

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2009**

WEDNESDAY, MARCH 5, 2008

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:36 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Mikulski, Murray, Stevens, Cochran, and Shelby.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

STATEMENT OF HON. DONALD C. WINTER, SECRETARY OF THE NAVY

OPENING STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. Today we welcome the Honorable Donald Winter, Secretary of the Navy, Admiral Gary Roughead, Chief of Naval Operations, and General James Conway, Commandant of the Marine Corps, to present testimony on the fiscal year 2009 budget for the Department of the Navy.

The President's budget request includes \$149 billion to support the Navy and Marine Corps in fiscal year 2009. Along with the forthcoming request for supplemental, these funds will support the forward deployment of sailors and marines to the farthest corners of the globe. This forward presence contributes to our security, by deterring conflict in strategic regions, performing vital humanitarian relief missions, and carrying out combat missions in the global war on terrorism (GWOT).

Many Americans may not be aware of the full role of the Navy and the Marine Corps in the wars in Iraq and Afghanistan. There are currently 25,600 marines and 7,800 sailors with boots on the ground in these two countries. Our Nation owes them, and all their fellow servicemembers, a special debt of gratitude.

One challenge to maintaining the posture of the Navy and Marine Corps is to equip the forces with the tools they need to complete their missions. Both today and into the future, however high profile modernization programs, like the littoral combat ship (LCS), the expeditionary combat vehicle, the Presidential helicopter, have experienced problems with cost and schedule.

The subcommittee intends to undertake a careful review of these and other important programs, to determine the best course to modernize our forces, in the most fiscally responsible manner possible. Not only are there important questions to be asked about the next generation of weapons systems, but there are also concerns about how funds are being invested to meet the immediate needs of our servicemembers.

The recent grounding of P-3 aircraft is one such concern. And just recently, new questions are being asked about whether the bureaucracy acted quickly enough, getting mine resistant ambush protected (MRAPs) and other equipment to those currently serving in harms way.

We look forward to our witnesses sharing their views on both the challenges and successes they have—they see for the Navy and Marine Corps, and how the 2009 budget request addresses those issues. But before calling on our panel for their opening statements, there's one other matter I wish to raise.

As the subcommittee examines the fiscal year 2009 request, we must remember that the budget before us is based on recommendations made 6 months ago. And it will be several months before our bill may be approved and sent to the White House. If, for no other reason than the time it takes to assemble and review the budget request, as well as the information gleaned from these hearings, there are likely to be several changes warranted in your request, in order to best serve our national defense.

My co-chairman, Senator Stevens, and I worked for many years to propose adjustments that make sense. I believe our country is best served when Congress and the military services work as partners in identifying and carrying out the adjustments made during the appropriations process.

I look forward to working with each of you to continue that same spirit of cooperation, which is now a tradition that has served our Nation very well. The full statement of each of the witnesses this morning will be included in the record.

And now, I'm pleased to turn to my co-chairman, Senator Stevens, for his opening statement.

STATEMENT OF SENATOR TED STEVENS

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

And gentlemen, we're pleased to have you before the subcommittee, and I think you couldn't find a more important time. You—I do join in thanking you for your service and for your willingness to really take on these tasks that we all have. And we welcome you on your first appearance—I know you have a challenging assignment and we look forward to working with you in the Navy.

The demand for money surpasses the amounts that we can make available, but we have to work together to make sure that we meet the most pressing needs of the services. I think the greatest thrill is the one that the five of us discussed yesterday, and that is, how do we look over the horizon and make sure we have the military of the future to meet the threats the future generations will face.

Now that we know how long it takes to prepare those systems, we have to be really clairvoyant and work hard to make sure that

we start the systems and find the ways to fund them, so that there will be a superiority for all our forces out there in the years ahead. I look forward to working with you. Thank you.

Senator INOUE. Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. I can't let this opportunity pass, to observe that I think the leaders we have today, of the Navy, the Marine Corps, and the Department of the Navy, are the best qualified that I can ever remember. Their personal experiences, their education backgrounds, their proven ability to manage the United States Navy and Marine Corps, reflect great credit, I think, on the military and our Government. It's an honor to be involved in helping to decide how the funding is allocated for the missions and the challenges that face the Navy today.

But I think these individuals have reflected great credit on the process and our great country. And it's a pleasure to welcome them to the subcommittee for the annual review of the budget request that's been submitted to the subcommittee.

Senator INOUE. Thank you very much.

STATEMENT OF HON. DONALD C. WINTER

And now, Mr. Secretary.

Dr. WINTER. Thank you very much, Mr. Chairman, Senator Stevens, members of the subcommittee. Thank you for the opportunity to appear before you here today. I'm here to present the Department of the Navy's plan to support our sailors and marines in their mission to defend our Nation against current and future challenges.

The President's fiscal year 2009 budget will assist the Navy and Marine Corps in accomplishing their complimentary and reinforcing missions, while building capabilities necessary to meet future threats. One of the primary responsibilities of our Government is to provide for the Nation's defense. Those responsibilities include the critical requirement to organize, train, and equip our naval forces. For that vast majority of citizens, the only cost imposed on us is financial.

America is able to provide for the national defense with such a minimal impact on its citizenry, because we are blessed to have among us, a generation of people, patriots all, who volunteer to serve. They are the ones who bear many hardships, accept many risks, and go in harms way. The pay and benefit funding levels in our 2009 budget reflect the compensation levels necessary to continue to attract and retain quality personnel in the Navy and the Marine Corps.

Furthermore, although we are doing well in overall recruiting and retention numbers, I emphasize the need for special pays and bonuses to meet critical sub-specialty needs, such as our requirements for nurses, physicians, and GWOT stress communities, such as explosive ordinance disposal (EOD) personnel.

It is because of the hard work of our sailors and marines, that we are making progress, fostering maritime security, defeating terrorist networks, progressing toward a stable Iraq, supporting the Afghan Government, countering piracy and proliferation of deadly

technology, rendering humanitarian assistance, and strengthening partnerships around the world. Our sailors and marines have responded when called, and superbly performed their many missions in our Nation's defense. It is truly an honor and a privilege to work with them and support them as their Secretary.

The Department of the Navy's fiscal year 2009 budget, meets the challenge of resourcing the Navy and the Marine Corps team across a range of missions, from partnership building to combat operations. It invests in our ability to operate, sustain, and develop forces that are engaged in the GWOT, while preparing the force for the challenges and threats of the future. We are requesting a total of \$149 billion, a 7 percent increase over the fiscal year 2008 baseline.

This increase is driven by factors, such as rising oil costs, and the critical comprehensive growth of the Marine Corps. Our fiscal year 2009 budget reflects three key priorities, which are consistent with those of previous years. They are, first of all, prevail in the GWOT. Second, take care of our sailors, marines, their families, and particularly, our wounded. And last, prepare for a full challenge across—prepare for future challenges across the full spectrum of operations.

To help meet our first priority, prevail in the GWOT, we are adapting our force for current and future missions, to include growing the Marine Corps, shaping the force by recruiting and retaining the right people, and addressing critical readiness needs. Among our most critical readiness needs, is the ability to train our sailors and marines for the threats that they may encounter. Unfortunately, our Navy has encountered increasing encroachments in our ability to conduct training. We recognize that there are, on occasion, impacts on the citizenry at large, associated with such training, but these are necessary costs that are critical to the defense of our Nation. We take extensive precautions to minimize the impact of our training. We owe it to the American people and we owe it to those who serve, to acknowledge that, as in all things in life, there are competing interests and tradeoffs, and that we treat the risks of sonar operation at sea or the impact of jet noise, the way we treat all public policy issues, balancing risks and costs against legitimate national security interests.

I commit to you today, that I will keep you apprised of legal challenges in near implications for readiness that we face over the course of the coming year. Mr. Chairman, if in the future, we are unable to properly train our sailors and marines, we will have failed to do our duty to them and to the American people.

Another critical issue I would like to highlight concerns doing right by those who go in harms way. As Secretary of Defense Gates has stated, "Apart from the war itself, we have no higher priority than to take care of our wounded." Our wounded warriors and their families deserve the highest priority care, respect, and treatment for their sacrifices. Our 2009 budget honors our commitment to ensure that our sailors and marines receive the appropriate care, training, and financial support that they need.

Finally, to meet the challenges of the future, the 2009 budget provides for a balanced fleet of ships, aircraft, and expeditionary

capabilities, with the fighting power and versatility to carry out blue, green, and brown water missions wherever called upon.

Furthermore, I would like to note that, consistent with our commitment to ensure affordability and timely delivery of capabilities, we have launched an acquisition improvement initiative to provide better integration of requirements in acquisition decision processes, improve governance and insight into the development, establishment, and execution of acquisition programs, and formalize a framework to engage senior Naval leadership.

PREPARED STATEMENT

Mr. Chairman, I am grateful for the strong support this subcommittee and the Congress at large have given our Navy and Marine Corps team. I want to thank you on their behalf. Our Navy and Marine Corps is a strong, capable, and dedicated team. I appreciate the opportunity to represent them here today and I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF HON. DONALD C. WINTER

The Navy and Marine Corps Team . . . fighting today and preparing for future challenges

INTRODUCTION

Chairman Inouye, Senator Stevens and Members of the Committee, it is an honor to appear again before you representing the men and women of the United States Navy and the United States Marine Corps—active, reserve, and civilian—a force of over 800,000 strong.

I am here to present the Department of the Navy's (DON) plan to support our Sailors and Marines in their mission to defend our Nation against current and future challenges as they conduct operations spanning the spectrum, from major combat to humanitarian assistance. The President's fiscal year 2009 budget will assist the Navy and Marine Corps in accomplishing their complimentary and reinforcing missions, while building capabilities necessary to meet future threats. The fiscal year 2009 budget balances capabilities to support both traditional and irregular warfare demands. It also continues to expand the Marine Corps' capacity and furthers the transformation from a blue water navy into one that can fight and win in the blue, green, and brown waters.

As I reflect upon my time as Secretary of the Navy, nothing is more sobering than the experience of seeing—every single day—the dedication, professionalism, and willingness to sacrifice shown by our Sailors, Marines, civilian employees, and their families. I will attest to you their unwavering commitment to duty. These patriots put themselves in harm's way to protect our Nation. From those who have given the ultimate sacrifice, such as Medal of Honor recipients Lieutenant Michael Murphy and Corporal Jason Dunham, to those who daily take the pledge to support and defend our Nation, our Navy and Marine Corps Team is second to none. It is because of their efforts that we are making progress fostering maritime security, defeating terrorist networks, progressing towards a stable Iraq, supporting the Afghan government, countering piracy and the proliferation of deadly technology, giving humanitarian assistance to people in need after Tsunamis and earthquakes, and strengthening partnerships around the world. The men and women of the Navy and Marine Corps have responded when called upon. It is an honor and privilege to work with them and support them as their Secretary.

Today our Nation is faced with a myriad of challenges and uncertainties across the globe. There have been several unexpected, and sometimes sudden, changes in the security environment over the past few years. Yet many of the strategic imperatives of the United States—particularly with respect to the maritime environment—remain unchanged. It is clear the United States must have the capacity to act in such a fluid and unpredictable environment, and that Naval forces offer unique flexibility to respond swiftly and decisively anywhere in the world. Providing this flexibility requires that the Department of the Navy invest wisely across a wide range of capabilities, and that we take care to deliver a balanced portfolio of capa-

bilities to the Joint force. Worldwide presence, credible deterrence and dissuasion, projection of power from naval platforms anywhere on the globe, and the ability to prevail at sea are the critical, most fundamental elements of the Navy and Marine Corps strategic posture; these are our indispensable contributions to the joint warfighting capability of the Nation.

The United States is a maritime power, bounded by sea to the east and west. The health of our national economy depends on assuring safe transit through the seas—and the maritime dimension of international commerce is ever increasing. Consider that 70 percent of the earth is covered by water, 80 percent of the world's population lives in close proximity to the coast, and 90 percent of the world's international commerce is transported via the sea. Given our national interests, and the role we play in the world, it is unsurprising that our Sailors and Marines are constantly called upon to react to a wide range of challenges. I suggest that the strength of a nation's naval force remains an essential measure of that nation's status and role in the world. I also submit that maritime dominance by the United States remains vital to our national security, to our position in the world, and to our ability to defend and promote our interests.

Last fall, the Department of the Navy, in collaboration with the U.S. Coast Guard, reaffirmed its emphasis on the traditional capabilities of forward presence, deterrence, sea control, and power projection in its new Maritime Strategy: A Cooperative Strategy for 21st Century Seapower. However, the Maritime Strategy also makes clear that we consider our core capabilities to include maritime security and the provision of humanitarian assistance and disaster relief—areas of growing importance. The strategy emphasizes the use of soft power, and highlights the criticality of our foreign friends and allies, while reminding us that the underlying credibility for partnerships and peace is the United States' ability to swiftly defeat a threat with overwhelming and decisive combat power.

The unique nature of our Department is such that the Navy and Marine Corps team is a constantly deployed force, both in peacetime and in war, with the further ability to surge assets worldwide, anytime required. As we consider the current and projected strategic environment, we must anticipate a steadily growing reliance on our unique expeditionary character. This is becoming ever more apparent. The challenge of resourcing our two services across such a large range of steadily growing global missions, from partnership building to combat operations, is one that we have met with the President's fiscal year 2009 budget.

Reflected in the budget submittal is the fact that today's Navy and Marine Corps are operating in blue, green and brown waters, in the air and on the shore—and sometimes deep inland—facing a wide variety of threats. On any given day, approximately 40 percent of the fleet is deployed at sea or involved in pre-deployment training. Forward deployed carrier and expeditionary strike groups operate on the high seas, unencumbered by constraints facing land-based forces. They are providing our combatant commanders with many important and powerful combinations of capability: tactical aviation, land attack systems, SEAL and Marine special operations forces (SOF), intelligence and surveillance platforms, amphibious assault and forcible entry capacity, over-the-horizon force projection, and flexible seabasing and at sea logistical support. Our full spectrum of capabilities also includes ship-based ballistic missile defense—providing a shield that not only protects our maritime freedom of movement and access, but which also contributes to the defense of our allies and our homeland against missile threats. In other words, we are presenting a budget which supports a force in high demand across the globe.

The President's budget does more than just fulfill our responsibilities in today's complex environment; it continues to evolve our portfolio of capabilities. This is essential to our ability to defend against future threats which could range from the asymmetric—from terrorists to proliferation and/or use of weapons of mass destruction—to the more traditional challenges posed by nation-states and possible future "near peer" competitors.

Evolving our portfolio of capabilities can be challenging, since the Navy and Marine Corps have an operational construct that emphasizes forward deployment and presence. Historically, while the bulk of U.S. forces return home after cessation of a conflict or crisis, our maritime forces often do not. They are continuously present in forward regions, and through their forward engagement they maintain familiarity with the environment and the characteristics of regional actors; they also foster and sustain trust and cooperation with friends and allies. Thus when a threat to our national security emerges overseas, it may well be encountered first by the Navy and Marine Corps. Meeting that threat, whether on land, in the air, on the high seas, or under the sea, will require our forces to be in peak fighting condition. They must be ready to fight and win at any time, and to do so at great strategic distance. We have developed a budgetary plan which addresses these requirements.

We have developed the budget in the face of a demanding and rapidly changing security environment, and there are worrisome trends that bear watching. Nations are developing weapons and systems which seem deliberately intended to threaten our Naval assets, deny access, and restrict our freedom of maneuver. The proliferation of anti-access weapons technology to unfriendly nations is a significant concern. Furthermore, the Department of the Navy, like other parts of the Department of Defense (DOD), has been a target of aggressive foreign intelligence and data-collection activities. As such, we need to invest in the capabilities necessary to preserve our technological advantage. Additionally, aside from growing costs and schedule delays in some acquisition programs, we also struggle with regulatory encroachment and legal challenges that threaten to undercut our ability to effectively train and maintain readiness. We must address these challenges; doing so is fundamental to maintaining our Naval readiness and our capability to defend our Nation.

In summary, the Department of the Navy's fiscal year 2009 budget invests in the Navy and Marine Corps to operate, sustain and develop forces that will remain engaged in the Global War on Terrorism (GWOT), while at the same time preparing the force for the challenges and threats of the future. The fiscal year 2009 budget requests \$149.3 billion for these purposes. This is a 7 percent increase over the fiscal year 2008 baseline and is driven by factors such as rising oil costs and the critical, comprehensive growth of the United States Marine Corps.

Priorities for the Department of the Navy

The Department of the Navy is committed to finding solutions that allow the Navy and Marine Corps to balance our current requirements and operational realities with the likely needs of the future. We strive to maintain an agile and flexible force that cannot only contribute to winning our Nation's wars but also can assist in preventing future conflict to the extent possible—whether by dissuasion, deterrence, humanitarian action or disaster relief. As such, our priorities remain consistent with those in previous years. They are to: Prevail in the GWOT; take care of our Sailors, Marines, their Families and particularly our wounded; and prepare for future challenges across the full spectrum of operations.

As in the past, for the sake of brevity, some of the key programs are highlighted and can be found in greater detail in the Highlights of the Department of the Navy fiscal year 2009 budget.¹ This statement is designed to reinforce, and build upon, initiatives articulated in previous testimony and budget material.

PREVAIL IN THE GLOBAL WAR ON TERRORISM

The Department's top priority remains the Global War on Terrorism. Today, approximately 29,300 Marines and 11,300 Sailors (including individual augmentees) operate ashore, along with 12,000 Sailors at sea. They are conducting and supporting operations in Iraq and Afghanistan, and throughout the U.S. Central Command region, and their contributions are central to the progress being made.

Naval forces provide a major part of the national worldwide rotational presence and an increasing portion of the required support for ground units in Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF). They operate across the spectrum—from low intensity conflict, humanitarian assistance and disaster relief, to high intensity conflict involving airborne strike and Marine Corps forces in coordinated joint and coalition ground operations. To illustrate the wide range of activities undertaken, it is noteworthy that, in 2007, five Carrier Strike Groups and five Expeditionary Strike Groups deployed in support of OEF and OIF. Throughout 2007 the Marine Corps provided three embarked Marine Expeditionary Units (MEUs) forward positioned in all geographic commands. Two of these MEUs were employed ashore in support of Multi-National Force—West and participated in sustained combat operations. Naval aviation, afloat and ashore, in concert with U.S. Air Force and coalition aviation forces, has provided critical strike, overland surveillance, logistical and electronic warfare support to the joint land forces deployed in Iraq and Afghanistan. The Navy has also deployed riverine forces for the first time since Vietnam, operating on Lake Thar Thar and the Euphrates River. The Marine Corps also achieved a milestone with successful deployment of the first MV-22 Osprey squadron in OIF operations. Naval Special Warfare (NSW) forces continue to be actively engaged in combating terrorism. The Navy SEALs and the Marine Special Operations Command have done outstanding work in OIF/OEF and have made critical progress in countering the threat of international terrorism. We will continue to prioritize investment and retention of our highly skilled special operations forces.

