words matter, too.

So I just want to clarify for the record that, as it relates to LCS, the issues that I was specifically referring to are those that have been created due to a lack of predictability in funding.

Specifically, as I've referenced, and you've heard others of our colleagues talk about, the -- as it relates to the industrial base. And that's been said several times.

So just real quickly, Admiral Richardson, as the president's National Security Strategy has laid out, the U.S. military and associated policies are increasingly focusing on our near-peer threats. These near-peer threats are also -- can't speak -- proliferating offensive and defensive systems to places such as Syria, making operations in the Middle East with the fourth-generation aircraft much more challenging.

And so with the -- the F-35 fifth-generation capabilities, talk to us about how it will help the Navy fleet (inaudible) how it will be more lethal, survivable and capable.

RICHARDSON:

I'm happy to do that, ma'am. And I know that the commandant wants to talk about Joint Strike Fighter as well.

I will tell you, they call it a different generation because that's exactly what it is. And the early flight demonstrations show that it's delivering on the capability. It -- in terms of its sensor suite, its ability to process information on board, its stealth capability, all of that, really, bring us to a new regime in terms of aviation capability.

We are generating that capability in the Navy with the F-35C, as you know. We've got the squadron out at Lemoore. We're making steady progress towards IOC in 2021. We're looking to do the first deployment on an aircraft carrier. And so, we are marching down there.

The -- the Marines are, sort of, the early adopters here, and so if I could just turn it over to General Neller to provide some more.

NELLER:

We've got our first prep for deployment undergoing in the Pacific right now. You may have seen pictures in the paper, the F-35B landing on an LHD. There'll be another (inaudible) amphibious ready group Marine expeditionary unit deploying off the West Coast later this year with the same ship. And we're also working with our U.K. allies on possibly deploying with them.

So other allies, the Norwegians have a couple of planes, the Israelis have a couple of planes, the Italians are trading up, others are looking as a large (ph) consortium.

So I -- with -- as the CNO said, without getting into the details, the airplane has capabilities that we expected it to have. There are other things about the airplane that we're still figuring out, and we decided to go early because we didn't buy Hornet E and F and we needed to replace the old iron we had.

So we're going to learn. Capability wise, though, it's -- it's -- it's doing what it says it does. Talking to the air crew, they -- they can do things they couldn't do with other aircraft.

The concern you expressed about what's going on in the Middle East with certain air defense systems, I'd -- I'd rather talk to you about that in a private setting. Because there are -- we'll learn, and we'll find out. And that's why I'll be anxious to see when the -- because the MEU going off the West Coast this fall is going to the Middle East. So we'll -- I'm sure there'll be an interesting welcoming party for them when they get there.

SPENCER:

Congressman, I'd be remiss if I didn't bring up the fact that we still have quite a bit of work to do with the F-35 when it comes to cost control, and what we expect out of it. It is a major focus of the whole department (inaudible), because the Air Force, the Navy, and the Marine Corps are all in on the As, Bs and Cs.

It is front and center in my window as to how we're going to purchase this effectively and efficiently and how we're going to sustain it. And we're working with industry and having some very sober conversations on where we're going on price.

ROBY:

Thank you.

And thank you all for your service, and that of your families, as well.

Thank you.

GRANGER:

Thank you.
Ms. Kaptur?

KAPTUR:

Thank you, Madam Chair.

I wanted to ask Admiral Richardson, the new Nuclear Posture Review has been characterized by some as a very large shift in our country's nuclear posture. And I'm interested in your comments on its potential impact on deterrence.

Particularly related to the additional funding you're seeking for the new sea-launched cruise missile, which some say sounds like the old nuclear-tipped Tomahawk that was retired in 2010. And then also on the proposed new submarine-launched ballistic missile that is planned to be a modified version, we think, of the W76, which is presently being modified.

So what do you think the impact on deterrence will be? And do you agree with the characterization that this is a major shift in our nuclear posture?

RICHARDSON:

I think that it is a shift in the nuclear posture. It provides a -- a broader range of deterrent options to national decisionmakers.

And with respect to the programmatic, we're just getting started, as the secretary said. We'll probably be able to address the low-yield warhead sooner than we will the sea-launched cruise missile.

So we're -- really have to bring that program back from scratch. So we started to formulate our thinking in those areas and moving out briskly to fulfill the -- the new tenets of the Nuclear Posture Review.

KAPTUR:

And -- and what potential impact do you think it will have on deterrence? What...

