Chairman Visclosky, Ranking Member Calvert, distinguished committee members. On behalf of our Sailors, Marines and civilian teammates, thank you for your bipartisan efforts to restore funding stability.

I also want to thank the two gentlemen at the table with me today. I could not have asked for two better business partners than the CNO and the Commandant as we executed what I would describe in corporate terms as a turnaround. They have both done Herculean work, side by side, with no daylight between us. And I’m hoping for an expeditious confirmation and therefore will look forward to continuing that same type of close working relationship with Admiral Moran and General Berger, who are both on the Hill today for their confirmation hearings.

The concept of a strategy is the application of limited resources to attain a goal. Aligned to the National Defense Strategy, the Navy strategy for restoring readiness, strengthening relationships and reforming our processes has been set and we build on that with a disciplined focus on people, capabilities, and processes.

This budget prioritized a strategy driven, balanced approach to investment. It builds on prior investments, sustains the industrial base, and maintains our competitive advantage as we transition to a more cost imposing, survivable and affordable future force.
The restoration of readiness is well underway and we are seeing progress each and every day. My analogy is that all the weathervanes are pointed in the correct direction, and although we might be frustrated with the velocity of the wind, we continue to increase it day by day.

We’re building the strength of our team through hiring in areas of critical need, such as cyber security specialists, aviation technicians, scientists and engineers, human resource specialists, shipyard workers, and digital warfare officers. In that light you have provided us the needed resources for hiring experts. We must now address competitive salaries to fill those positions.

We’re aligning and enhancing our educational institutions and distributed learning venues though the Education for Seapower Review, and we’re taking aggressive actions to return private military housing to a premium product, mindful that while we recruit the individual, but we retain the family. All of these actions have one common thread through them: the goal of increased readiness.

We’re building our capabilities through investments in hypersonics, machine learning, additive manufacturing, quantum computing, and directed energy. We’re building the fleet in pursuit of the 355 ship Navy, manned and unmanned, to include the Columbia-class submarine, Next Generation Frigate, and remotely piloted platforms such as Sea Hunter and Orca.

These efforts are increasing lethality through increased distributed maritime operations.
To reach the Secretary’s goal of 80% mission capable tactical aircraft, we’ve realigned investments in new spare parts, aviation engineering and logistical support through our newly created Navy Sustainment System, incorporating best practices from outside the wire, or as we might say, from commercial airline maintenance leaders. As an example, our most recent F-18 readiness indicators are 68 percent mission capable for Navy, and 72 percent mission capable for Marine Corps.

As a pilot program, these activities have moved us to review our processes in all maintenance areas within the Naval enterprise, to include ship, weapon and vehicle maintenance and sustainment.

Driven by the Marine Corps Force 2025 capability investment strategy, we’re investing in the Amphibious Combat Vehicle, loitering munitions, and unmanned logistical systems in order to maintain and expand our competitive advantage on the margins. Exercising the Marine Corps Operating Concept is moving us to rapidly progress as a continuous learning organization as we adapt and experiment in our new competitive environment.

Yet while we affect the aforementioned, the Marine Corps is also contending with the unprecedented double impact of Hurricanes Florence and Matthew, which together damaged or destroyed more than 3.7 billion dollars of infrastructure across many of our east coast installations.
Camp Lejeune is a primary force generator for the Naval Services, directly contributing to the capacity and readiness of our force. That area took the majority of the blunt impact of those storms. We need relief through supplemental funding as soon as possible.

We appreciate the work this committee has done to reprogram $400 million to immediately begin addressing our most pressing infrastructure needs, and we look forward to working with you to address the remaining $449 million shortfall within FY19, and the $2.8 billion required to fully recover.

Over the past year, we have meaningfully increased our interaction with our allies and friends. Exercising and education have strengthened our ability to operate, therefore increasing the depth of our collective ability to deliver the resources requested. Compared to a year ago, the increase in this depth of our relationships with our allies and friends has been the prime contributor to this good outcome.

Our Navy has adjudicated 91 of the 111 Readiness Reform and Oversight Council recommendations and fully implemented 83, transforming a culture of accepting risk to one of understanding and managing risk. We’ve reviewed and are in the process of remediating our business processes following our first top-to-bottom audit. The audit is now proving to be a tool where we find we can leverage lethality.
We’re using this information to streamline operations and reimagine how support functions can be modernized to drive continued learning therefore producing ever increasing efficiencies for the American taxpayer.

We owe it to them to ensure every dollar that we invest, every dollar, is invested in the most effective manner possible. I’m proud to work with this committee to keep that promise.

Thank you.