¹Highlights of the Department of the Navy Fiscal Year 2009 Budget, February 2008.

In addition to traditional types of maritime activities, the Navy continues to support the GWOT in a variety of non-traditional areas. For example, Navy Sailors are leading a number of Provincial Reconstruction Teams in Afghanistan today. Significant numbers of Naval combat support and combat service support personnel are relieving the Army and Marine Corps in select mission areas. In U.S. Central Command, Navy personnel are providing base and port operations support, medical, explosive ordnance disposal, construction battalions, civil affairs, electronic warfare, mobile security forces, detainee operations, intelligence, and headquarters staff support. The Navy also continues command of the detainee mission in Guantanamo Bay, Cuba and at Camp Bucca, a high security prison in Iraq. Executive agent responsibilities are discharged by the Navy for the GWOT-related Combined Joint Task Force Horn of Africa (CJTf HOA) in Djibouti. CJTf HOA has transformed from its initial seafaring force, aimed at blocking terrorists fleeing Afghanistan (and preventing them from establishing new safe havens), into a task force that also conducts military-to-military training and humanitarian assistance over a large geographic expanse of eight countries.

With respect to the Marine Corps, the II Marine Expeditionary Force Forward, augmented by Marines from around the Corps, conducted counterinsurgency operations in Iraq and led the Multi-National Force—West in Al Anbar Province, supported by Army, Air Force, and Navy personnel. The achievements of the Marines in Al Anbar have been widely noted, and their success in creating a permissive environment for local governance and economic development—making significant inroads in security, training, and transfer of responsibility to their Iraqi counterparts—has been crucial. More broadly across the country, Marine Corps Transition Teams have conducted training for Iraqi military, police and border teams. The Marine Corps provided over 800 personnel across more than 50 types of Iraqi transition teams in 2007. Building upon these successes in Iraq, recently the President approved the deployment of 2,200 Marines to Afghanistan in support of the NATO-led International Security Assistance Force mission, and 1,000 Marines to assist in the training and development of the Afghan National Security Forces. In preparation for these overseas missions, the Marine Corps continues to implement comprehensive training programs at home, such as Mojave Viper and Desert Talon.

At sea, the effective conduct of Maritime Security Operations is a critical element of the fight against terrorism. In the Northern Arabian Gulf, our Sailors and Marines are working with Coalition and Iraqi forces in a Coalition Task Group to defend the Al Basra Oil Terminal and the Khawr al Amaya Oil Terminal. The security of these platforms is provided through waterborne patrols in Rigid Hull Inflatable Boats, platform security personnel, and helicopter surveillance. Working with our NATO Allies, the Navy continues to provide support for Operation Active Endeavor, which is an ongoing maritime interdiction effort in the Mediterranean. Similarly, the conduct of operations to dissuade and counter piracy off the West African coast and the actions of the guided missile destroyers U.S.S. *Porter*, U.S.S. *Arleigh Burke* and U.S.S. *James E. Williams* off the coast of Somalia this past October are examples of how the Navy is working to provide a secure maritime environment.

Fostering enduring foreign partnerships and friendships is yet another key contributor to the GWOT, as we bolster the capacity of nations to work with us, and to conduct counter-terrorism efforts of their own. The Navy is continuing to develop the concept of Global Fleet Station (GFS), envisioned to be a highly visible, positively engaged, reassuring, and persistent sea base from which to interact with the global maritime community of nations. The Department demonstrated the concept through the GFS pilot in October, using the HSV-2 SWIFT in the Caribbean, and again with the African Partnership Station in the Gulf of Guinea, using the U.S.S. *Fort McHenry* and HSV-2 SWIFT. In addition to targeted outreach activities, the Navy and Marine Corps team extends America's diplomatic reach through the conduct of multinational exercises and port visits. Throughout 2007, the Naval force participated in over 230 bilateral and multinational exercises with partners around the globe.² The Marine Corps also participated in over sixty Theater Security Cooperation events, which ranged from deployment of small Mobile Training Teams in Central America to MEU exercises in Africa, the Middle East, and the Pacific. Additionally, several overseas training events were held with foreign special oper-

²Illustrative of our global security cooperation are exercises involving the Japanese Maritime Self Defense Force and the Indian Navy during TRILAX 07 in the Northern Pacific; PHOENIX EXPRESS 07 with Moroccan, Algerian, and Tunisian forces west of the Gibraltar Strait; BALTOPS 07 in the Baltic Sea with Denmark, France, Germany, Sweden, Poland, Russia, Latvia, Lithuania, the United Kingdom, and NATO; AMAN 07 with Pakistan, Great Britain, China, France, Italy, Malaysia, Turkey, and Bangladesh; UNITAS off of South America's Pacific coast with Chile, Colombia, and Peru; and MALABAR with forces from India.

ations forces to improve interoperability with Navy and Marine SOF, and the Department provided support to the stand-up of NATO's new SOF Coordination Center. The cumulative effect of these exercises and events is to foster trust and sustain cooperative relationships with our international partners. This is critical to U.S. national security.

Outreach to foreign populations is also an important part of the Nation's efforts to stem the spread of terrorism. This is an important mission for the Navy and the Marine Corps and is a tangible way that we can demonstrate the compassion and values of the American people. Last year, the Navy and Marine Corps together were at the forefront of numerous humanitarian assistance and disaster relief operations. Sailors and Marines in the Pacific provided desperately-needed humanitarian support to Bangladesh in the aftermath of Cyclone Sidr. The Marine Corps engaged in civil-military and humanitarian assistance operations such as "New Horizons" in Nicaragua and land mine removal training in Azerbaijan. The joint and combined crew aboard the USNS *Comfort* gave humanitarian aid during a four month tour in Latin America and the Caribbean. During Pacific Partnership 2007, the joint and interagency crew of the U.S.S. *Peleliu* gave similar aid to the Philippines and other Pacific island nations. We hope that the support given during these missions, whether it was the Seabees' reconstruction of homes and schools devastated by a tsunami, or inoculation and treatment of children and the elderly by Navy and Marine medical professionals, helped convey a positive image of the United States with local populations.

Finally, within the United States, the Department continues its emphasis on providing increased force protection to our Sailors and Marines, particularly in the area of counter-improvised explosive devices (IED). As lead service for the joint Mine Resistant Ambush Protected (MRAP) vehicle program, the Department accelerated production for MRAP vehicles to rapidly field this capability in Iraq and Afghanistan. Through the use of Lean Six Sigma activities and projects, the Department synchronized an effort to build and transport MRAP vehicles to the theater, rapidly identifying and mitigating deficiencies in the MRAP vehicle pipeline. Over 2,000 MRAP vehicles have been fielded to support the Department's joint urgent requirement, over 900 of which are in the hands of Marines and more than 150 fielded to the Navy. Also as part of the broader counter-IED effort, the Department is procuring Biometric Tools, the Family of Imaging Systems, counter-IED robotics, and Counter Radio-Controlled IED Electronic Warfare systems.

Adapting the Naval Force for GWOT and Future Missions

The Marine Corps and Navy are being called upon today to conduct surge operations, conduct Iraq unit rotations, provide additional forces to Afghanistan, and prepare for other challenges. The Department has not only addressed these commitments, but is contributing low supply, high demand forces (e.g., Explosive Ordnance Disposal (EOD) units) to support the other services and coalition efforts. Of our deployed EOD teams, over 50 percent operate in support of other services. Additionally, over the course of 2007, the Navy provided 12,985 Active Component Augmentees and 9,527 Mobilized Reservists in support of OEF and OIF globally, and filled approximately 8,000 Individual Augmentee and 4,500 "in-lieu-of" requirements. The Navy has increased several low density, high demand specialties and units, such as Construction Battalions and EOD teams. In October 2007, the Navy commissioned its newest Construction Battalion and Construction Regiment, bringing them to a total of 9 active duty battalions and 3 active duty regiments. Further, in order to relieve stress on Marines and their families, and to address future contingencies, the Marine Corps is growing the force, exceeding its 2007 target of 184,000 Marines; the Marine Corps is on track to meet the goal of 202,000 by fiscal year 2011.

Reshaping of the force is an important and evolutionary process. To do this, the Department is focused on three fronts: recruiting the right people, retaining the right people, and achieving targeted attrition. Recruiting objectives are focused on increasing the quality of the Total Force and seeking qualified Sailors to include special emphasis on filling the ranks of SEAL, NSW, Navy Special Operations, Special Warfare Combatant-Craft Crewmen, EOD, Divers, Hospital Corpsmen, and Women in Non-traditional Ratings (Master-at-Arms and Seabees). Recruiters are also focused on creating a smooth flow of recruits into boot camp by maintaining and mentoring a healthy pool of young men and women in the Delayed Entry Program.

The Department has also implemented initiatives to increase visibility and incentives for medical recruitment. While we have seen improvement in some medical programs, such as in the Nurse Corps with direct accessions, numerous challenges remain in recruiting and retaining medical personnel. Retention challenges exist in

critical specialties that require 3–7 years of training beyond medical school. In the Dental Corps, we face challenges in retaining junior officers between 4–7 years, and we also are experiencing high attrition rates for junior officer ranks in the Nurse Corps. To combat the recruiting challenges and continue supporting the increased demand for the OIF/OEF, we implemented increased accession bonuses for the Nurse Corps and Dental Corps; funded a critical skills accession bonus for medical and dental school Health Professions Scholarship Program (HPSP) participants; increased the stipend for HPSP students, as well as Financial Assistance Program participants; expanded the critical skills wartime specialty pay for reserve component medical designators; recently implemented a Critical Wartime Skills Accession bonus for Medical and Dental Corps; and implemented a Critical Skills Retention bonus for clinical psychologists.

We note that the Fiscal Year 2008 National Defense Authorization Act (NDAA) restricts military to civilian conversions for the medical community through September 30, 2012. Due to the date of enactment of this legislation, it is not reflected in the fiscal year 2009 President's budget request, but the plan is now being re-addressed. Resolution will require careful planning, and we are working closely with the Office of the Secretary of Defense on this matter.

Incentive programs were a key component of our enlisted recruiting success in 2007. The enlistment bonus continues to be our most popular and effective incentive for shaping our accessions. The authority to pay a bonus up to \$40,000 made a significant contribution to our Navy Special Warfare and Navy Special Operations recruiting efforts. Likewise, our Reserve Component success would not have been possible without the availability of enlistment bonuses. Extended incentive authorities towards some of our more specialized skill fields, including nuclear and aviation, will help to recruit and retain these critical skill sets, while renewal of accession bonuses will help to expand the force to newly mandated levels. The continued support of Congress in the creation of flexible compensation authorities affords the Department the tools that will help shape the force for the 21st Century.

The Grow the Force mandate by the President is a long-term plan to restore the broad range of capabilities necessary to meet future challenges and mitigate global risk to national security of the United States. The Marine Corps will grow the force by 27,000 (from 175,000 to 202,000) Marines over five years. This additional capacity and capability will enable full spectrum military operations in support of allies and partners as well as against potential enemies. In 2007, the Marine Corps added two infantry battalions, capacity to the combat engineer battalions and air naval gunfire liaison companies, and planned the training and infrastructure pieces necessary to build a balanced warfighting capability. The Marine Corps has achieved success in recruiting and maintaining quality standards. This is a remarkable achievement for an all volunteer force during a sustained war. The Marine Corps anticipates continued success in meeting recruiting and retention goals to achieve this planned force level. This end strength increase addresses more than current operations in Iraq and Afghanistan. It ensures that the Marine Corps will be able to deal with the challenges of the Long War and will reduce combat stress on Marines and their families by moving towards a 1:2 deployment to dwell ratio. Currently many Marines are on a 1:1 or less deployment to dwell ratio.

Navy and Marine Corps Reserves continue to be vital to successfully fighting the GWOT and in accomplishing routine military operations. The Marine Corps and Navy activated, respectively, 5,505 and 5,007 reservists to fulfill critical billets in OIF and other gaps in headquarters and operational units. At the close of fiscal year 2007, the Navy and Marine Corps Reserves end strength was 69,933 and 38,557 respectively.

Readiness

The Department's budget reflects a commitment to properly price and fund readiness to meet the demands of the Combatant Commands. For fiscal year 2009, the Fleet Response Plan (FRP) is funded to achieve "6+1"—the ability to support deployment of six carrier strike groups within 30 days and one additional group within 90 days. Additionally, the fiscal year 2009 budget funds 45 underway steaming days per quarter for deployed forces and 22 underway days per quarter for non-deployed forces. For the Marine Corps, equipment readiness accounts are focused on supporting the operational and equipment readiness of units engaged in operations in OIF. The Marine Corps has made tradeoffs in this area by cross-leveling equipment from units not in the fight, and while the force made great strides in its overall readiness to conduct counterinsurgency operations, this has been achieved at the expense of other traditional training, such as amphibious assault and jungle warfare.

Carrier Waiver.—The Navy is committed to maintaining an aircraft carrier force of 11. However, during the 33-month period between the planned 2012 decommis-

sioning of U.S.S. *Enterprise* and the 2015 delivery of the U.S.S. *Gerald R. Ford*, legislative relief is requested to temporarily reduce the carrier force to ten. Extending *Enterprise* to 2015 would involve significant technical risk, challenge our manpower and industrial bases, and require significant resource expenditure; with only minor gain for the warfighter in carrier operational availability and significant opportunity costs in force structure and readiness. The Navy is adjusting carrier maintenance schedules to meet the FRP and ensure a responsive carrier force for the Nation during this proposed ten carrier period.

Law of the Sea Convention.—It is critically important to the United States and our friends and allies that the seas of the world remain safe and open for all nations. Accordingly, the Department of the Navy supports U.S. accession to the Law of the Sea Convention. The Treaty codifies important principles of customary international law, such as Freedom of Navigation and rights of passage. Joining the Convention, with the declarations and understandings reflected in Senate Report 110–9 (Senate Foreign Relations Committee), will assist the United States to exercise its leadership role in the future development of open oceans law and policy. As a non-party, the United States does not have full access to the Convention’s formal processes (through which over 150 nations participate in influencing future law of the sea developments). By providing legal certainty and stability for the world’s largest maneuver space, the Convention furthers a core goal of our National Security Strategy to promote the rule of law around the world.

Suppression of Unlawful Acts (SUA).—The Department supports expeditious U.S. ratification of the 2005 Protocol of the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation and the 2005 Protocol to the 1988 Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (“SUA Amendments”), adopted by the International Maritime Organization on October 14, 2005, and signed by the United States on February 17, 2006. The SUA Amendments significantly strengthen the legal regime to criminalize terrorist acts and combat weapons of mass destruction proliferation in the maritime domain making them an important component in the international campaign to prevent and punish such acts.

Encroachment.—A critical readiness issue is our ability to be prepared to meet the full spectrum of operations that may arise globally. This requires that we have the ability to properly train our sons and daughters in a manner that effectively prepares them for the threats they may encounter. In order for Naval forces to be able to meet our operational commitments we need installations and ranges, the ability to continue to use them for their intended purposes, and the ability to augment them when necessary to respond to changing national defense requirements and circumstances.

We appreciate the action taken by Congress to recognize the importance of protecting Naval installations from encroachment pressures by enacting section 2863 of the Fiscal Year 2007 National Defense Authorization Act that establishes prohibitions against making certain military airfields or facilities, including Marine Corps Air Station Miramar, available for use by civil aircraft. We seek your continued support to move forward with plans for the Outlying Landing Field (OLF) that is critically needed to support training requirements for Carrier Air Wing aircraft based at Naval Air Station Oceana and Naval Station Norfolk. The OLF will directly support the Department’s ability to meet its national defense commitments under the FRP and provide naval aviators critical training in conditions most comparable to the at-sea operating environment they will face. In response to public comments regarding the previous site alternatives, the Navy has terminated the draft Supplemental Environmental Impact Statement (EIS) and will initiate a new EIS that examines five new site alternatives, three in Virginia and two in North Carolina, based upon new information provided by officials in those states. I ask for your continued support as we work with the Congress and the States of Virginia and North Carolina to preserve and improve the installation and range capabilities needed to properly train our young men and women before we send them into harms way.

Marine Mammals and Active Sonar.—The most critical readiness issue relates to the Navy’s ability to train using active sonar while minimizing the effect on marine mammals. One of the most challenging threats that our Naval forces face is modern, quiet diesel-electric submarines. These submarines employ state-of-the-art silencing technologies and other advances, such as special hull treatments, that make them almost undetectable with passive sonar and also reduce their vulnerability to detection with active sonar. A diesel-electric submarine so equipped can covertly operate in coastal and open ocean areas, blocking Navy access to combat zones and increasing United States vessels’ vulnerability to torpedo and anti-ship missile attacks. Currently, over 40 countries operate more than 300 diesel-electric submarines worldwide, including potential adversaries in the Asia-Pacific and Middle East

areas. Naval strike groups are continuously deployed to these high-threat areas. Training with the use of mid-frequency active (MFA) sonar is a vital component of pre-deployment training. The tactical use of MFA sonar is the best means of detecting potentially hostile, quiet, diesel-electric submarines. The inability to train effectively with active sonar literally puts the lives of thousands of Americans at risk.