RICHARDSON:

I think it will enhance deterrence.

KAPTUR:

Thank you.

GRANGER:
(OFF-MIKE)

DIAZ-BALART:
Thank you very much, Madam Chairwoman.

I should first -- a comment, which is, whenever we have these meetings, we always hear about the potential threat of China and Russia. And yet there seems a lot of times to be a disconnect between the political and particularly the commercial relationship with China and attitude, versus the threat that they potentially have. And that's something that I think we need to -- we need to really spend a little more time on one of these days.

DIAZ-BALART:
But -- and -- and I know you probably won't be able to answer this now, but we've all seen that -- that -- Mr. Putin's presentation in the video, him, in essence, nuking Florida. And so, it might be interesting to -- to get a, potentially, classified briefing from you as to how threatening this potential new technology that the -- that the -- that the thug -- that Mr. Putin has been talking about.

I yield back, Madam Chairwoman.

SPENCER:
(OFF-MIKE) one thing, Congressman.
You hit the nail on the head on an issue that specifically the Navy and the Air Force is funding, called OCA, the Office of Commercial and Economic Activity. And its specifically looking at the commercial intertwine of China and the United States.

Just the other week, we let a contract for Military Sealift Command with a prime who I won't mention here. And as we drilled down, we found out that that a joint venture partner there is was Huawei. Huawei is on the NSA list for don't touch. We have stopped that contract. We have asked the prime for the governance documents of what the joint venture looks like. This is the kind of attention we're going to have to have going forward.

DIAZ-BALART:
And I appreciate that. And, again, we had to do more of that. But also I think in general, not -- not dealing with the military, not even dealing with procurement, just in general, we kind of assume that China is a -- you know, a trading partner like -- like -- like India, when in fact they have -- they are not.

So, thank you, Madam Chairwoman.

GRANGER:

Mr. Ruppertsberger?

RUPPERSBERGER:

Yeah, I'm (inaudible) hypersonic, Admiral Richardson.

It appears we can't go a week without having conversations or news about a hypersonic missile development. President Putin earlier this week revealed a new Russian hypersonic missile, and supposedly boasts some impressive capabilities. And the Department of Defense stated in 2010 that China has developed a hypersonic land-based anti-ship missile based on the DF-21 -- I don't know what that is -- DF-21.

It's no secret that these weapons could potentially threaten the Navy's largest power projection platforms, in our aircraft carriers. My questions are -- while I understand this is an unclassified setting, I believe that speaking publicly about the hypersonic threat is important.

And can you share with the committee a general update on any progress that we have made in developing credible defense against hypersonic weapons?

And considering the threat the hypersonic weapons play, do you see the role of our aircraft carriers changing specifically when it comes to operating in anti-access area-denial environments?

RICHARDSON:

Sir, thank you for the question.

I think there is a technological bit of a race going on in terms hypersonic, since they have tremendous capability, it reduces transit times of warheads from hours to minutes. So there's a lot of attention being paid on that around the world, including here in the United States, where there is, I think, a recent renaissance in terms of getting after this with some dedicated focus. And that's across the department.

With respect to defense against those types of capabilities, just as the capability is emerging, it's the chess game that manifests itself. And so we'll be generating defenses and responses to that. The aircraft carrier in an A2AD environment continues to be relevant. I will tell you that this is not just a one-sided thing, either. This gets to classified levels very, very quickly, and so we'll need to find the appropriate room to talk about that.

RUPPERSBERGER:

And that's why I said that.

RICHARDSON:

Right. But I can tell you that we've got the confidence that -- that carrier delivers decisive capabilities in some of the high-end conflicts, even in these environments, that we wouldn't want to go into combat without.

RUPPERSBERGER:

Well, I'd suggest that this is a high priority, because it seems that's where the new weaponry is going, both in China and Russian.

RICHARDSON:

The department sees it the same way.

RUPPERSBERGER:

(inaudible)

SPENCER:

Congressman, just to add too, that when I talked earlier about what the three services are doing together on S&T, this is exactly in that area.

RUPPERSBERGER:

And you're going even have some money now to deal with it.

Speaking of money, you know, I tried to ask this question for years when we passed that terrible law, sequestration, and it really has done a lot to hurt our military. And almost every four-star who comes in this room -- General Neller, you've said before, Admiral Richardson, how sequestration is doing so -- so much to hurt us, and it weakens our military.