In January 2008, a federal district court issued an injunction precluding the Navy's ability to train effectively with MFA in critical exercises scheduled to occur in the Southern California Operating Area through January 2009, creating an unacceptable risk that strike groups may not be certified for deployment in support of world-wide operational and combat activities. Because the Composite Unit Training Exercises and the Joint Task Force Exercises off Southern California are critical to the ability to deploy strike groups ready for combat, the President concluded that continuing to train with MFA in these exercises is in the paramount interest of the United States and granted a temporary exemption from the requirements of the Coastal Zone Management Act for use of MFA sonar in these exercises through January 2009. Additionally, the Council on Environmental Quality (CEQ) concluded that the risk that strike groups might not be certified constituted an emergency circumstance requiring alternative National Environmental Policy Act arrangements. These alternative arrangements were accepted by the Navy. Despite these developments, the trial court refused to set aside the injunction. As a result the Navy appealed the court's refusal to give effect to the President's and CEQ's actions by dissolving the injunction and the court's failure to properly tailor the injunction in the first place to allow the Navy to train effectively. On February 29, the Ninth Circuit upheld the trial court. Acknowledging the Chief of Naval Operations' (CNO's) concern that the injunction issued by the trial court in its current form will "unacceptably risk" effective training and strike group certification, however, the Ninth Circuit also temporarily and partially stayed several features of the injunction. This temporary and partial stay should allow us to complete two training exercises this month, which are critical to preparing two strike groups for deployment.

The Department continues to be a good steward of the environment, while providing the necessary training that is essential to national security and ensures the safety of our people. The Department is engaged in a comprehensive effort to ensure compliance with the National Environmental Policy Act, Marine Mammal Protection Act, Endangered Species Act, Coastal Zone Management Act, National Marine Sanctuaries Act, and Executive Order 12114. Twelve EISs are in development with associated Records of Decision (ROD) scheduled for issuance by the end of calendar year 2009. The Navy implements twenty-nine protective measures developed in conjunction with the National Marine Fisheries Service, the Federal regulator responsible for oversight and implementation of the Marine Mammal Protection Act. These measures afford significant protection to marine mammals while maintaining training fidelity. The Navy has steadily increased funding for marine mammal research from \$12.5 million in fiscal year 2004 to \$22 million in fiscal year 2009. The Navy's financial commitment constitutes more than half of the world-wide funding for research on the effects of anthropogenic sound on marine mammals. Over the past several years, tremendous progress has been made in expanding the scientific base of knowledge, especially concerning the species identified as the most sensitive to mid-frequency active sonar, deep diving beaked whales. The Navy, working with the National Marine Fisheries Service, is engaged in a three-year controlled exposure study of sound on whales at the Navy's Atlantic Undersea Test and Evaluation Center in the Bahamas. This study, along with other research, development, test and evaluation efforts, will provide further information needed to understand and effectively mitigate the effects of active sonar on marine mammals.

TAKE CARE OF OUR PEOPLE

In 2007 the Department implemented a Human Capital Strategy that focuses on our most valuable asset, the Department's people. In the strategy, the Department addresses the changes in warfare, workforce, technologies, and processes and lays out the strategic objective to produce and employ the right people with the right skills to support or accomplish 21st Century Naval missions. The development and retention of quality people is vital to our continued success. The Department of the Navy is committed to sustaining quality of service and quality of life programs, including training, compensation, promotion opportunities, health care, housing, and reasonable operational and personnel tempo. The cost of manpower is the single greatest component in the fiscal year 2009 budget. The fiscal year 2009 budget requests \$41.6 billion for Military Personnel and includes a 3.4 percent Military Personnel pay raise. This investment is critical to ensuring a Naval force with the highest levels of ability and character.

Comprehensive Care.—As Secretary of Defense Gates has stated, “Apart from the war itself, we have no higher priority (than to take care of our Wounded, Ill, and Injured).” Over the sustained combat operations in the GWOT, the Department has endured the loss of over 830 Marines and 75 Sailors killed in action, and over 8,500 Marines and 600 Sailors wounded in action. These Marines and Sailors and their survivors deserve the highest priority care, respect and treatment for their sacrifices. We must ensure our wounded warriors and families receive the appropriate care, training and financial support they need. Failing them will undermine the trust and confidence of the American people. Consequently, the Department of the Navy initiated a Comprehensive Casualty Care effort in March 2007 to ensure visibility of the full range of needs of service members and their family members and the coordination and expedient delivery of clinical and non-clinical services throughout the continuum of care. Among the initiatives pursued under this effort was a Lean Six Sigma mapping of the casualty care process to identify areas of patient transitions, gaps in service, and unmet needs across key functional service areas to include: Medical, Pay, and Personnel, Family Support, Case Management, Information Technology, and the Disability Evaluation System. The following sections provide some specific examples of the Department’s actions and plans for improving care for our people.

Combat Casualty Care.—Navy Medicine provides combat casualty care to Navy and Marine Corps units, on Expeditionary Medical Facilities, aboard casualty receiving/treatment ships and hospital ships, and in military hospitals. Recent advances in force protection, battlefield medicine, combat/operational stress control, and medical evaluation have led to improved survival rates for wounded (approximately 97 percent) and enhanced combat effectiveness. In September 2007 Naval Medical Center San Diego stood-up a Comprehensive Combat Casualty Care Center providing inpatient and outpatient services to all levels of combat casualties, including rehabilitative, mental health and prosthetic care. The unit is the military’s first and only center for amputee care on the West Coast. This year the Marine Corps is reorganizing Medical Battalions and fielding the Family of Field Medical Equipment, modernizing 34 different medical systems such as the Traumatic Brain Injury (TBI) scanner and the Airframe First Aid Kit.

Wounded Warrior and Safe Harbor.—In fiscal year 2007 the Marine Corps expanded its existing programs by establishing the Wounded Warrior Regiment with a Wounded Warrior Battalion on each coast to provide better continuity of care for wounded warriors. Specifically, these organizations provide wounded warriors a location to recuperate and transition in proximity to family and parent units. The Navy has a number of programs ensuring care for all wounded, ill and injured Sailors and their families. Those severely wounded, ill, and injured Sailors and their families receive non-medical case management and advocacy from the Navy’s Safe Harbor Program. Safe Harbor provides assistance in dealing with personal challenges from the time of injury through return to duty or transition to civilian life.

Post Traumatic Stress Disorder.—Specific improvements for post traumatic stress disorder include both preventive and post deployment care. The Marine Corps is employing Operational Stress Control and Readiness teams to provide early intervention, outreach, and prevention at the unit level in close proximity to operational missions, reducing stigma associated with conventional mental health care. The Navy is enhancing the Operational Stress Control Program and is completing phase two of the in-theater Behavioral Health Needs Assessment Survey to identify mental health needs, guide development of appropriate prevention and treatment programs, and ensure adequate in-theater mental health support. To date in fiscal year 2008, Navy Medicine expanded the Deployment Health Clinic (DHC) concept to a total of 17 Centers. These DHCs logged over 30,000 visits encompassing the entire range of post deployment healthcare symptoms. These clinics are designed to be easily accessible, non-stigmatizing portals for effective assessment and treatment of deployment-related mental health issues. Three additional DHCs are planned for 2008. Specialized training is also being provided to the Chaplain Corps and non-mental health medical personnel to include mind, body and spiritual practices. Augmenting the ability to deliver the highest quality of Psychological Healthcare available, Navy Medicine committed \$7 million to stand-up a Naval Center for the Study of Combat Stress that will support all of the varied and diverse mental health needs.

Traumatic Brain Injury (TBI).—The Department is engaged in activities to address TBI and remains committed to the further expansion of TBI research and availability of services for our service members. Navy Medical Research Command uses new techniques to identify transmissibility of blast wave energy into the brain, focusing on the nexus between the blast wave energy transmission and the resulting brain pathology. Navy researchers serve on the Health Affairs Senior Executive Ad-

visory Committee on TBI sensor development and coordinate closely with the U.S. Army Program Executive Office in the development of helmet mounted monitors. The National Naval Medical Center's Traumatic Stress and Brain Injury Program serves blast-exposed or head-injured casualties aero-medically evacuated out of theater. Over 1,082 blast-exposed service members have been evaluated for psychological health and traumatic brain injury. In May 2007, Naval Medical Center San Diego stood up a Traumatic Stress and Brain Injury Program, and in September 2007, Camp Lejeune stood up a similar program.

Physical and Medical Evaluation Boards.—The Department refined the physical and medical evaluation board process to ensure timely, comprehensive and transparent actions balancing the rights of the individual and the needs of the service. Actions include upgrading the Council of Review Board website to provide transition services and links to government agencies with post-service benefits. Additional upgrades are underway to provide a portal for members to monitor case processing. The Department is also participating in the joint DOD-VA Disability Evaluation Pilot in the National Capital Region that is designed to further streamline the process and ensure a smooth transition to civilian life for service members leaving active duty.

Family Readiness.—The Department remains committed to the readiness and resilience of Navy and Marine Corps families, including the spouses, children, parents, and other extended family members committed to caring for Sailors and Marines. To that end, the Department operationalized family support programs to better empower Sailors and Marines to effectively meet the challenges of today's military lifestyle. The Marine Corps is redesigning and enhancing family readiness programs that most directly prepare Marines and their families, including: Unit Family Readiness Program, Marine Corps Family Team Building Program, Exceptional Family Member Program, School Liaison Program, and Children, Youth and Teen Program. As a companion effort, the Marine Corps will address quality of life deficiencies at remote and isolated installations, expand communication connections between separated Marines and their families, and make needed improvements to quality of life facilities and equipment throughout the Marine Corps. The Navy increased emphasis on prevention, education, and counseling to Navy families undergoing frequent and often short notice deployments. It has created school liaison positions to work with school districts and Navy families to ensure teachers and other school officials understand the pressures and issues facing military children. The Navy provides brief, solution-focused clinical counseling services to more family members, as well as increasing home visitation services to new parents who have been identified as requiring parenting support. To better reach Individual Augmentee families who do not live near a military installation but who have access to a computer, the Navy has begun virtual Individual Augmentee Family Discussion Groups to ensure outreach information, referral and ongoing support.

The Department has developed an aggressive child care expansion plan, adding over 4,000 new child care spaces within the next 18 months. This expansion includes construction of new Child Development Centers (including facilities open 24/7), commercial contracts, and expanding military certified home care. Combined, these initiatives will reduce the waiting time for child care from 6–18 months to less than 3 months. To assist parents and children with the challenges of frequent deployments, an additional 100,000 hours of respite child care will be provided for families of deployed service members. In efforts to combat youth obesity, the Navy has implemented a new world-wide youth fitness initiative called "FitFactor" to increase youth interest and awareness in the importance of healthy choices in life.

National Security Personnel System (NSPS).—The Department of the Navy has successfully converted ~30,000 employees into NSPS, with an additional ~30,000 scheduled to convert by 30 October 2008. The DON is already seeing a return on investment: an unprecedented training effort focused on performance management, greater communication between employees and supervisors, people talking about results and mission alignment, and increased flexibility in rewarding exceptional performance. While mindful of new legislative restraints, maintaining key human resource elements of NSPS, including pay-for-performance, is vital to the system's success and the Department's ability to respond to ever-changing national security threats.

Safety.—Fundamental to taking care of Sailors, Marines and DON civilian employees is establishing a culture and environment where safety is an intrinsic component of all decision making, both on and off-duty. Safety and risk management are integrated into on and off duty evolutions to maximize mission readiness and to establish DON as a world class safety organization where no mishap is accepted as the cost of doing business.

The Secretary of Defense established a goal to achieve a 75 percent reduction in baseline fiscal year 2002 mishap rates across DOD by the end of fiscal year 2008. In fiscal year 2007 the DON recorded our lowest number of serious operational mishaps and the lowest rate of serious aviation mishaps in our history.

One particular challenge that we continue to face is loss of Sailors and Marines to fatal accidents on our nation's highways—111 in fiscal year 2007. While our rates are actually better than U.S. national statistics, and fiscal year 2007 was one of our best years ever, we find these losses untenable—we can and must do better. In particular, the growing popularity of sport bikes, or high powered racing motorcycles, represents our biggest challenge. We are restructuring our motorcycle training, and in partnership with the Motorcycle Safety Foundation, we have developed a new hands-on Sport Bike Rider Safety Course. We are also implementing methods and technology to more rapidly assess our personnel to accurately identify those individuals at high risk for private motor vehicle mishaps. They will be targeted for intervention in an effort to further reduce mishaps and our DON risk profile.

PREPARE FOR FUTURE CHALLENGES

Building a Balanced Fleet

Today's Navy and Marine Corps must confront threats in the maritime domain ranging from near-peer competitors, to non-state and transnational actors, to rogue nations and pirates. To meet the challenge the fiscal year 2009 budget provides for a balanced fleet of ships, aircraft and expeditionary capabilities with the fighting power and versatility to carry out blue, green, and brown water missions on a global basis.

To ensure affordability and timely delivery of capabilities will require improvements in the acquisition process—ensuring stable requirements and clarity in design criteria, better program management expertise, and new measures to incentivize contractors to complete programs on cost and within schedule, while delivering a quality product for military use. Military use also includes other factors such as habitability conditions that support quality of life, reduced variability of part types, and supportable logistics and sustainment. In addition, independent cost, schedule, and risk assessments are conducted and used to establish the foundation of program plans.

The Department has launched an acquisition improvement initiative, planning for which has included the Secretary, Chief of Naval Operations (CNO) and Commandant of the Marine Corps (CMC), and which will enforce discipline across the Department without altering existing Office of the Secretary of Defense and Joint Chiefs of Staff-level processes. Actions comprising the acquisition improvement initiative include the following:

Acquisition Governance

Led by CNO/CMC, the requirements phase comprises three “requirements gates:” (1) Approval of Initial Capabilities Document; (2) Approval of Analysis of Alternatives; and (3) Approval of Capabilities Development Document and Concept of Operations. During this phase the focus is on what we buy and the process ensures completeness and unanimity of requirements, agreed upon by top leadership early in the acquisition process.

The acquisition phase, led by the Component Acquisition Executive, consists of three “acquisition gates”: (1) Approval of the System Design Specification; (2) Approval to release the System Development and Demonstration Request for Proposals; and (3) A Sufficiency Review of the entire program. During this phase the focus is on “how we buy”, emphasizing clear system design specifications, leveraging commonality within parts and systems, and the use of open architecture. During this phase CNO and CMC remain in support of the acquisition force to ensure stability in the requirements.

Each “gate review” includes a comprehensive assessment using detailed metrics to determine the health of the program and ensures that the program is ready to proceed through the next phase of the acquisition process. The key benefits are (1) better integration of requirements and acquisition decision processes; (2) improvement of governance and insight into the development, establishment, and execution of acquisition programs; and (3) formalization of a framework to engage senior Naval leadership throughout the review process.

Acquisition Workforce

To reinvigorate the acquisition workforce the Department has aggressively pursued investment in several key areas. Using a model of our total workforce, we've identified certain imbalances and redundancies which Systems Commands and Program Executive Officers will initiate corrective action for in fiscal year 2008. Fur-

ther, the Department will create a common business model across Systems Commands to allow maximum flexibility of workforce utilization while sharpening the skill sets of our acquisition professionals. Further, we are creating common templates for acquisition program leadership that will ensure adequate staffing of programs throughout their life cycle. Notably we have adjusted the programmatic leadership structure of the DDG 1000 and Littoral Combat ships to benefit from these common templates.

Finally, to bolster our acquisition leadership, we have selected a Vice Admiral to serve as Principal Deputy Assistant Secretary for Research Development and Acquisition.

Fiscal Year 2009 Acquisition Programs

Shipbuilding.—The fiscal year 2009 shipbuilding budget provides for seven new ships: one *Virginia*-Class (SSN-774) nuclear-powered attack submarine, one DDG 1000 Destroyer, two Littoral Combat Ships (LCS), two Dry Cargo Ammunition (T-AKE) ships and one Joint High Speed Vehicle (JHSV). The Navy also will procure an additional JHSV for the Army in fiscal year 2009. The budget also includes the next increment of funding for CVN-78; research and development funds for CG(X), the future cruiser; the first increment of funding for the Refueling Complex Overhaul for the U.S.S. *Theodore Roosevelt* (CVN-71); funding for an engineered refueling overhaul for an SSBN; and continued modernization for guided missile cruisers, guided missile destroyers, submarines and aircraft carriers.

Naval Aviation.—The Department of the Navy requires a robust aviation capacity including attack, utility, and lift capabilities. The Department is in the midst of an extensive, long-term consolidation and recapitalization of aircraft in the Naval inventory to achieve a more efficient and effective warfighting force. The fiscal year 2009 budget requests funding for 206 aircraft. The fiscal year 2009 budget supports the acquisition of the F-35 Joint Strike Fighter (JSF), the EA-18G Growler, the MV-22B, the KC-130J, the E-2D; the MH-60, the UH-1Y and AH-1Z helicopters; and the continued development of the P-8A Multi-Mission Maritime Aircraft (MMA), the CH-53K and VH-71 programs.

The Department will continue to recapitalize our aging inventory with upgrades or new variants of existing aircraft where suitable and cost effective. For example, the Navy helicopter community is replacing six different aircraft with the MH-60R and MH-60S, while the Marine Corps is buying the UH-1Y, AH-1Z and CH-53K to replace older variants of those aircraft.

Command, Control, Communications, Computers (C4).—Effective C4 capabilities are key to ensuring that our forces have accurate situational understanding to enable decision superiority. The Navy and Marine Corps have planned several programs to deliver agile and interoperable network-centric capabilities to ensure success for Naval, Joint and Coalition forces, including naval contributions to the National Security Space. The Department is planning the replacement for the Navy Marine Corps Intranet with the Next Generation Enterprise Network. The Marine Corps is developing the Command and Control Harmonization Strategy. Capitalizing on emerging capabilities such as the Tactical Communications Modernization Program and the Very Small Aperture Terminal, the Marine Corps intends to deliver an end-to-end integrated, cross functional capability across the force.

Intelligence, Surveillance and Reconnaissance (ISR).—The Navy and Marine Corps are in the process of reviewing current ISR capabilities and formulating a long-term ISR strategy. This strategy, when completed, will ensure the Department's current and future ISR capabilities are used to the fullest extent possible and will maximize the use of other services' and national capabilities to enhance the Department's variety of missions. The Marine Corps' use of Department of Army's unmanned aircraft system, Shadow, is an example of leveraging another service's capability. Shadow meets the Marine Corps requirements for a transportable ISR asset capable of providing tactical commanders with day and night, battlefield and maritime reconnaissance. The Navy, with unique maritime domain ISR requirements, is integrating manned and unmanned capabilities with the Broad Area Maritime Surveillance (BAMS) Unmanned Aircraft System (UAS) and the P-8A program. The BAMS UAS will provide a persistent, multi-sensor, maritime intelligence, surveillance, and reconnaissance capability with worldwide access. Additionally, the Department of the Navy is working closely with the Office of the Under Secretary of the Defense for Intelligence to ensure the current Distributed Common Ground System—Navy and Marine Corp family of systems meet DOD standards, share technology and minimize duplication.