Now we've got a two-year hiatus so to speak, and we're having some money come in. But I would suggest that all of our four-stars continue to put pressure on Congress and let the public know that sequestration makes us weaker and allows Russia and China to become stronger.

GRANGER:

Thank you.

RICHARDSON:

Will do, sir.

GRANGER:

I've asked for a classified briefing on the advances -- most recent advances in China and Russia, and you'll get noticed very quickly.

Judge Carter?

CARTER:

Thank you, Madam Chairman.

When we talked about shipwrecks we've had, the McCain, Fitzgerald and others, the answer we got in those hearings was, "Sequestration has prevented us from being able to procure adequate training, and therefore, we've made -- mistakes were made, commanders have been relieved, et cetera."

You talk about a big pot of money that's coming your way. Tell me about enhanced training you have planned (inaudible) like this in making better sailors and Marines.

SPENCER:

Let me provide the -- the 30,000-foot view, if I can, Congressman.

Out of the actions -- the accidents that happened over in the 7th Fleet, you might remember we had the comprehensive review stood up by the CNO and I stood up the Strategic Readiness Review. The 90-plus some recommendations are now being handled by our oversight committee.

We're well along the way. I'm looking at 14 different items here which have some items that are already engaged in awareness and training, the way we handle equipment on the bridge; and then we have my strategic review, which is dealing more with culture and structure and C2.

We have a brief -- the CNO and I are sitting down here on our C2 discussions here momentarily. We're also addressing the way forward for the career path of the surface warfare officer. Specifically when it comes to training, let me defer to the CNO.

RICHARDSON:

Sir, the training enhancements really leverage really what has been almost a renaissance in understanding how people learn. And you harness that along with the -- some of the really high-end technologies, a lot like a game; but a game that teaches you rather than just a game. And we found that these have tremendous impact; you know, orders of magnitude improvements in terms of getting people to learn how to do their job.

And so some of this is already underway in a program that we call Ready Relevant Learning, where we harness these technologies, we package them in blocks and deliver them right before time of need, so that they're most relevant there. And that whole program has been enhanced by

what we've learned to the tune of about \$600 million over the five-year defense program to focus those specifically on the surface warfare challenges that we saw in the Pacific.

GRANGER:

Thank you.

Mr. Visclosky?

VISCLOSKY:

Thank you, Madam Chairman.

Secretary, there is a dance that administrations, both parties, play with Congress on Buy America provisions in the Department of Defense. Every year when the budget comes out, there's no provisions. Every year when the budget's completed, there are five provisions basically. I assume that will hold true for fiscal year '18.

Also, there are no waivers to those pending that I'm aware of. So I would simply make the observation that, should the department feel at some point in the future that a waiver might be necessary from the department's perspective, that in the future would also hope that the department looks at those requests as to how they could be avoided in the future, whether or not Congress would accede to it or not.

My sense in the past is that administrations -- and again, both parties have just been gratuitous. We're going to ask for it and we don't care if the problem is ever fixed.

The one question I would have in conclusion here, though, is on the facility sustainment and modernization. It is my understand that in the '19 request, the Navy's request is under a model -- as I'm told, is at about 78 percent, the Marine Corps at about 80 percent. For any of you on the panel, what concerns you have as far as just your basic facilities that we should have focus on?

SPENCER:

I'll start, Congressman, and I'll back up real quickly on an earlier question.

One of the things that we are focusing on in the Department of the Navy, specifically on the acquisition side, is management of our supply chain. That is a key critical enhancer for us, and it really hasn't been -- a lot of light hasn't be shined on that. If we manage our supply chain correctly, we should be able to manage the situation...

VISCLOSKY:

And I appreciate you saying, because I was going to acknowledge because a number of members have talked about that. And I do, again, believe people's sincerity on the panel of managing that industrial base. I'm sorry for not saying that.

SPENCER:

No, not at all. I just wanted...

NELLER:

On the facilities, sir, I'd say our facilities are probably as good as I've ever seen them, but that doesn't mean we're 100 percent. And one thing about building a new facility is in a few years, you have to maintain it. And in order sometimes to build it, you have to tear things down, and that's not a cheap thing because a lot of the old facilities have environmental issues and they've got to be properly disposed of, et cetera.

So we're always accepting risk with facilities, because if we were -- had to take a -- pay a bill or do something in the past, particularly under sequestration in a C.R., the facilities and the training ranges and things like that always, kind of -- they were the first ones to take the hit.