Maritime Domain Awareness.—The responsibility for Global Maritime Security lies with many departments, agencies, and organizations across the spectrum of our government, international partners, and industry. Each of these stakeholders bring

a part of the solution, and taking the lead in establishing a global capability from those parts is one of the single most important new steps of the Department of the Navy. Protection of the global maritime domain is fundamental to our national security, and requires an integrated approach across the Naval forces, with our Federal maritime partners, with certain State and local authorities, and indeed with the entire global maritime community. We have embarked on the organizational behavior changes necessary to bring those disparate stakeholders together, and are investing in creation of an enduring operational capability for the Nation.

Infrastructure Investment

Facilities.—The fiscal year 2009 budget requests \$3.2 billion for military construction projects at active and reserve Navy and Marine Corps bases, a substantial increase over the enacted \$2.3 billion in fiscal year 2008. Much of the funding growth is to build training and housing facilities to support the Marine Corps growth in end strength over the next five years. Both Navy and Marine Corps will sustain existing facilities at 90 percent of the DOD model requirement.

Base Realignment and Closure (BRAC).—The fiscal year 2009 budget requests \$871.5 million to continue implementation of the 2005 BRAC Commission recommendations. This request invests in construction (including planning and design) and operational movements at key closure and realignment locations. Fiscal year 2009 plans may require some adjustment to ensure consistency with the approved fiscal year 2008 budget.

Walter Reed National Medical Center Bethesda.—BRAC action 169 called for closure of Walter Reed Army Medical Center, realignment of tertiary and complex care missions to National Naval Medical Center Bethesda, and establishment of Walter Reed National Military Medical Center Bethesda. The Department of Defense approved an expanded scope and acceleration of the original program. The Naval Facilities Engineering Command is managing the EIS for Bethesda and a ROD is scheduled for May 2008.

Family and Bachelor Housing.—Privatization for housing in the continental United States is on its way towards completion. The privatization of unaccompanied housing is proceeding smoothly at our first pilot project in San Diego. The construction of new apartments is well underway with completion of the first building scheduled for December 2008. Moreover, the project won an industry customer service award in its first year of operation in recognition of the dramatic improvement in resident satisfaction in existing housing that was privatized. We have broken ground on our second pilot project in Hampton Roads in our effort to bring the benefits of bachelor housing privatization to Sailors on the East Coast. This year's budget reflects the continuation of the Marine Corps' quality of life initiative to construct additional housing to address the substantial, long-standing shortfall of adequate housing for single Marines. The objective is to provide quality bachelor housing for all sergeants and below for our "pre-grow the force" end strength by fiscal year 2012 and to support 202,000 Marines by fiscal year 2014. Our fiscal year 2009 budget request also includes a military construction project to replace bachelor housing at Naval Station San Clemente, completing elimination of inadequate bachelor housing in the Department.

Wounded Warrior Housing.—The Department of the Navy completed inspections of all housing for wounded, ill, and injured to ensure quality and accessible living quarters. Annual inspections will ensure continued oversight by Department of the Navy leadership. In addition, Wounded Warrior Barracks are under construction at Camp Lejeune and Camp Pendleton. Both barracks will provide 100 two-person American with Disabilities Act compliant rooms allowing for surge capability.

Marine Corps Relocation to Guam.—The fiscal year 2009 budget continues detailed studies, plans and environmental analyses for the U.S./Government of Japan Defense Policy Review Initiative (DPRI) to relocate about 8,000 Marines and their dependents from Okinawa, Japan to Guam by 2014. The facilities, housing, logistics and environmental requirements are being developed from the ground up to support mission requirements as well as business-case prudence. The measured investment in fiscal year 2009 is crucial to the five-year \$10.27 billion (\$4.18 billion from the United States and \$6.09 billion from the Government of Japan) construction program scheduled to commence in fiscal year 2010.

Naval Station Mayport.—The Navy is preparing an EIS that examines several alternatives for best utilizing the facilities and capabilities of Naval Station Mayport after the retirement of the U.S.S. *John F Kennedy* (CV 67). The options being evaluated include: Cruiser/Destroyer (CRUDES) homeporting; Amphibious Assault Ship (LHD) homeporting; Nuclear-Powered Aircraft Carrier (CVN) capable; CVN homeporting; and Amphibious Ready Group (ARG) homeporting.

Preparation of the Mayport EIS is on schedule. The draft EIS is scheduled for release in March 2008, with the final EIS expected in December 2008 and the ROD in January 2009.

Environmental Stewardship

Energy Initiatives.—Energy efficiency is key to reducing life cycle costs and increasing the sustainability of installations and facilities. The Department has led the way in supporting the Energy Policy Act of 2005 (EPAct05) by adopting the Leadership in Energy and Environmental Design (LEED) Silver standard as a primary consideration for all DON military construction projects. Using the LEED Silver standard, new energy-efficient projects have been completed on several installations, including Recruit Training Center Great Lakes and Naval Amphibious Base Little Creek. DON also has a comprehensive energy program responding to the requirements of EPAct05 and Presidential Executive Order 13423, evidenced by an 8.85 percent reduction in fiscal year 2007 energy consumption and an extensive renewable energy program.

Minimizing the overall environmental effects.—The recently-announced Low-Impact Development (LID) policy is an example of how the Department is emphasizing reduction of impact to the environment. The goal of the policy is “no net increase” in the amount of nutrients, sediment, and storm water escaping into the watersheds surrounding facilities and installations. The use of cost-effective LID Best Management Practices such as rainwater collection systems in construction and renovation projects is central to achieving this goal.

Alternative Fuels.—The Department has been a leader in the use of alternative fuels. The Navy and Marine Corps both reduced petroleum consumption in their vehicle fleets by more than 25 percent from 1999 to 2006, and together used almost two million gallons of biodiesel in 2006. Further gains in alternative fuel implementation will be supported by the Department’s new Petroleum Reduction and Alternative Fuel Vehicle Strategy, which challenges the Navy and Marine Corps to build on already substantial progress to meet and exceed the established Federal goals contained in Executive Order 13423 and the Energy Independence and Security Act of 2007. We are also expanding our use of alternative fuels in our tactical fleet, to include ships, aircraft and ground vehicles. In fiscal year 2009 we will lay the groundwork for a testing and certification program for alternative fuel use. The Navy is also actively pursuing energy conservation initiatives, through energy conserving alterations in propulsion plants and conservation practices in operations.

MANAGEMENT PROCESS IMPROVEMENT

Complementary action to our acquisition improvement initiatives is our commitment to enhance process improvement across the Department of the Navy to increase efficiency and effectiveness and responsible use of resources. The Enterprise Resource Planning (ERP) program, planned for implementation throughout the Department, began initial implementation at Naval Air Systems Command in October 2007. It is an integrated business management system that modernizes and standardizes business operations and provides management visibility across the enterprise. The Department continues to champion the use of Lean Six Sigma as the primary toolset as a means toward increasing readiness and utilizing resources efficiently. Over 4,420 leaders have completed Lean Six Sigma training, and there are over 2,000 projects underway. The Department’s Financial Improvement Program leverages ERP and strengthens control of financial reporting. The Marine Corps expects to be the first military service to achieve audit readiness.

A major process improvement initiative to ensure that the Department applies fundamental business precepts to its management is the Secretary of the Navy’s Monthly Review (SMR). The SMR is a senior leadership forum, involving CNO, CMC and Assistant Secretaries, designed to afford greater transparency across the Department and set into motion actions that garner maximum effectiveness and efficiency for the Department. The SMR reviews a portfolio of the bulk of Department activities and programs involving manpower, readiness, acquisition, infrastructure, etc. Using Lean Six Sigma tools and other business tools, this forum reviews the most urgent issues and discusses and implements appropriate solutions. Ultimately, this monthly interaction serves as a means to synchronize the Department’s actions to comprehensively address complex problems, accomplish strategic objectives, and better position for challenges in the future.

The Department will incorporate the Chief Management Officer (CMO) into the Secretariat in fiscal year 2008. The CMO will have responsibility for improving Department business operations to carry out objectives. These initiatives are all steps to make process improvement a way of thinking in carrying out daily business throughout the organization.

CONCLUSION

Thank you for this opportunity to report to you on the Department of the Navy. I provide the fiscal year 2009 budget to you and ask for your support for this plan that will enable the Department to prevail in GWOT, take care of our people and prepare for future challenges. The uniformed men and women of the Department of the Navy, and our civilian workforce, depend on our collective support and leadership. I appreciate the opportunity to set forth the President's fiscal year 2009 budget and look forward to working with you in furtherance of our maritime capabilities and our national security.

Senator INOUE. Mr. Chief of Naval Operations, do you wish to testify?

STATEMENT OF ADMIRAL GARY ROUGHEAD, CHIEF OF NAVAL OPERATIONS

Admiral ROUGHEAD. Chairman Inouye, Senator Stevens, distinguished members of the subcommittee. On behalf of our 600,000 sailors, Navy civilians, and families, it's an honor to appear before you today. And together, with Secretary Winter and General Conway, I'm privileged to be part of this leadership team that provides for our Nation's safety, security, and prosperity.

Today, your Navy stands ready with the agility, the flexibility, and the competence to do what no other Navy in the world can do. Three weeks ago, we successfully and temporarily converted a portion of our Sea-based Ballistic Missile Defense Program to engage a failing satellite. Sea-based ballistic missile defense is here, it is real, and it works, but that is only a part of what your Navy delivers to our Nation.

We are exercising our new maritime strategy every day, a strategy that is more than just a glossy brochure. Our carriers are projecting power in the Arabian Gulf, our destroyers are demonstrating our resolve in the Mediterranean, an amphibious ship is engaged in counterpiracy operations on the east coast of Africa, and another is delivering humanitarian assistance on the west coast of that continent, our frigates are intercepting drug traffickers in the Caribbean Sea, and our Riverine Forces are patrolling vital infrastructure on the Euphrates River in Iraq, and our submarines patrol silently around the globe. We have 118 ships and over 58,000 people on deployment, out and about, doing the work of the Nation. But as you so well know, our operations come at a cost to our people, current readiness, and the future fleet, those are my three focus areas.

Our people, our sailors, marines, and their families know they have your support. We must continue to invest in their futures, and in the young men and women of America, who will follow in their wake. In the context of this generational war, it is imperative that we continue to care for our wounded warriors and support the healthcare needs of all of our sailors and Navy civilians. Likewise, your support for the critical skills, re-enlistment bonuses, has enabled us to retain the sailors we need. Supporting our future force cannot be done without readiness to fight today.

To this end, quality shore installations, responsive depot-level maintenance facilities, an unfettered ability to train responsibly are necessities. Where area access and shore support is denied, the Commandant and I have been moving forward together with a sea-basing alternative. These elements are essential to support our

fleet response plan, which has enabled us to meet requirements and will sustain us through the requested temporary carrier force level adjustment.

Of my three focus areas, building tomorrow's Navy to be a balanced, appropriately sized force, is the most immediate imperative and challenge. Fiscal realities, however, have led us to assume more risk in ship building, ship operations, and weapons. Achieving the 313 ship floor, at current funding levels, will require us to improve processes, collaborate with industry, and make difficult decisions in the near term.

I am pleased that the first two DDG 1000 contracts have been awarded. Our surface combatants are an essential element of our force, and it is important that we do not raid the combatant line as we build to 313 ships. I remain strongly committed to funding those programs that provide critical capabilities to our forces. There is no substitute for the littoral combat ship in closing the littoral capability gap. Current F/A-18 Hornets are needed to swage a 2016 strike fighter shortfall. Surface combatant superiority will be maintained through DDG 51 modernization. Multimission maritime aircraft will recapitalize our maritime patrol, antisubmarine warfare capabilities. And sea-based ballistic missile defense will ensure future theater and national defense and enable access for our joint forces.

These critical programs for our future fleet require appropriate, disciplined investments now. The 2009 budget and its associated force-structure plans will meet our current challenges with a moderate degree of risk. Clearly, we have many challenges, of which building tomorrow's fleet is the greatest, but with these challenges is our opportunity to have a balanced and global fleet, which will defend the Nation and assure our prosperity for generations to come.

PREPARED STATEMENT

On behalf of our sailors, our Navy civilians, and our families, thank you again for the opportunity to appear before you today, and thank you for your support of what we do today and what we will do tomorrow. And I look forward to your questions.

Senator INOUE. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL GARY ROUGHEAD

INTRODUCTION

Chairman Inouye, Senator Stevens, and members of the Committee, it is an honor to appear before you today representing the nearly 600,000 men and women, Sailors and civilians of our Navy. In 2007, the Navy answered all bells. Surge and rotational expeditionary forces performed brilliantly and we responded to global contingencies and requirements. The fiscal year 2009 budget and its associated force structure plans represent the capabilities needed to meet current challenges with a moderate degree of risk. I appreciate your continued support as our Navy defends our nation and our vital national interests.

In 2007, the Navy, Marine Corps, and Coast Guard released the Cooperative Strategy for 21st Century Seapower. The strategy represents unprecedented collaboration among the three Services. It also incorporates input from American citizens obtained through a series of "Conversations with the Country" that included the maritime Services, business and academic leaders, and the general public.

The maritime strategy is aligned with the President's National Strategy for Maritime Security and the objectives articulated in the National Security Strategy, the National Defense Strategy, and the National Military Strategy. It recognizes that the maritime domain is vital to national security and prosperity. Nearly three-quarters of the Earth's surface is water; 80 percent of the world's population lives on or near coastlines; and 90 percent of the world's trade, including two-thirds of the world's petroleum, moves on the oceans to market. The oceans connect us to populations around the world and our Navy's presence and active engagement is vital to our collective security.

In addition to the Navy's engagement in Iraq and Afghanistan, international military, political, and economic events beyond those borders have direct and indirect implications for the Navy. Examples include China's rapid build up of a blue water navy and their development of cyber and space warfighting capabilities. Russia's first Mediterranean deployment in 15 years and increased defense spending demonstrate their desire to emerge as a global naval power. North Korea's long-range ballistic missile program and their missile proliferation history reinforce the need for a credible, forward deployed ballistic missile defense capability. Militaries in Central and South American seek aircraft and submarines to back their regional and international objectives. Iran's confrontational activities at sea this past January, when the USS PORT ROYAL, USS HOPPER, and USS INGRAHAM encountered five small Iranian boats operating provocatively in the Strait of Hormuz, heightened tensions. Conflict is likely to continue into the future and the Navy's global commitments are likely to increase. As U.S. ground forces reset, reconstitute, and revitalize, the Navy will remain on station to respond to threats and crises.

The new maritime strategy recognizes the many existing and potential challenges to national security and prosperity. To address these challenges, the strategy articulates six core capabilities our maritime Services provide: forward presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster response (HA/DR). The first four capabilities are paramount because they enable the defense of our nation and its interests. Forward presence, deterrence, sea control, and power projection must remain the cornerstones of what makes our Navy a dominant global force.

The Navy will continue to enhance cooperation with existing and emerging partners and build bridges of trust among the international community. Proactive global involvement is a strategic imperative for the Navy and our nation, since trust cannot be surged in times of crisis.

Execution of the maritime strategy is already underway in current operations. As we plan and resource for the future, the maritime strategy will guide our efforts. The execution of our current readiness and force structure plans faces many challenges, but affordability is the most pressing. I refuse to cede our technological advantage to competitors; however current readiness, manpower, and escalating procurement costs make pacing the threat exceptionally difficult. We will continue to improve processes, work with industry, and maximize cost saving initiatives. Stable procurement plans must be affordable and realistic to deliver the balanced future Fleet. While I am satisfied that the force structure plans deliver required capabilities, the balance among capability, affordability, and executability in these plans is not optimal. This imbalance has the potential to increase significantly warfighting, personnel, and force structure risk in the future.

Our operations, people, and equipment continue to serve our nation well, but it comes at a significant cost. It is my duty as CNO to ensure our Navy is always ready to answer our nation's call anytime, anywhere, now and in the future. This duty shapes my priorities and will influence the decisions and recommendations I will make regarding the future of our Navy.

PRIORITIES FOR FISCAL YEAR 2009

My vision for the Navy is that we remain the preeminent maritime power, providing our country a naval expeditionary force committed to global security and prosperity. We will defend our homeland and our nation's vital interests around the world. We will prevent war, dominate any threat, and decisively defeat any adversary. The Navy will remain a powerful component of Joint warfare by exploiting cutting edge technology and cooperating closely with the other Services, the inter-agency community, allies, and international partners. We will remain a superbly trained and led team of diverse Sailors and civilians, who are grounded in our warfighting ethos, core values, and commitment to mission readiness and accomplishment.

To achieve this vision, the Navy must address existing and emerging challenges and create new opportunities. My priorities are to: Build tomorrow's Navy, remain ready to fight today, and develop and support our Sailors and Navy civilians.

I will demand that we accurately articulate requirements and remain disciplined in our processes. Achieving the right balance within and across these focus areas will provide dominant seapower for our nation, today and tomorrow.

Building Tomorrow's Navy

Our Fleet must have the right balance of capability and the capacity. Three hundred thirteen ships represent the minimum force necessary to provide the global reach, persistent presence, and strategic, operational, and tactical effects. Our fiscal year 2009 budget requests seven new ships: two LCS, one DDG 1000, one SSN, two T-AKE, and one JHSV, and 47 new ships over the Future Years Defense Plan (FYDP) (fiscal year 2009–2013). I support a stable shipbuilding plan that provides an affordable, balanced force and preserves our nation's industrial base. I intend to develop further our Navy's relationship with industry to reinforce our commitment to a stable shipbuilding plan.

As we pursue operational capability at reduced cost, we take into account several industrial factors. Level loading of ship and aircraft procurements help sustain appropriate employment levels, retain skills, and promote a healthy U.S. shipbuilding industrial base. Common hull forms, common components, and repeat builds of ships and aircraft that permit longer production runs also reduce construction costs. Our Navy's shipbuilding plans incorporate open architecture for hardware and software systems and they increase the use of system modularity. These initiatives reduce the cost of maintenance and system upgrades, and keep the Navy's Fleet in service longer.

I seek your support for the following initiatives and programs:

Aircraft Carrier Force Structure

The Navy is committed fully to maintaining an aircraft carrier force of 11. During the 33-month period between the planned 2012 decommissioning of USS ENTERPRISE and the 2015 delivery of USS GERALD FORD, however, legislative relief is requested to temporarily reduce the carrier force to 10. Extending ENTERPRISE to 2015 involves significant technical risk, challenges manpower and industrial bases, and requires expenditures in excess of two billion dollars. Extending ENTERPRISE would result in only a minor gain in carrier operational availability and adversely impact carrier maintenance periods and operational availability in future years. We are adjusting carrier maintenance schedules to support the Fleet Response Plan (FRP) and ensure a responsive carrier force for the nation during this proposed 10-carrier period. I urge your support for this legislative proposal.

Littoral Combat Ship (LCS)

LCS fills critical warfighting requirements. It offers speed, draft, and modularity that no other ship offers. USS FREEDOM (LCS-1) and USS INDEPENDENCE (LCS-2) enter service soon and their performance at sea will enable us to decide on the appropriate acquisition strategy for the class. Controlling and reducing LCS costs are key to an affordable shipbuilding plan and we have already improved management oversight, implemented stricter cost controls, and incorporated selective contract restructuring to ensure delivery on a realistic schedule. Although recent changes to the LCS program resulted in the reduction of 13 ships across the FYDP, I remain committed to procuring 55 LCS by fiscal year 2023. I appreciate your continued support for this important ship class, including our fiscal year 2009 request for \$1.47 billion for procurement of two additional ships and associated modules and continued research and development (R&D).

Joint Strike Fighter (JSF)

The increased operational tempo (OPTEMPO) of our legacy aircraft is consuming service life at an accelerated rate. The recent groundings of high demand P-3 aircraft highlight the need to bring the next generation of aircraft in service and retire our aging aircraft. The JSF provides expanded capability that will meet the needs of our Navy, Joint Forces, and international partners. Because of the high OPTEMPO of the current strike aircraft fleet, and despite JSF's initial operational capability (IOC) and delivery in 2015, we anticipate a shortfall of strike aircraft from 2016–2025. Further delays in JSF will exacerbate this strike fighter gap. Navy's fiscal year 2009 investment of \$3.4 billion includes procurement of eight aircraft and continued R&D for aircraft and engine development.

CG(X)

The next generation Guided Missile Cruiser CG(X) will be a highly capable major surface combatant tailored for Air and Missile Defense. CG(X) will provide maritime dominance, independent command and control, and forward presence. It will operate as an integral unit of Joint and Combined Forces. The CG(X) design and development program will feature revolutionary acquisition and spiral development practices that incorporate advanced technologies and next generation engineering systems. By replacing the TICONDEROGA (CG 47) class of ships at the end of its 35-year service life, CG(X) capitalizes on the developments made through DDG Modernization and DDG-1000. We are conducting a rigorous analysis to examine alternatives for CG(X) consistent with the National Defense Authorization Act requirement for nuclear power. Our fiscal year 2009 R&D request for \$370 million will support CG(X) and associated radar development.

DDG 1000

Congressional approval of split funding for the dual lead DDG 1000 ships supports an acquisition approach that motivates cooperative completion of detail design. Collaboration between Northrop Grumman Ship Systems and Bath Iron Works during the detail design process has enabled these shipyards to produce the two lead ships simultaneously. Consequently, the DDG 1000 detail design will be more mature prior to start of construction than any previous shipbuilding program. Our budget request in fiscal year 2009 will procure the third ship of the class.

Ballistic Missile Defense (BMD)

The increasing development and proliferation of ballistic missiles can threaten the homeland and our friends and allies. Ballistic missiles can also impede our military operations. Maritime ballistic missile defense provides protection for forward-deployed joint forces and regional allies while contributing to the larger defense of the United States through the Ballistic Missile Defense System (BMDS). Maritime ballistic missile defense directly contributes to the Navy's core capability of deterrence, and enables our core capabilities of power projection and sea control. The Aegis BMD directorate of the Missile Defense Agency has developed the Navy's BMD capability which is installed on 17 ships including three cruisers and 14 guided missile destroyers with installations continuing in 2008. These Navy surface ships support the BMDS by cueing ground-based sensors and intercepting Short to Intermediate Range Ballistic Missiles with ship-based interceptors (SM-3 missiles). The Near Term Sea-Based Terminal Program provides the ability to engage a limited set of Short Range Ballistic Missiles (SRBMs) with modified SM-2 Block IV missiles. The Navy will continue to work closely with the Missile Defense Agency to deliver improved capability and capacity to defend against this proliferating threat. While development and procurement funding is covered under the Missile Defense Agency budget, Navy has committed \$16.5 million in fiscal year 2009 for operations and sustainment of Aegis BMD systems.

Navy Networks

Afloat and ashore networks enable warfighting command and control capability. Data, hardware, and applications must be arranged in a way that enables rapid upgrades to accommodate exponential increases in demand. Incorporation of open architecture and common computing environment in our networks will require us to redesign network architecture to free us from proprietary control. Open architecture will drive us to commonality and standardization, introduce efficiencies, promote better data protection, and network security. It will also allow our future war fighters to fight collaboratively and more effectively.

The first step in achieving this new network architecture is putting it to sea. The Consolidated Afloat Networks and Enterprise Services (CANES) system achieves an open, agile, flexible and affordable network architecture that will move us forward. CANES embraces cross-domain solutions that enable enhanced movement of data. It is a revolutionary change in our information technology infrastructure and it is absolutely vital for us to excel in 21st century warfare. \$21.6 million is aligned to CANES in the fiscal year 2009 budget request, all of which is redirected from existing budget lines.

Research and Development

Science and Technology (S&T) give the Navy warfighting advantage. Last year the Secretary of the Navy, the Commandant of the Marine Corps, and my predecessor completed and published a combined Naval S&T strategy that ensures our investments accomplish the vision and goals of the Navy and Marine Corps. Selecting research for future Naval force capabilities must be balanced with fiscal realities. The S&T strategy identifies thirteen research focus areas and sets high-level

objectives that guide investment decisions. S&T investments present a balance between applied science, focused on near term challenges, and basic research that advances the frontiers of science. We aggressively focus on transitioning S&T into programs of record and push these programs of record out to the Fleet through our Future Naval Capabilities program at the Office of Naval Research (ONR). The fiscal year 2009 budget requests \$1.8 billion for Navy's S&T programs, an increase of 6 percent over the requested fiscal year 2008 level.

Ready to Fight Today

Maintaining warfighting readiness demands a Navy that is agile, capable, and ready. As operational demands and Joint Force posture in the Middle East subside, I expect the Navy's posture, positioning, and OPTEMPO to increase, not decrease. OPTEMPO, as expressed in terms of steaming days, reflects the underway time of our conventionally powered ships. OEF/OIF and additional global commitments have caused a significant difference between budgeted and actual steaming days. The Navy has funded this difference with war supplemental funding. Trends indicate that anticipated operational requirements will continue to exceed peacetime levels in fiscal year 2009. Additionally, increased OPTEMPO drives accelerated force structure replacement and higher maintenance and manpower costs that must be funded.

As the nation's strategic reserve, the Navy must be ready to generate persistent seapower anywhere in the world. The Navy must also establish and evolve international relationships to increase security and achieve common interests in the maritime domain.

We generate forces for the current fight and employ our Navy much differently than in years past. We simultaneously provide ready naval forces and personnel for Joint Force Commanders, sustain forward presence, fulfill commitments to allies, and respond to increasing demands in regions where we have not routinely operated, specifically in South America and Africa.

The Fleet Response Plan (FRP) has enhanced our ability to meet COCOM requests for forces for the last six years. FRP provides Naval forces that are well-maintained, properly manned, and appropriately trained to deploy for forward presence and surge missions. FRP increases operational availability and generates more forward presence and surge capability on short notice than was possible in the past. The unscheduled deployment of a second carrier to the Middle East in January 2007 is an example of how FRP provides the nation with options to defend its vital interests. FRP also allows the Navy to respond to global events more robustly while maintaining a structured, deliberate process that ensures continuous availability of trained, ready Navy forces.

Balancing capacity and capability across the spectrum of warfare is essential. The challenge will be maintaining dominance in traditional roles while meeting existing and emerging threats in asymmetric and irregular warfare. My goal is to influence the entire range of military operations from large scale conflict to maritime security and HA/DR. Areas of particular interest to us are:

Anti-Submarine Warfare (ASW): Sonar—The Key ASW Enabler

Submarines remain an immediate threat and their roles and lethality are increasing. More countries are buying submarines; some are building anti-access strategies around them. Maintaining the ability to detect, locate, track, and destroy submarines is essential and our active sonar systems, particularly medium frequency active (MFA) sonar, are the key enablers.

The Navy's use of sonar is being challenged in federal court by various lawsuits which seek to prohibit or severely limit it during vital combat certification exercises, such as those conducted in our Southern California operating areas. In more than 40 years of sonar use in Southern California waters, not a single injury to marine mammals has been linked to sonar. The Navy has worked closely with the National Marine Fisheries Service (NMFS) to establish effective, science-based mitigation measures. By implementing these measures NMFS does not expect adverse population level effects for any marine mammal populations during Fleet training exercises scheduled in Southern California in 2008. MFA sonar provides a robust and absolutely vital capability to detect submarine threats. Limiting our ability to train and exercise with MFA sonar will degrade operational readiness and place our forces at risk.

Our measures provide an appropriate balance between good stewardship of the environment and preparing our forces for deployment and combat operations. Our Sailors must be trained to the best of their abilities with all of the technological tools available to fight and win. It is vital that our Navy be allowed to train and exercise with MFA sonar.

Intelligence

Our Navy provides a vital intelligence, surveillance, and reconnaissance capability around the globe. These capabilities produce warning and awareness in support of the planning and execution of maritime and joint operations. We are expanding our intelligence capability through development of trained human intelligence (HUMINT) personnel, investment in operational intelligence at our Maritime Operation Centers, and expanded synchronization with theater, joint, and national intelligence capabilities.

Maritime Domain Awareness

Maritime security supports the free flow of commerce for all nations. Maritime Domain Awareness is knowing what is moving below, on, and above the sea. Without a high level of Maritime Domain Awareness the free flow of commerce is jeopardized. The goal of Maritime Domain Awareness is to establish a level of security regarding vessels approaching our coastlines, while not infringing upon each nation's sovereignty or sharing inappropriate information.

In partnership with the Coast Guard we established the Office of Global Maritime Situational Awareness (GMSA). GMSA works with the Office of Global Maritime Intelligence Integration in developing the national maritime picture. The first spiral of Maritime Domain Awareness capability arrives in the Central Command and Pacific Command in August 2008 with later spirals in the Atlantic and Caribbean.

Seabasing

Seabasing represents a critical warfighting capability. It will assure access to areas where U.S. military forces are denied basing or support facilities. In the near term, our amphibious and prepositioned ships (including MPF(F)) are the key ships in the seabase. They provide the required lift for the Marine Corps across the range of military operations. These ships and Marines, and the defensive and strike capabilities of our surface combatants and aircraft, provide operational maneuver and assured access for the force while significantly reducing our footprint ashore.

The Navy is exploring innovative operational concepts combining seabasing with adaptive force packaging that will further support national security policy and the Combatant Commanders' objectives worldwide. Our 30-Year Shipbuilding Plan provides for seabasing that covers the spectrum of warfare from Joint Forcible Entry to persistent and cooperative Theater Security Cooperation.

Future Joint Sea Basing requirements are still being defined but will be significantly greater than today's Navy and Marine Corps warfighting capabilities. The next generation long range heavy lift aircraft, joint logistics support system, intratheater lift and sea connectors will provide these future capabilities.

Shore Installations

Our shore installations are extensions of our warfighting capabilities and among our most complex systems. Our installations must be ready to deliver scalable, agile, and adaptive capabilities to meet the requirements of our Fleet, Sailors, and families. We must reverse our historical trend of underinvestment in our shore establishment. I will leverage and expand upon the successes of our Navy Ashore Vision 2030 and enhance the linkage between our installations, our warfighters, mission accomplishment, and quality of service.

In the past, we accepted significant risk in our shore establishment to adequately fund Fleet readiness. As a result, the condition, capability, and current and future readiness of our shore installations degraded to an unacceptable level by industry standards. I directed the implementation of a systematic and consistent approach to assess the material condition of our shore establishments and develop a comprehensive investment strategy to arrest and reverse the decline of our shore establishment.

We will take advantage of every opportunity to leverage the joint capabilities we share with other Services and the capabilities of the supporting communities where we work and live. The power of this leverage is highlighted in our new Public-Private Venture Bachelor Quarters at San Diego and Norfolk. With the authorities granted by Congress and very progressive private partners, we provide our Sailors the best housing I have seen during my naval career. These quarters will have a dramatic impact on Sailors' decisions to reenlist.

We owe our Sailors, their families and our civilian workforce, who selflessly serve our Nation, world-class facilities and services to enhance their productivity and effectiveness and to motivate them to remain in the Navy. The decline in the shore infrastructure must be reversed by a prudent review of current capacity and a forward leaning investment strategy that defines our shore footprint for the foreseeable future. The shore establishment is a critical system for the Navy and provides the

foundation for our training, manning, and equipping. It is imperative we invest and sustain our shore establishment at the right level to ensure a ready, mobile, and capable Navy.

Depot Level Maintenance

The increased OPTEMPO of our ships and aircraft in combat operations elevates the importance of performing timely depot level maintenance. Depot level maintenance ensures continued readiness and the safety of our men and women operating our ships and aircraft. Adequate funding for depot level maintenance ensures we do not incur unnecessary risk by extending our ships and aircraft well past their periodicity of maintenance. In addition to the challenges of maintaining our ships and aircraft, the capacity of the industrial base remains challenging. Consistent, long term agreements for the efficient use of shipyards are necessary to keep our ships and aircraft in the highest states of readiness.

United Nations Convention on the Law of the Sea

The Law of the Sea Convention codifies navigation and overflight rights and high seas freedoms that are essential for the global mobility of our armed forces. It directly supports our National Security Strategy. I believe strongly that the Convention furthers our national security interests. Our maritime security efforts necessitate that we become a party to the Law of the Sea Convention, the bedrock legal instrument in the maritime domain, to which 154 nations are party. Our current non-party status constrains our efforts to develop enduring maritime partnerships. It inhibits our efforts to expand the Proliferation Security Initiative and elevates the level of risk for our Sailors as they undertake operations to preserve navigation rights and freedoms, particularly in areas such as the Strait of Hormuz and Arabian Gulf, and the East and South China Seas. Accession to the Law of the Sea Convention is a priority for our Navy.

Developing and Supporting Our Sailors and Navy Civilians

Our talented and dedicated Sailors and Navy civilians are absolutely essential to our maritime dominance. Attracting, recruiting, and retaining in a competitive workplace is increasingly more expensive. We must devote adequate resources and shape our policies to ensure our people are personally and professionally fulfilled in their service to our nation. We have identified a steady-state force level of 322,000 AC/68,000 RC end strength as the optimum target for our projected force structure. It is critical that future funding sustains this level.

Recruiting, developing, and retaining diverse and highly capable men and women are imperatives. The Navy must address the changing national demographic to remain competitive in today's employment market. Only three out of ten high school graduates meet the minimum criteria for military service. The propensity to serve is declining among youth and more often influencers of these youth, such as parents and teachers, are advising against military service.

"Millennials" are the generation of youth currently entering the workplace and they comprise 43 percent of our Navy. Born into a globalized world saturated with information and technology, Millennials are more accomplished for their age than previous generations. They are a technology-savvy and cyber-connected group who may find the military's hierarchical command and control structure contradictory to the flat social networks they are used to navigating. The different paradigm under which this generation views the world and the workplace has implications for how the Navy attracts, recruits, and retains top talent. Additionally, to better meet the needs of the U.S. Marine Corps, we must increase the through-put at the U.S. Naval Academy. I urge your support of our legislative proposal to increase the number of Midshipmen at the Naval Academy.

The Strategy for Our People ensures we have the best and brightest on our team. The strategy outlines six goals for achieving a total Navy force of Sailors and civilians that is the right size and possesses the right skills to best meet the needs of the Navy. These goals are: capability-driven manpower, a competency-based workforce, effective total force, diversity, being competitive in the marketplace, and being agile, effective, and cost-efficient. Many of the efforts currently underway in support of the strategy are discussed in further detail below.

Recruiting Initiatives

The Navy Recruiting Command is relentless in its pursuit of attracting the best young men and women in America to serve in our Navy. Recruiting priorities are currently focused on attracting personnel for the Naval Special Warfare/Naval Special Operations, nuclear power, medical, and chaplain communities. Recruiting Command is constantly searching for new ways to recruit America's talent. For example, the Medical Leads Assistance Program employs Navy officers as ambassadors for

generating interest in Navy Medicine. In the NSW and Naval Special Operations communities, we provide mentors for recruits before enlistment and during training with the two-fold goal of improving recruiting results and ensuring applicant success at Recruit Training Center (RTC) and Basic Underwater Demolition/SEAL training (BUD/S).

To recruit nuclear-trained officers and chaplains, we encourage our personnel to share their story with the American public. Through visits to college campuses and career fairs, nuclear-trained officers share their experiences of operating nuclear reactors on board carriers and submarines. These visits have improved short-term Nuclear Propulsion Officer Candidate recruiting and our officers will continue to cultivate personal relationships with faculty and university representatives to ensure long-term program health. Through the Reserve Officer Goals Enhance Recruitment (ROGER) program, Reserve chaplains use their network of ministerial relationships to share their experiences as Navy chaplains and provide information on how to become active or Reserve chaplain candidates.

Over the past five years, Navy Reserve Junior Officer recruitment has declined. To encourage young officers to stay Navy, we authorized a mobilization deferral policy for officers who affiliate with the Navy Reserve within the first year after leaving active duty. Combined with a \$10,000 affiliation bonus, we have had some success in improving the recruitment of Reserve officers, but this market remains a challenge. We established a Reserve Retention and Recruiting Working Group to identify near-term and long-term solutions that will achieve sustainable success.