So we've -- we think we've found a balance here. You're never going to have -- you're never going to get all the new stuff as fast as you want and you're never going to get all of your facilities to be brand new. But we watch that, because we have to maintain what we have and there are some things -- quite frankly, there's some areas we end up paying -- spending money to maintain things or people use things that would be better if we just tore them down and we didn't have to deal with them.

And so, that's all part of our overall plan to get our facilities right-sized.

VISCLOSKY:

And, General, I might just mention that I think Congress is part of the problem. It would be my anticipation in the fiscal year '18 bill will have prohibition on even considering how to approach the issue of BRAC. I realize the political sensitivity; I'm not completely naive.

On the other hand, I think it's very foolish public policy not to study issues to gain knowledge to make an informed decision. And I think sometime we force these costs on you by not at least seeking knowledge as to what makes sense with the taxpayers' dollar and what you need to utilize for your efforts.

So thank you very much.

Thank you, Madam Chairwoman.

GRANGER:

(inaudible)

COLE:

Thank you very much, Madam Chair.

Just a quick question, Admiral Richardson.

A couple years ago, the then-current commander at PACOM was appearing before us, and I just asked him what was your greatest concern? He said, "My greatest concern was last year we went 135 days without a carrier in the Pacific, over the course of a year, at different points of the year."

Do you envision any kind of gap like that going forward?

RICHARDSON:

Sir, I think we'll be putting more carrier strike groups to sea.

But I would -- where I am going with this, sir, is a bit of a shift, and it goes back towards this idea of naval forces as global maneuver forces.

So, I will tell you that if, in any particular spot, I don't have a carrier, I'm just not very long away from getting it there, all right? And so it's just a matter of what is the warning signs that are associated with any crisis that may go up?

And this is the really unique thing about your Navy-Marine Corps team, is that we're just a week or so away from being where we need to be. We are that dynamic.

And so moving away from when I -- the thinking where if -- if -- it's a one or a zero, I'm either there or I'm not. It's really moving toward thinking where -- what is my tether to get there? And how does that compare to the strategic warning for that situation?

A little bit of a long answer to your question, sir, but I will tell you that, overall, the situation is improving.

COLE:

(Inaudible)

SPENCER:

I would just add, Congressman, I think -- the way -- and to pile on with what the CNO said, I mean, the advantage that a maritime force has is we can change our position. We don't need host nation approval, we don't need to go talk to anybody diplomatically. We use the sovereignty (ph) of the sea to move that force.

And we're looking now at a different posture of our force as we set the globe in a different way. And you're going to have fifth-generation aircraft on an amphib deck, which we've never had before. So that's going to cause our adversaries to have to look at it in a different way.

So it's not a carrier -- it's only going to be six airplanes; it's not a carrier air wing. But it is a capability. And when you combine that with other surface action groups and other things, and even land-based aircraft, I think we're going to put our -- put ourselves in a different posture and force our adversaries to look at us in a different way.

COLE:

Thank you very much.

Thank you, Madam Chairman.

GRANGER:

(OFF-MIKE)

FRELINGHUYSEN:

The Navy should point with pride that Admiral Harris will soon be wearing an ambassadorial hat. We like to marry the power of diplomacy with the power that all of you represent.

I couldn't leave here without asking whether the landing on the Wasp of the F-35 was -- was the ALIS system deployed in -- in -- in that maneuver? This has been a focus, and a concern of mine.

NELLER:

Yes, Chairman. I mean, I know...

FRELINGHUYSEN:

(Inaudible)

NELLER:

... we've talked about that, and we're -- we're still working through that. I -- I have not heard anything about -- I mean, there was just (ph) kind of the initial bounces to get the aircraft

qualified to land there. I don't believe they deployed the whole squadron there. I can get back -- I can take that for the record and get back to you.

I know that the squadron that sourced that aircraft, and it operates out of Marine Corps Station Iwakuni, where also now (ph) the carrier air wing that supports the Japan-based carrier is moving down. They're working the ALIS system. There's -- there are some things (inaudible) as we work through that, although the real issue for part support there and support there has to do not solely with that but the fact that we're in a foreign country.

NELLER:

And I would say, for example, I know that squadron deployed to Alaska for an exercise, and because they were in the United States and didn't have to deal with some customs issues, their support was probably a little bit better than it was because we -- we are in a host station and we go through the rules and regulations there.

So we work that every day. In fact, we were in an event last night and saw some -- some folks from that vendor and we had a nice discussion about support.

And as -- as the secretary said, and I will say, having been in this office coming up on three years, having (inaudible) and Ms. Lord and Mr. Spencer and other people that're involved in the business world has changed our discussion on how we see things. And I think it's going to make us much more cost-conscious and more cost-effective.

And as the secretary said, we're having -- with all the people that provide capability, we're making sure that the we get value for the dollars that the United States taxpayer spends on this -- on the gear that we're going to operate, which is very effective.

FRELINGHUYSEN:

Well, please keep all of us posted on your work. You know, obviously it's the critical investment and it's been around for a while. So sometimes when things have been around for a while, they have some vulnerabilities in them. So I'm sure in your discussions, those issues will be addressed.

Thank you, Madam Chairman.

GRANGER:

Thank you.

And for our last question, Mrs. Kaptur has asked a brief last question.

KAPTUR:

Thank you, Madam Chair, very, very much.

I just wanted to raise awareness, though, you may not view this as your major mission, obviously, but the issue of the drug opioid heroin crisis in our country is so extensive. Ohio now is the number one state for deaths per capita. This is not just troubling, it is terrifying what is going on.

And we don't have enough doctors in our country to meet the need. We certainly don't have enough advanced practice nurses in the area of neuropsychiatric care and substance abuse. And within your departments, there may be a way for a shared defense civilian medical program where we could help pay for the education of doctors that could then serve in the defense arena, our veterans hospitals as well as the civilian sector.

I would ask you to consider how we might use your experience in training in past decades to create a program where we can attract enough people into this specialty to serve both in the medical arena, in defense. I know special forces told me that they were having difficulty recruiting behavioral specialists; we just don't have them. We don't have enough of them. And so, there may be a program where, through your medical facilities and of the other departments, we could help to pay for the medical education of people, so we get people serving in the defense sector and then they could rotate out perhaps for a few days in the civilian and serve both sides.

I don't know quite the exact answer. All I know is the problem. And so, I just wanted to place it on the screen for you as an arena for perhaps additional inquiry inside your respective departments.

Thank you.

Thank you, Madam Chair.

SPENCER:

Congresswoman, just a comment there.

What you'll see coming out of the Strategic Readiness Review, kind of, fits into where we will be coming before Congress for some nibbling around the edges on DTMA (ph). And it's specifically -- whether it be cyber or the example you talked about, the ability for our gray matter to cycle back through the civilian sector, whether to become current or remain current or add value to the equation and have that ability to come in and out of service.

So that is one of things we're looking at.

Duly noted, what you just said. And the fact that you brought up the earlier comment about drugs in the -- in the service, the commandant hit the nail on the head: It's an area it's focused on. We're going down on the ramp there.

But I will tell you one thing, as the secretary of the Navy, we have services to support and take care of people who have a drug problem. I have absolutely zero tolerance for anyone distributing drugs in our Navy. And they will be dealt with in that light.

GRANGER:
(OFF-MIKE)

List of Panel Members and Witnesses

PANEL MEMBERS:

REP. KAY GRANGER, R-TEXAS, CHAIRWOMAN

REP. KEN CALVERT, R-CALIF.

REP. TOM COLE, R-OKLA.

REP. STEVE WOMACK, R-ARK.

REP. ROBERT B. ADERHOLT, R-ALA.

REP. JOHN CARTER, R-TEXAS

REP. MARIO DIAZ-BALART, R-FLA.

REP. TOM GRAVES, R-GA.

REP. MARTHA ROBY, R-ALA.

REP. HAROLD ROGERS, R-KY.

REP. RODNEY FRELINGHUYSEN, R-N.J., EX OFFICIO

REP. PETER J. VISCLOSKEY, D-IND., RANKING MEMBER

REP. MARCY KAPTUR, D-OHIO

REP. TIM RYAN, D-OHIO

REP. BETTY MCCOLLUM, D-MINN.

REP. C.A. DUTCH RUPPERSBERGER, D-MD.

REP. HENRY CUELLAR, D-TEXAS

REP. NITA M. LOWEY, D-N.Y., EX OFFICIO

WITNESSES:

SECRETARY OF THE NAVY RICHARD V. SPENCER

MARINE CORPS COMMANDANT GEN. ROBERT B. NELLER

AND NAVY ADM. JOHN M. RICHARDSON, CHIEF OF NAVAL OPERATIONS, TESTIFY