Development Initiatives

Our people deserve personally and professionally fulfilling careers that provide continuous opportunities for development. We offer multiple programs and we partner with outside organizations so that Sailors and Navy civilians can pursue job-relevant training, continuing education, and personal enrichment. One such program is a pilot called "Accelerate to Excellence." This program provides enlisted recruits in specific ratings the opportunity to earn an Associate's Degree at a community college while undergoing specialized training after boot camp.

The Navy also provides developmental opportunities for officers and enlisted personnel through Professional Military Education (PME). PME is designed to prepare leaders for challenges at the tactical, operational, and strategic levels of war. The PME continuum integrates advanced education, Navy-specific PME, Joint PME (JPME) and leadership development in a holistic manner. The competencies, professional knowledge, and critical thinking skills Sailors obtain from PME prepare them for leadership and the effective execution of naval missions. PME graduates are 21st century leaders who possess the capacity to think through uncertainty; develop innovative concepts, capabilities, and strategies; fully exploit advanced technologies, systems, and platforms; understand cultural/regional issues; and conduct operations as part of the Joint force.

Enrollment in JPME courses is up: JPME Phase I in-residence enrollment is up 5 percent; JPME Phase I non-residence enrollment is up 15 percent; JPME Phase II enrollment is up 50 percent. Congressional support to allow Phase II JPME to be taught in a non-residency status would enable Sailors to pursue professional development while continuing their current assignments.

In addition to JPME courses, the Navy supports Joint training through the Navy Continuous Training Environment (NCTE). NCTE is a distributed and simulated Joint and coalition training environment that replicates real-life operations. NCTE integrates into the Joint National Training Capability (JNTC) training architecture and satisfies COCOM requirements at the operational and tactical level.

Retention Initiatives

As the Navy approaches a steady-state force level of 322,000 AC/68,000 RC end strength, attracting and retaining Sailors with the right skills is critical. In fiscal year 2008, the goal is to shift our focus beyond numbers to ensure we have the right skill sets in the right billets at the right time. This approach increases opportunities for advancement and promotion by assigning personnel to positions that utilize and enhance their talents, and emphasizes continued professional growth and development in stages that align to career milestones.

The Navy is also addressing retention through Active Component to Reserve Component (AC2RC) transition. This program is changing the existing paradigm under which a Sailor leaves the Navy at the end of their obligated service and is instead promoting service in the Reserve Component as an alternative to complete detachment. The Perform to Serve (PTS) program screens Zone A Sailors, who are at the end of a four to six year enlistment for reenlistment within their rating or for rating conversion. The Manpower, Personnel, Training, and Education (MPTE) enterprise

is adding RC affiliation to Sailors' PTS options at the end of Zone A enlistment. Additionally, RC affiliation will become increasingly seamless as we shift responsibility from Navy Recruiting Command to Navy Personnel Command.

Taking Care of Families

When a Sailor or civilian joins the Navy team our commitment extends to their family. Mission success depends upon the individual readiness of our people and on the preparedness of their families. Supporting Navy families is critical to mission success.

Keeping families ready and prepared alleviates some of the stress associated with deployments. Our continued commitment to programs and resources that maximize family readiness remains high. We continue to improve and expand child care programs and centers. Crisis management and response procedures coupled with enhanced ombudsman programs demonstrate our commitment to give deployed Sailors confidence that their families are in good hands.

In 2007, Navy programs cared for 45,780 children ages six months to 12 years and served over 70,000 youth, ages 13 to 18, in 124 child development centers, 103 youth centers, and 3,115 on and off-base licensed child development homes. In response to the needs of Navy families, we have launched an aggressive child care expansion plan that adds 4,000 child care spaces within the next 18 months and reduces waiting lists in most places below the current six-month average.

At the end of fiscal year 2007, we successfully privatized 95 percent of the continental U.S. (CONUS) and Hawaii family housing. We aggressively monitor the ratification of Navy housing residents and our Public Private Venture (PPV) efforts are clearly resulting in continuous improvement in the housing and services provided to our Sailors and their families. The ability of the private partner to renovate and replace family housing units at a much quicker pace than MILCON has positively impacted the quality of Navy housing.

Taking care of our families includes proactively reducing financial stresses placed on Sailors and families. We are focused on family counseling in response to increased OPTEMPO as a result of OEF/OIF. We provided one-on-one job search coaching services to 21,730 Navy family members and made 10,830 military spouse employment ready referrals to employers. Fleet and Family Support Center (FFSC) financial educators provided more than 186,000 Sailors and family members seminars/workshops focusing on financial fitness, increased our financial counseling services to military spouses by more than 50 percent, and launched a robust campaign to encourage wealth building and debt reduction.

Health Care

We have some of the best medical professionals in the world serving in the Navy. Health care options the Navy offers its people are valuable recruitment and retention incentives. Still, health care costs are rising faster than inflation. Operations in OEF and OIF increased the demand for medical services in combat and casualty care. Part of this demand is straight forward: our wounded need traditional medical care and rehabilitation services. The other part of this demand is more complex and addresses the increased occurrences of mental health disorders resulting from combat operations. Medical professionals are rapidly learning more about assessing and treating the effects of mental health issues associated with war such as post traumatic stress disorder (PTSD) and traumatic brain injury. We are implementing these lessons to more effectively treat these Sailors.

Wounded Warrior/Safe Harbor Program

Care for combat wounded does not end at the Military Treatment Facility (MTF). The Navy has established the Safe Harbor Program to ensure seamless transition for the seriously wounded from arrival at a CONUS MTF to subsequent rehabilitation and recovery through DOD or the Department of Veterans Affairs (VA). Since its inception, 162 Sailors including 143 Active and 19 Reserve members have joined the program and are being actively tracked and monitored, including 126 personnel severely injured in OEF/OIF. Senior medical staffs personally visit and assist seriously injured Sailors and their families to ensure their needs are being met.

CONCLUSION

We are truly a ready, agile, and global Navy. To ensure that we maintain our naval dominance, we must achieve the optimal balance of building the Navy of tomorrow as we remain engaged and ready to fight today while fully supporting our people.

I will continue to work closely with the Secretary of the Navy, the Commandant of the Marine Corps, Congress, and industry to build the levels of trust and collabo-

ration necessary to resource, acquire, and effectively manage a Fleet of the right size and balance for our nation.

Despite the challenges, I am very optimistic about our future and the many opportunities ahead. The dedication of our Sailors and Navy civilians is inspiring. They are truly making a difference and it is an honor to serve alongside them. I thank you for your continued support and commitment to our Navy and for all you do to make the United States Navy a force for good today and in the future.

ANNEX I—2007—YEAR IN REVIEW

Operations

In 2007, the U.S. Navy deployed the USS ENTERPRISE, DWIGHT D. EISENHOWER, JOHN C. STENNIS, RONALD REAGAN, and NIMITZ Carrier Strike Groups (CSGs) as well as the USS IWO JIMA, BOXER, BATAAN, BONHOMME RICHARD, and KEARSARGE Expeditionary Strike Groups (ESGs) with their embarked Marine Expeditionary Units (MEUs). In January 2007, when the President called for the surge of two carriers to the Central Command (CENTCOM) area of responsibility, we responded. Within weeks we positioned two CSGs in the North Arabian Sea and deployed a third CSG to fulfill our Western Pacific commitments while our forward deployed carrier in Japan completed a maintenance availability. Throughout 2007, our globally postured seapower kept the homeland and our citizens secure from direct attack and advanced our interests around the world.

Our expeditionary forces gave our leaders options for responding not only to emerging threats but to natural disasters as well. Our forward-deployed posture enabled the Navy and Marine Corps to rapidly respond and provide aid following three natural disasters last year. USNS GYSGT FRED W. STOCKHAM provided relief to the victims of the tsunami that struck the Solomon Islands in April 2007. In September 2007, USS WASP and USS SAMUEL B. ROBERTS participated in Central American relief efforts following Hurricane Felix. USS KERSARGE/22nd MEU and USS TARAWA/11th MEU responded to the cyclone that devastated Bangladesh in November 2007.

In 2007 we contributed to the Joint Force with expert planning and execution across the spectrum of operations. When the Air Force grounded its F-15 aircraft, Navy F/A-18 aircraft from USS ENTERPRISE assumed Air Force missions in Afghanistan. This flexibility and continuity allowed our NATO forces and the International Security Assistance Force to continue their missions without degradation in air cover.

Our Navy also contributed high-demand, highly-qualified expeditionary units to OEF and OIF through accelerated deployments of SEABEES, Explosive Ordnance Disposal teams, and SEALs. The Naval Expeditionary Combat Command (NECC), established in 2006, has already deployed RIVRON ONE (March 07) and RIVRON TWO (October 07) in support of OIF. Our riverine capability is growing; RIVRON THREE has been organized, trained and equipped, and will deploy in the spring of 2008. NECC's mission enables our Navy to better balance its force across the blue, green, and brown-water environments, ensuring effective Navy expeditionary warfighting, closing capability gaps, and aligning seams in global maritime security operations. Combatant Commander (COCOM) demand for NECC capabilities remains high. New and evolving expeditionary capabilities are becoming operational and supporting ongoing operations.

Last year the Navy deployed Coast Guard Law Enforcement Detachments (LEDETs) on board our ships and together we disrupted illegal trafficking of more than 188,907 pounds of cocaine. This accounted for more than 53 percent of the total cocaine removed by the Coast Guard in fiscal year 2007 (a record year at 355,755 total pounds). These LEDETs also detained 68 suspected smugglers, seized five vessels, and sunk 13 vessels engaged in illicit traffic.

Our Navy and Coast Guard also worked together in CENTCOM maritime security operations. In the Northern Arabian Gulf we are protecting Iraqi oil platforms, maintaining Iraqi territorial sea integrity, assisting in local policing of the offshore waters, and training Iraqi naval forces. We are working together in OIF, conducting Maritime Interception Operations, high-value asset escorts, and coastal security patrols with coalition and Iraqi naval forces. LEDETs deployed aboard Navy ships have trained hundreds of Iraqi navy and marine personnel in security and law enforcement, boarding procedures, self-defense, small boat tactics, and small boat maintenance. The Navy's African Partnership Station (APS) ship, USS FORT MCHENRY, has coordinated training sessions with the Coast Guard and has embarked Coast Guard Auxiliary members as interpreters for country visits.

In 2007, USNS COMFORT and USS PELELIU conducted two proactive humanitarian assistance missions in South America and the Western Pacific, respectively.

The results were extraordinary. Navy personnel embarked on COMFORT and PELELIU, together with Joint, NGO, and foreign medical officers, visited 20 countries; treated more than 130,000 medical patients, 29,000 dental patients, and 20,000 animals; conducted more than 1,400 surgeries; completed more than 60 engineering endeavors; and spent over 3,000 man-days in community relations projects. These missions of support, compassion, and commitment are enduring and they are codified in our maritime strategy.

We continue to meet COCOM Theater Security Cooperation (TSC) objectives with well-trained, combat ready forces. We are developing the concept of Global Fleet Stations (GFS), which will allow the Navy to coordinate and employ adaptive force packages within a regional area of interest. The pilot GFS, carried out by the High Speed Vessel SWIFT and closely coordinated with the State Department, conducted bilateral engagement activities in seven Latin American nations. This effort enhanced cooperative partnerships with regional maritime services and improved operational readiness for the participating partner nations. We conducted bi-lateral and multi-lateral exercises with navies in the Gulf of Guinea, the Mediterranean Sea, the Arabian Gulf, and waters in Latin America, and the Atlantic, Pacific, and Indian Oceans. The most notable exercises include MALABAR 07-2 with Indian, Japanese, Australian, and Singaporean navies; FRUKUS with French, Russian, and British navies; and PHOENIX EXPRESS with European and North African navies. Meanwhile, Exercise VALIANT SHIELD 2007 brought together three CSGs, six submarines, and many Navy and Joint capabilities to validate our effectiveness in multi-dimensional, full-spectrum, joint warfare. We remain the most dominant and influential Navy, globally and across all maritime missions.

Our engagement with other nations last year included cooperation through our foreign military sales (FMS) program. FMS is an important aspect of our security cooperation program which improves interoperability, military-to-military relations, and global security. The Navy's FMS program builds partner nation maritime security capabilities through transfers of ships, weapon systems, communication equipment, and associated training programs. The sale of USS TRENTON to India, USS HERON and USS PELICAN to Greece, and USS CARDINAL and USS RAVEN to Egypt are recent examples of our FMS program. Other countries remain interested in our mine sweepers, our frigates, and newer technologies coming online in the near future. We pursue these opportunities but never at the expense of our own needs.

Manpower

The men and women of the United States Navy are the core of every successful operation we conduct. I am impressed and inspired by our Sailors' ability to perform exceptionally well under all circumstances. Our Sailors are engaged globally: in special operations and combat support in Iraq; in flying combat sorties in support of OEF and OIF; in providing security protection for oil platforms; in conducting civil affairs missions; in participating in TSC activities in the Horn of Africa; and in ships and submarines deployed worldwide. Additionally, over 17,000 individual augmentees (IAs) were trained and deployed to support OEF and OIF missions.

Last year we met recruiting and retention goals and exceeded our active enlisted accession goal for the ninth consecutive year. We achieved 100 percent of our reserve enlisted accession goal. We met 97.9 percent of our active officer goal, with shortfalls residing primarily in medical and chaplain accessions. New and enhanced special and incentive pay authorities enacted in both the fiscal year 2006 and fiscal year 2007 National Defense Authorization Acts helped our Navy attain its goals in key mission areas and improve performance in others. Our Navy continues to aggressively recruit the best talent our nation has to offer. This is a demanding task considering an increasingly challenging recruiting environment.

Our AC and RC remain aligned through Active Reserve Integration (ARI). As demonstrated through force generation, deployment and redeployment, it is clear that RC forces meet two significant needs of our Navy. First, reservists deliver capability and capacity in support of major combat operations, and second, reservists provide operational augmentation to meet routine military missions. To use the full potential of our RC effectively, we continue to capitalize on RC involvement in operational support missions. This builds on ARI successes to date and will lead to the institutionalization of our operational Navy Reserve. We continue to monitor AC strength reductions and evaluate the impact of our force shaping programs with respect to the RC.

Our Navy continues to pursue diversity. We are in the final phase of a three-phase diversity campaign. In Phase III, we hold senior Navy leadership personally accountable for ensuring that we build the most diverse organization possible. We

also instituted a mentoring regimen focused on developing and retaining top talent from all demographics.

Equipment

Our Navy's mission in projecting power and presence overseas depends upon a modern, technologically advanced Fleet. The quality, condition, and capabilities of our ships and aircraft are critical.

In 2007, we christened six ships: the aircraft carrier GEORGE H. W. BUSH, the guided missile destroyers STERETT and TRUXTUN, the dry cargo/ammunition ships ALAN SHEPARD and RICHARD E. BYRD, and the fast attack submarine NORTH CAROLINA. We also commissioned four ships: the guided missile destroyers KIDD and GRIDLEY, the amphibious transport dock NEW ORLEANS, and the fast attack submarine HAWAII.

Despite these accomplishments, decommissionings resulted in a net gain of only two ships in 2007. We reluctantly, but prudently, cancelled construction of the third and fourth LCS due to challenges in controlling cost and schedule. The rate at which we are growing our Fleet will challenge our ability to fulfill the core capabilities of the maritime strategy. I am committed to taking the steps necessary to build the future Fleet and re-establish the vital trust needed among the Department, Congress, and industry to get our Navy above a 313-ship floor.

Building the future Fleet is also about aircraft. In 2007, we rolled out the first E-2D Advanced Hawkeye. Despite several successes in aircraft delivery, the high demand for air assets in OEF and OIF expended a significant portion of the limited service life remaining on our EA-6B electronic attack aircraft, MH-60 multi-mission helicopters, F/A-18 C/D strike-fighter aircraft, and P-3 maritime patrol aircraft. The accelerated depletion of service life could translate into aircraft shortfalls if the expended aircraft are not replaced.

ANNEX II—PROGRAMS AND INITIATIVES TO ACHIEVE NAVY PRIORITIES

Surface Warfare

LCS

Designed to be fast and agile, LCS will be a networked surface combatant with capabilities optimized to assure naval and Joint force access into contested littoral regions. No other ship can deliver what LCS offers in terms of flexibility. LCS will operate with focused-mission packages that deploy manned and unmanned vehicles to execute a variety of missions, including littoral anti-submarine warfare (ASW), surface warfare (SUW) and mine countermeasures (MCM). LCS will employ a Blue-Gold multi-crewing concept for the early ships. The crews will be at a "trained to qualify" level before reporting to the ship, reducing qualification time compared to other ships.

The LCS program has experienced significant cost overruns for the lead ships in the class. After a series of increases in contractor-estimated costs of completion, the Navy and industry initiated a thorough analysis of the program. The Navy revalidated the warfighting requirement and developed a restructured program plan for LCS that improves management oversight, implements more strict cost controls, incorporates selective contract restructuring, and ensures delivery within a realistic schedule.

Construction progress on LCS #1 and LCS #2 is on track to support delivery of these ships in 2008. By exercising active oversight and strict cost controls in the early years, the Navy will ensure delivery of LCS to the Fleet over the long term. Our fiscal year 2009 request for \$1.47 billion will continue R&D and construction of LCS and associated modules.

DDG 1000

DDG 1000 introduces valuable technological advances that will provide essential risk reduction. This multi-mission surface combatant will provide independent forward presence and deterrence and it will operate as an integral part of joint and combined expeditionary forces. DDG 1000 will capitalize on reduced signatures and enhanced survivability to maintain persistent presence in the littorals. Our fiscal year 2009 request for DDG 1000 is for \$3.0 billion in shipbuilding and research funds.

CG(X)

CG(X) will be a highly capable major surface combatant tailored for joint air and missile defense and joint air control operations. CG(X) will provide airspace dominance and protection to Joint forces operating in the Seabase. CG(X) will replace the CG-47 Aegis class and improve the Fleet's air and missile defense capabilities

against advancing threats, particularly ballistic missiles. IOC will be in 2019. \$370 million in research and development for fiscal year 2009 supports CG(X) development to include radar development. The Navy is conducting a rigorous analysis to examine alternatives for CG(X), understanding that the National Defense Authorization Act requirement for nuclear power applies to CG(X).

Aegis Ballistic Missile Defense (BMD)

Aegis BMD is the seabase component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept short and medium-range ballistic missiles with ship-based interceptors (SM-3 missiles). The Gap Filler Sea-Based Terminal Program provides the ability to engage a limited set of short range ballistic missiles with modified SM-2 Block IV missiles from Aegis BMD capable ships. While development and procurement funding is covered under the MDA budget, the Navy has committed \$16.5 million in fiscal year 2009 for operations and sustainment of Aegis BMD systems.

Since 2002, Navy and MDA have executed twelve successful intercepts in fourteen flight tests (11 Exo-atmospheric SM-3 engagements and one Endo-atmospheric SM-2 Block IV engagement). Operational ships have capability today with Aegis BMD program and components installed on 17 ships, including three cruisers (engagement capable) and 14 DDGs (nine engagement capable and five Long Range Surveillance and Track (LRS&T) capable). Additional installations are planned for 2008 to provide a total of 18 engagement-capable ships. In addition to these hardkill capabilities, the Navy is focused on delivering a robust capability against ballistic missiles across the enemy kill chain to include softkill and counters to Intelligence, Surveillance, and Reconnaissance (ISR), detection, cueing, and tracking prior to the launch of anti-ship ballistic missiles. The development of future capability will be informed through robust modeling and simulation to evaluate trade-offs among capabilities across the kill chain as well as the BMD capacity required to prevail in various geographic areas of concern.

Aegis Cruiser Modernization

AEGIS cruiser modernization is vital to achieving the 313 ship force structure. A large portion of total surface force modernization (including industrial base stability) is resident in this program, which includes both Combat System and Hull, Mechanical, and Engineering (HM&E) upgrades. \$426.5 million in fiscal year 2009 supports this program.

DDG 51 Modernization

The DDG 51 modernization program is a comprehensive 62 ship program that will upgrade hull, mechanical, electrical, and combat systems. These upgrades support reductions in manpower and operating costs, achieve 35+ year service life, and allow the class to pace the projected threat well into the 21st century. Our fiscal year 2009 budget request includes \$325.7 million for this effort.

Surface Ship Torpedo Defense (SSTD)

Torpedo defense must keep pace with the increasing torpedo threat to our ships. The AN/SLQ-25A "Nixie" is the Navy's fielded SSTD system. We will counter the future torpedo threat with an Anti-Torpedo Torpedo (ATT) System now in development. Increment I will deliver improved Torpedo Detection, Classification, and Localization (TDCL) and ATT salvo capability to cruisers and destroyers. Increment II will expand this capability beyond surface combatants. Increment I IOC is planned for fiscal year 2017. We are currently assessing these plans to deliver Increment II. The fiscal year 2009 budget provides \$59.3 million to support this program.

Standard Missile-6 (SM-6)

The Navy's next-generation Extended Range, Anti-Air Warfare interceptor is the SM-6. It will be used by legacy and future ships, and with its active-seeker technology it will defeat anticipated theater air and missile threats well into the next decade. The fiscal year 2009 budget of \$345.4 million in research, development, and procurement will support an IOC in fiscal year 2010.

Long Range Land Attack Projectile (LRLAP)

Long Range Land Attack Projectile (LRLAP) is the primary munition for the DDG 1000 Advanced Gun System (AGS). AGS and LRLAP will provide Naval Surface Fire Support (NSFS) to forces ashore during all phases of the land battle. All program flight test objectives have been met including demonstration of threshold range (63nm), in-flight guidance, gun launch survival, and repeatability. \$97 million in fiscal year 2009 supports continued development.

Harpoon Block III Missile

Harpoon Block III meets requirements for an all weather, precision, ship and air launched, anti-ship missile capability. \$68 million in fiscal year 2009 supports development of an upgrade to existing Harpoon Block IC missiles that will add data link and GPS capability to improve accuracy and target selectivity.

Extended Range Munition (ERM)

The Extended Range Munition (ERM) is a five-inch, rocket-assisted, guided projectile providing range and accuracy superior to that of conventional ammunition. The program includes modifications to existing five-inch guns and fire-control systems. The projectile uses a coupled GPS/INS guidance system and unitary warhead with a height-of-burst fuse. A 20-round reliability demonstration in September 2008 is planned prior to land-based flight and qualification testing. \$39 million in fiscal year 2009 supports this program.

Cooperative Engagement Capability (CEC)

CEC is an advanced sensor netting system enabling real-time exchange of fire-control quality data between battle force units. CEC provides the integrated, precision air defense picture required to counter the increased agility, speed, maneuverability, and advanced design of cruise missiles, manned aircraft, and (in the future) tactical ballistic missiles. \$123.3 million in fiscal year 2009 supports this program.

CEC's acquisition strategy implements open architecture based hardware with rehosted existing software. A critical element is the P3I hardware that reduces cost, weight, cooling, and power requirements. The Integrated Architecture Behavior Model (IABM) will be implemented as a host combat system software upgrade. IABM will replace the cooperative engagement processor functionality and enable joint interoperability with common track management across the Services.

Tomahawk/Tactical Tomahawk (TACTOM)

TACTOM provides precision, all-weather, and deep-strike capability. TACTOM provides more flexibility and responsiveness at a significantly reduced life cycle cost compared to previous versions. Additionally, it includes flex-targeting, in-flight re-targeting, and two-way communications. Tomahawk Block IV is in a full-rate, multi-year procurement for fiscal year 2004–2008. The fiscal year 2009 budget provides \$357 million which will support a new sole-source firm fixed-price contract to continue TACTOM development and procurement.

*Submarine Warfare**VIRGINIA Class Fast Attack Nuclear Submarine (SSN)*

We must maintain an SSN force structure to meet current operational requirements and face potential future threats. The VIRGINIA class emphasizes affordability and optimizes performance for undersea superiority in littoral and open ocean missions.

The fiscal year 2009 budget requests \$3.6 billion for submarine construction, technical insertions, and cost reduction developments. Navy has worked closely with industry to reduce the cost per submarine and increase the build rate to two submarines per year starting in fiscal year 2011. The Multi-Year Procurement (MYP) authority received in the fiscal year 2008 NDAA supports an fiscal year 2009–2013 MYP contract that will mitigate future force level deficiencies and achieve cost reduction goals through Economic Order Quantity savings and better distributed overhead costs.

ASW Programs

The Navy continues to pursue research and development of Distributed Netted Sensors (DNS); these are rapidly deployable, autonomous sensors that provide the cueing and detection of adversary submarines. Examples of technologies included in our fiscal year 2009 request of \$46 million are:

- Reliable Acoustic Path, Vertical Line Array (RAP VLA)*.—A passive-only distributed system exploiting the deep water propagation phenomena. In essence, a towed array vertically suspended in the water column.
- Deep Water Active Distributed System (DWADS)*.—An active sonar distributed system optimized for use in deep water.
- Deployable Autonomous Distributed System (DADS)*.—A shallow water array, using both acoustic and non-acoustic sensors to detect passing submarines. DADS will test at sea in fiscal year 2008.
- Littoral ASW Multi-static Project (LAMP)*.—A shallow water distributed buoy system employing the advanced principles of multi-static (many receivers, one/few active sources) sonar propagation.

Further developing the Undersea Warfare Decision Support System (USW–DSS) will leverage existing data-links, networks, and sensor data from air, surface, and sub-surface platforms and integrate them into a common ASW operating picture. This networked approach will allow our forces to plan, conduct, and coordinate ASW operations in near real time. We are requesting \$19.75 million in fiscal year 2009 for USW–DSS.

To effectively attack the threat, the Navy has continued a robust weapons development investment plan that includes \$127 million requested in the fiscal year 2009 for capabilities, such as:

- High-Altitude ASW Weapons Concept (HAAWC)*.—Since current maritime patrol aircraft must descend to low altitudes to deliver ASW weapons on target, they often lose communications with sonobuoys or distributed sensor fields. HAAWC will allow the aircraft to remain at high altitude and conduct effective attacks while simultaneously enabling the crew to maintain and exploit the full sensor field. This capability supports the P–8A Multi-mission Maritime Aircraft.
- Common Very Lightweight Torpedo (CVLWT)*.—The Navy is developing a 6.75-inch torpedo suitable for use in surface ship and submarine anti-torpedo torpedo defense.

Platform Sensor Improvements.—To counter the threat of quieter, modern diesel-electric submarines, we are continuing to work on both towed array and hull-mounted sonar systems. Our \$512 million request in fiscal year 2009 includes the following:

- TB–33 thin-line towed array upgrades to forward-deployed SSNs provide near-term improvement in submarine towed array reliability over existing TB–29 arrays. TB–33 upgrades are being accelerated to Guam-based SSNs.
- Continued development of twin-line thin-line (TLTL) and vector-sensor towed arrays (VSTA) are under development for mid to far-term capability gaps. TLTL enables longer detection ranges/contact holding times and it improves localization and classification of contacts. VSTA is an Office of Naval Research project that would provide TLTL capability on a single array while still obviating the bearing ambiguity issue inherent in traditional single line arrays.

21" Mission Reconfigurable Unmanned Underwater Vehicle System (MRUUVS)

21" MRUUVS is a submarine launched and recovered, reconfigurable UUV system that will provide robust, clandestine minefield reconnaissance and general ISR in denied or inaccessible areas. The MRUUVS program has been restructured, moving IOC from fiscal year 2013 to 2016, when clandestine mine countermeasure capability from LOS ANGLES class submarines will be delivered. ISR capability and VIRGINIA class host compatibility could occur in follow-on increments approximately two years after IOC. Fiscal year 2009 funds \$30.1 million to support the MRUUVS program.

Expeditionary Warfare

Maritime Prepositioning Force (MPF) (Future)

MPF(F) provides a scalable, joint-seabased capability for the closure, arrival, assembly, and employment of up to a Year-2015-sized Marine Expeditionary Brigade force. MPF(F) will support the sustainment and reconstitution of forces when required. MPF(F) is envisioned for frequent utility in Lesser Contingency Operations, and when coupled with Carrier or Expeditionary Strike Groups, MPF(F) will provide the nation a rapid response capability in anti-access environments.

The MPF(F) program was shifted one year to allow the Navy and Marine Corps to better define requirements prior to awarding the initial Mobile Landing Platform contract. The fiscal year 2009 budget provides \$42 million in research and development and \$348 million in advanced procurement for MPF(F) LHA(R).

LEWIS & CLARK Dry Cargo/Ammunition Ship (T–AKE)

T–AKE will replace aging combat stores (T–AFS) and ammunition (T–AE) ships. Operating with an oiler (T–AO), they can substitute as a station ship, which would allow us to retire four fast combat support ships (AOE 1 Class). \$962 million in fiscal year 2009 funds the 11th and 12th T–AKE. The lead T–AKE ship was delivered in June 2006 and has completed operational evaluation (OPEVAL).

LPD 17

LPD 17 functionally replaces LPD 4, LSD 36, LKA 113, and LST 1179 classes of amphibious ships for embarking, transporting and landing elements of a Marine landing force in an assault by helicopters, landing craft, and amphibious vehicles. \$103 million in the fiscal year 2009 budget request supports the LPD 17 program.

Joint High Speed Vessel (JHSV)

The Joint High Speed Vessel (JHSV) program is an Army and Navy joint program to deliver a high-speed, shallow draft surface ship capable of rapid transport of medium payloads of cargo and personnel within a theater to austere ports without reliance on port infrastructure for load/offload. The fiscal year 2009 budget provides \$175 million to procure the first JHSV vessel.

Remote Minehunting System (RMS)

RMS uses a diesel-powered, high-endurance, off-board, semi-submersible vehicle to tow the Navy's most advanced mine hunting sonar, the AN/AQS-20A. The system will be launched, operated, and recovered from surface ships. RMS will provide mine reconnaissance, detection, classification, localization, and identification of moored and bottom mines. \$49.86 million in fiscal year 2009 supports this program.

*Air Warfare**CVN 21*

The CVN 21 program is designing the next generation aircraft carrier to replace USS ENTERPRISE (CVN 65) and NIMITZ-class aircraft carriers. The lead ship has been designated as the USS GERALD R. FORD (CVN 78). These ships will provide improved warfighting capability and increased quality of life for our Sailors at reduced acquisition and life cycle costs. \$2.8 billion in shipbuilding funds for fiscal year 2009 supports acquisition of CVN-78 scheduled for delivery in late fiscal year 2015.

F-35 Joint Strike Fighter (JSF)

JSF program will develop and field a family of multi-mission strike fighter aircraft using mature/demonstrated 21st century technology to meet warfighter needs of the Navy, Marine Corps, Air Force, and international partners, including the United Kingdom, Italy, Netherlands, Denmark, Turkey, Norway, Australia, and Canada (with ongoing foreign military sales discussions with Israel, Singapore, and Spain). Navy's fiscal year 2009 investment of \$3.4 billion includes procurement of eight aircraft and continued research and development for aircraft and engine development.

P-8A Multi-mission Maritime Aircraft (MMA)

The P-8A will replace the P-3C Orion aircraft and will recapitalize the Maritime Patrol ASW, Anti-Surface Warfare, and armed ISR capabilities that currently reside in P-3 squadrons. The P-8A is the only aircraft with this operationally agile capability set. It will fulfill COCOM requirements for combat and theater security operations, and homeland defense. IOC is planned in fiscal year 2013. \$1.1 billion in funding is included in the fiscal year 2009 budget.

EA-18G Growler

The EA-18G Growler will replace the EA-6B aircraft and provide carrier-based Airborne Electronic Attack (AEA). The inventory objective of 85 aircraft will support 10 operational carrier air wing squadrons and a Fleet Replacement Squadron. IOC will be in fiscal year 2009. \$1.8 billion supports development and procurement of 22 aircraft in fiscal year 2009.

MV-22B Osprey

MV-22 Osprey is the Marine Corps medium-lift assault support aircraft that will replace legacy CH-46Es and CH-53Ds. Current operational projections hold CH-46Es in service through fiscal year 2018, and CH-53Ds through fiscal year 2013. The CH-46Es are playing a critical role in the War on Terror, flying more than four times their peacetime utilization rate making delivery of the MV-22 more critical. The MV-22's improved readiness, survivability, and transformational capability (twice the speed, three times the payload, and six times the range of the airframes it is replacing) will vastly improve operational reach and capability of deployed forces. The aircraft is approved for Full Rate Production and entered a Congressionally-approved, Joint, five-year, multi-year procurement in fiscal year 2008. The fiscal year 2009 budget of \$2.2 billion procures 30 aircraft. The total requirement is 360 MV-22s for the Marines, 48 MV-22s for the Navy, and 50 CV-22s for Special Operations Command.

F/A-18E/F Super Hornet

The Navy's next generation, multi-mission Strike Fighter provides a 40 percent increase in combat radius, a 50 percent increase in endurance, a 25 percent increase in weapons payload, three times more ordnance bring-back, and five times more survivability than F/A-18C models. Approximately 65 percent of the total procurement

objective has been delivered (317 of 493). F/A-18E/F is in full rate production under a second five-year multi-year contract (fiscal years 2005–2009). \$1.9 billion in fiscal year 2009 procures 23 aircraft as part of that contract.

F/A-18A/B/C/D Hornet

The F/A-18 Hornet is naval aviation's principal strike-fighter. It serves the U.S. Navy and Marine Corps, as well as the armed forces of seven countries. This multi-mission aircraft has maintained its combat relevance through improvements and upgrades to weapons, communications, navigation, and defensive electronic countermeasure systems. Although the F/A-18A/B/C/D are out of production, the existing inventory of 667 Navy and Marine Corps aircraft will continue to comprise half of the carrier strike force until 2013. These aircraft are scheduled to remain in the inventory through 2022. \$322 million in fiscal year 2009 supports improvements to the F/A-18 A/B/C/D variants.

E-2D Advanced Hawkeye

The E-2D Advanced Hawkeye (AHE) program will modernize the current E-2C weapons system by replacing its radar and other aircraft system components to improve nearly every facet of tactical air operations. The modernized weapons system will maintain open ocean capability while adding transformational littoral surveillance and Theater Air and Missile Defense capabilities against emerging air threats in the high clutter, electro-magnetic interference, and jamming environments. AHE is one of four pillars of the Naval Integrated Fire Control-Counter Air capability. The fiscal year 2009 budget of \$1.1 billion procures three aircraft and funds continued research and development.

MH-60R/S Multi-Mission Helicopter

The MH-60R multi-mission helicopter program will replace the surface combatant-based SH-60B and carrier-based SH-60F with a newly manufactured airframe and enhanced mission systems. The MH-60R provides forward-deployed capabilities, including mine sweeping, surface warfare (SUW), and ASW, to defeat area-denial strategies, which will enhance the ability of the Joint force to project and sustain power. Full Rate Production was approved in March 2006. \$1.2 billion in fiscal year 2009 procures 31 aircraft.

The MH-60S supports: Carrier and Expeditionary Strike Groups in Combat Logistics, Search and Rescue, Vertical Replenishment, Anti-Surface Warfare, Airborne Mine Countermeasures, Combat Search and Rescue, and Naval Special Warfare mission areas. Armed Helicopter capability achieved IOC in fiscal year 2007. The Airborne Mine Countermeasures capability will achieve IOC with the AWS-20 Sonar in fiscal year 2008. \$550 million in fiscal year 2009 procures 18 aircraft.

C-40A Clipper

The C-40A Clipper is a replacement for legacy DC-9/C-9B and C-20G aircraft. It provides flexible, time-critical, and intra-theater logistical support. It will serve as a connector between strategic airlift points of delivery to Carrier Onboard Delivery and Vertical Onboard Delivery locations. The inventory objective is 17 aircraft, and nine have been purchased. \$155 million in fiscal year 2009 procures two aircraft.

CH-53K

The CH-53K Heavy Lift Replacement (HLR) is the follow on to the Marine Corps CH-53E Heavy Lift Helicopter. The CH-53K will more than double the CH-53E lift capability under the same environmental conditions. The CH-53K's increased capabilities are essential to meeting the Marine Expeditionary Brigade of 2015 Ship-to-Objective Maneuver vision. Major systems improvements of the new helicopter include larger and more capable engines, expanded gross weight airframe, better drive train, advanced composite rotor blades, modern interoperable cockpit, external and internal cargo handling systems, and survivability enhancements. The procurement objective of 156 aircraft has increased to 200 due to Marine Corps end strength growth to 202,000. fiscal year 2009 provides \$571 million for research and development.

EPX (EP-3E Replacement)

EPX will replace the EP-3E as a transformational multi-intelligence platform capable of providing strike targeting to warfighters. Fiscal year 2009 provides \$75 million in research and development to recapitalize the EP-3 airborne electronic surveillance aircraft. The Navy had originally partnered with Army's Aerial Common Sensor (ACS) program on this aircraft until the contract was terminated in fiscal year 2006. After conducting further mission analysis, the Navy recognized it re-

quired significantly higher performance than that of the Army ACS program. The Navy developed the EPX program to respond to its requirement.

Broad Area Maritime Surveillance (BAMS)

BAMS is an unmanned aircraft designed to enhance Maritime Domain Awareness. It will be forward deployed, land-based, autonomously operated, and unarmed. Along with P-8A, BAMS is integral to the Navy's airborne ISR recapitalization strategy. \$480 million in research and development funding in fiscal year 2009 continues the Navy's commitment to provide a persistent multi-sensor (radar, Electro-Optical/Infra Red, Electronic Support), maritime intelligence, surveillance, and reconnaissance capability with worldwide access.

Navy Unmanned Combat Air System (UCAS)

The Navy UCAS will develop and demonstrate low observable (LO), unmanned, air vehicle suitability to operate from aircraft carriers in support of persistent, penetrating surveillance and strike in high threat areas. \$276 million in fiscal year 2009 research and development funds advance UCAS objectives.

MQ-8B Fire Scout Vertical Takeoff UAV (VTUAV)

The Navy's Vertical Takeoff and Landing Tactical UAV (VTUAV) is designed to operate from all air capable ships, carry modular mission payloads, and operate using the Tactical Control System (TCS) and Tactical Common Data Link (TCDL). VTUAV will provide day/night real time reconnaissance, surveillance and target acquisition capabilities, communications relay, and battlefield management to support the LCS core mission areas of ASW, Mine Warfare, and SUW. In May 2007, the program successfully completed a Milestone C review and was approved for Low Rate Initial Production. IOC moved from the fourth quarter of fiscal year 2008 to the first quarter of fiscal year 2009 due to a combination of software development delays and the availability of LCS to complete Fire Scout OPEVAL on schedule. \$65 million in development and procurement funding in fiscal year 2009 supports engineering manufacturing development, operational testing and achievement of IOC.

Joint Standoff Weapon (JSOW)

JSOW is a low-cost, survivable, air-to-ground glide weapon designed to attack a variety of targets in day/night and adverse weather conditions at ranges up to 63 nautical miles. All variants employ a kinematically efficient, low-signature airframe with GPS/INS guidance capability. A Block III improvement effort will add anti-ship and moving target capability in fiscal year 2009. The \$172 million in fiscal year 2009 funding supports this development and continues production to build to our inventory objectives.

Decision Superiority/Networks

Consolidated Afloat Networks Enterprise Services (CANES)

CANES is evolving from the existing Integrated Shipboard Networking System (ISNS) program of record. It consolidates and enhances the requirements for five existing afloat network programs into a single support framework for all C4I applications that currently require dedicated infrastructure. The operational need for CANES has been well defined in existing network requirements documents and in the Global Information Grid Enterprise Services/Mission Area Initial Capability Documents. CANES will capitalize on industry best practices of common hardware, unified fielding, and "plug and play" software capability to produce fiscal savings, operational flexibility, and enhanced agility to warfighting applications. \$21.6 million is aligned to CANES in the fiscal year 2009 budget, all of which was redirected from existing budget lines.

Next Generation Enterprise Network (NGEN)

NGEN Block 1 is the follow-on to the Navy Marine Corps Intranet (NMCI) and replaces the services currently provided by NMCI. Future NGEN Blocks will upgrade services provided by NMCI and the OCONUS Navy Enterprise Network. NGEN will also integrate with shipboard and Marine Corps networks to form a globally integrated, Naval Network Environment to support network operations. NGEN will leverage the Global Information Grid (GIG) and, where possible, utilize DOD enterprise services. The fiscal year 2009 budget provides \$60 million to support the NGEN program.

Information Assurance (IA)

We are tailoring our approach to IA to concentrate our personnel and resources on protecting the Navy information battlespace. Navy Information Systems Security Program (ISSP)/Computer Network Defense (CND) are the Navy's IA programs that

procure secure communications equipment for Navy ships, shore sites, aircraft, the Marine Corps, and U.S. Coast Guard. ISSP and CND will defend our Navy networks in depth. This will enhance the warfighter confidence in using the network as a weapons system. Navy Information Assurance uses a layered protection strategy, using Commercial Off-The-Shelf (COTS) and Government Off-The-Shelf (GOTS) hardware and software that collectively provides an effective network security infrastructure. Our fiscal year 2009 Budget request includes \$101 million for these IA efforts.

Mobile User Objective System (MUOS)

MUOS is the next generation Ultra High Frequency (UHF) narrowband satellite communications (SATCOM) system, replacing UHF Follow-On. MUOS supports Communications-On-The-Move (COTM) to small and less stable platforms (handhelds, aircraft, missiles, UAVs, remote sensors) in stressed environments (foliage, urban environment, high sea state). MUOS will provide the communications infrastructure to facilitate command and control of a netted, distributed force with delivery of IOC in 2010. \$1.03 billion in the fiscal year 2009 budget funds the MUOS program.

COBRA JUDY Replacement (CJR)

\$101.4 million funds the acquisition of a single ship-based radar suite for worldwide technical data collection against ballistic missiles. This replaces the current COBRA JUDY/USNS OBSERVATION ISLAND, which is scheduled to be removed from service in 2012. Upon achieving IOC in 2012, the Navy will transfer the CJR to the U.S. Air Force for operation and maintenance. The CJR program has entered the production stage.

Distributed Common Ground/Surface Systems (DCGS)

DCGS-N is the Navy's Intelligence, Surveillance, Reconnaissance, and Targeting (ISR&T) system. Funded at \$124 million in fiscal year 2009, DCGS-N will receive and process multiple data streams from various ISR sources to provide time-critical aim points and intelligence products. This program will enhance the warfighter's Common Operational Picture (COP) and is being fielded afloat and ashore.

Deployable Joint Command and Control (DJC2)

DJC2 is a Secretary of Defense and Chairman of the Joint Chiefs of Staff priority transformation initiative providing Combatant Commanders (COCOM) with a standardized, deployable, and scalable Joint C2 headquarters capability tailored to support Joint Task Force (JTF) operations. DJC2 enables a COCOM to rapidly deploy and activate a JTF headquarters equipped with a common C2 package with which to plan, control, coordinate, execute, and assess operations across the spectrum of conflict and disaster relief missions. This budget request of \$35 million provides for operations and sustainment for the six existing systems, as well as continued research and development.

Maritime Headquarters with a Maritime Operations Center (MHQ/MOC)

The MHQ/MOC program creates a network of Navy headquarters that are trained and accredited to command Navy and Joint forces at the operational level of war. It transforms Navy operational headquarters into fully functional and scalable Command and Control Joint Task Force-capable Headquarters. It also automates and links key Navy and Joint planning processes in a globally networked environment.

Since the initiative began in fiscal year 2008, we have validated the MHQ/MOC concept and developed architectures, processes and tasks to support its implementation. U.S. Fleet Forces Command is establishing an accreditation process and metrics. The 5th Fleet Prototype is providing operational verification of common tasks, processes and systems. The fiscal year 2009 budget provides \$35 million to support MHQ/MOC.

Cyber Asset Reduction and Security (CARS)

The Cyber Asset Reduction and Security (CARS) initiative improves network security and optimizes resources by reducing legacy networks, applications, and systems to the minimum necessary for the Navy to conduct its business. CARS has reduced the Navy's total network inventory. From January 2006 until December 2007, the Navy has reduced its networks from 1,200 to 625, a 43 percent reduction. We intend to reduce them to approximately 200 by September 2010, an 83 percent reduction. Network reduction, in conjunction with efforts for data center, web site, and portal consolidation, will reduce the Navy's physical IT servers, external circuits, and applications.

TRIDENT

TRIDENT is a maritime intelligence production capability within the Office of Naval Intelligence that provides tailored, focused, timely intelligence support to Naval Special Warfare (NSW) and Joint special operations forces operating in the maritime domain. For \$9.7 million in fiscal year 2009, TRIDENT production directly supports OEF/OIF and responds to ongoing initiatives to improve intelligence support to NSW. TRIDENT has deployed four Tactical Intelligence Support Teams (TIST) in Iraq since April 2006.

Automatic Identification System (AIS)

AIS leverages commercially available technology to provide a shipboard Very High Frequency (VHF) maritime band transponder system capable of sending and receiving ship information, including navigation, identification, and cargo data. AIS improves significantly the Navy's ability to distinguish between legitimate and suspicious merchant ships. Navy warships using AIS have dramatically increased situational awareness, safety of ship, and intelligence gathering. \$16 million in fiscal year 2009 will support continued fielding of AIS to the Fleet.

Navy Enterprise Resource Planning System (Navy ERP)

Navy ERP is an integrated business management system that modernizes and standardizes Navy business operations, provides management visibility across the enterprise, and increases effectiveness and efficiency. The program will align Navy to DOD's business enterprise architecture and provide real-time, end-to-end data to enable informed decisions. The current program of record delivers functionality in three releases: financial management and acquisition, wholesale and retail supply chain management, and intermediate-level maintenance support. The fiscal year 2009 budget provides \$145 million for the Navy ERP program.

Infrastructure/Environment

Undersea Warfare Training Range (USWTR)

The proposed USWTR is a 500-square nautical mile instrumented underwater training range in shallow littoral waters on each coast. USWTR will support undersea warfare (USW) training exercises for the Atlantic and Pacific Fleet. Undersea hydrophones will provide real time tracking and a record of participants' activities to evaluate tactics, proficiency, and undersea warfare combat readiness. The instrumented area will be connected to shore via a single trunk cable.

Pending signature of the environmental Record of Decision (ROD) for the East Coast USWTR in May 2009, the Navy will commence hardware procurement in fiscal year 2010. The west Coast Shallow Water Range is being analyzed as part of the Environmental Impact Statement for the Southern California Range Complex and the ROD is scheduled for signature in January 2009. The shallow water ranges for both coasts will be completed in fiscal year 2015. The Navy has requested \$17.6 million in fiscal year 2009 for the program.

Facilities Recapitalization and Sustainment

Facilities Recapitalization is comprised of modernization and restoration. Modernization counters obsolescence by renewing a facility to new standards or functions without changing the facility size. Restoration includes efforts to restore degraded facilities to working condition beyond design service life or to fix damage from natural disaster, fire, etc. While MILCON is the major contributor to the Navy's recapitalization program, O&M Restoration and Modernization (RM) remains a critical contributor to recapitalizing our existing infrastructure. The fiscal year 2009 Restoration and Modernization funding request of \$300 million provides targeted investment in critical facilities.

Facilities sustainment includes those maintenance and repair activities necessary to keep facilities in working order through their design service life. The fiscal year 2009 funding request of \$1.7 billion is a funding level that maintains our facilities and retains mission capability in the short term. While the Navy has historically taken significant risk in shore infrastructure investment, we intend to reduce this risk by aggressively validating requirements through an enterprise approach based on capacity, configuration, and condition of the infrastructure and by identifying and demolishing excess infrastructure.

Marine Mammal Research/Sound in Water Effects

The Navy is committed to proactive compliance strategies to meet legal requirements. The Navy also identifies and funds marine mammal research, especially research related to mid-frequency active sonar. The Navy has requested \$18.1 million for its proactive compliance efforts in fiscal year 2009. Filling in gaps in scientific

data through continued acoustic research, enhances Navy compliance with the Marine Mammal Protection Act (MMPA), Endangered Species Act (ESA), Coastal Zone Management Act (CZMA), and National Environmental Policy Act (NEPA). This research is especially important considering the increasing pressure placed on the Navy to restrict its use of active sonar, even when it adversely impacts training and readiness. In addition to MMPA standards, the Navy firmly believes that science must both define the effects of active sonar on marine mammals and also serve as the appropriate basis for mitigation measures that ensure a proper balance between national security and protection of natural resources.

NIMITZ-Class Refueling Complex Overhaul (RCOH)

RCOH subjects NIMITZ-class aircraft carriers to comprehensive modernization upgrades, maintenance, and nuclear refueling to extend the service life of NIMITZ-class carriers to approximately 50 years. This is nearly 20 years longer than the originally planned service life. Execution of RCOH is required to maintain an 11 aircraft carrier force. A notional RCOH consists of 3.2 million man-days and a 36-month industrial period conducted at Northrop Grumman Newport News, Virginia. USS CARL VINSON (CVN 70) is on track to complete RCOH in March 2009. Fiscal year 2009 funding of \$628 million primarily supports RCOH for USS THEODORE ROOSEVELT.

Utilities Privatization (UP)

The Navy and Marine Corps have 645 utilities systems that are eligible for privatization on 135 activities/installations worldwide. Five hundred and seventeen (80 percent) of these systems have reached Source Selection Authority (SSA) decisions. Of the 517 systems, 410 have been determined to be exempt, 28 have been awarded for privatization and 79 are being processed for exemption or award. 128 systems are still being reviewed for an SSA decision. \$1.3 million requested in our fiscal year 2009 budget supports these ongoing initiatives.

BRAC 2005

The DON BRAC Program Management Office (BRAC PMO) manages and oversees the DoN prior BRAC and BRAC 2005 actions and budget. The BRAC PMO oversees the efforts of Commander, Navy Installation Command (CNIC) and Commandant of the Marine Corps (CMC) realignment and closure efforts, and is responsible for completing property disposal and environmental remediation actions. The Navy is coordinating with other Services and agencies to support implementation of Joint actions.

The DoN BRAC program provides \$871 million in fiscal year 2009 to continue implementation of BRAC actions. The fiscal year 2009 program finances construction (including planning and design), operational movements at key closure and realignment locations, and the necessary environmental studies at receiving locations to fulfill National Environmental Policy Act (NEPA) requirements.

U.S.-Japan Realignment Roadmap on Guam

On May 1, 2006, the U.S. Japan Security Consultative Committee (SCC) approved the relocation of approximately 8,000 personnel for 3rd Marine Expeditionary Force and their 9,000 dependents from Okinawa Japan to Guam by 2014 as outlined in the U.S.-Japan Realignment Roadmap. The Roadmap stipulates that Japan will pay up to \$6.09 billion of the estimated \$10.3 billion cost for Guam facilities. The Secretary of Defense directed the Secretary of the Navy to work with the Secretaries of the Air Force, Army, Chairman of the Joint Chiefs of Staff, and PACOM, to establish a Joint Guam Program Office (JGPO) to facilitate, manage, and execute requirements for rebasing the Marines from Okinawa to Guam. The fiscal year 2009 budget request of \$33.8 million continues planning and development for a National Environmental Policy Act (NEPA)-required Environmental Impact Statement (EIS).

Family Housing

Family housing supports readiness by providing Sailors and their families suitable, affordable, and safe housing. The Navy's housing strategy includes reliance on private sector housing, public/private ventures, and military construction. By the end of fiscal year 2007, 95 percent of CONUS family housing had been privatized. Eighteen privatization projects have been awarded for 40,355 homes. To date, Navy has secured \$4.9 billion in private sector investment from \$277 million of Navy funds; a leverage ratio of 18:1. The agreements now in place will result in the elimination of the last inadequate house by 2011. The fiscal year 2009 budget provides \$462 million to support family housing.

Global Force Posture Review

As part of the Navy's ongoing contribution to the Defense Department's initiative to transform the U.S. global defense posture, the Navy conducted its own agility assessment of the strategic placement of its aircraft carrier force. This assessment is aligned with the Quadrennial Defense Review (QDR) decision to build a Fleet that includes 11 CSGs. It is also consistent with the movement of other Service capabilities away from an Atlantic focus. As indicated in the 2006 QDR, the principle move for the Navy will be to assure the availability of six operational nuclear-powered aircraft carriers in the Pacific theater "to support engagement, presence, and deterrence." The Navy continues to review current and alternate carrier ports to ensure the strategic Navy force disposition will promote a forward-leaning nuclear-powered carrier force that will strengthen our engagement and shaping capabilities, reassure our allies, and deter potential conflicts.

Child Development Centers

Navy Child Development and Youth Programs provide quality care for over 98,000 children through 131 Child Development Centers, 103 Youth Development Programs, 3,021 Child Development Homes, and 86 School Age Care Programs. The average waiting time for childcare is six months in non-Fleet concentration areas and up to 12 months in Fleet concentration areas. Fiscal year 2009 budget request increases the number of child care spaces by 5,270 to provide service to 80 percent of potential need. The fiscal year 2009 funding supports the construction of new Child Development Centers, the use of interim modular classrooms, the expansion of Child Development Home program, and additional contract civilian spaces.

Manpower

Human Intelligence (HUMINT)

The Navy continues to revitalize its HUMINT capability. The Navy's goal is to field a professional cadre of HUMINT collectors and to support personnel capable of executing the full range of HUMINT source operations in support of naval and national requirements. In conjunction with the Naval Criminal Investigative Service, the Navy continues to move forward with establishing a world-wide HUMINT program capable of successfully meeting the emerging threats in the 21st century. In the past year, Navy has successfully deployed its first tactical HUMINT teams into Iraq and experienced a very high success rate in the Al-Anbar province. Meanwhile, elements of the Office of Naval Intelligence continue to facilitate the exchange of Maritime Domain Awareness information between U.S. Navy and regional security partners. These elements provide maritime-focused collection capability that can capitalize on regional opportunities to further prosecute OEF/OIF and carry out other important missions. Naval Maritime Interdiction Operations Intelligence Exploitation Teams (MIO-IET) continue to increase on-scene intelligence collection and exploitation during MIO boardings. The fiscal year 2009 budget provides \$17 million to support HUMINT and MIO-IET efforts.

AFRICOM

On December 15, 2006, the President directed the establishment of a Unified Command for Africa no later than October 1, 2008. The Secretary of Defense issued follow-on AFRICOM Implementation Guidance (AIG) outlining the necessary requirements and details to include stand up of a Sub-Unified Command under USEUCOM by October 1, 2007. The primary roles of the command are non-kinetic missions for security cooperation; humanitarian relief; stability, security, transition, and reconstruction activities (SSTR); partnership capacity; and MIL-to-MIL activities.

The Navy has filled the IOC requirement of 33 Navy billets. We also intend to fill our portion of the FOC manpower requirements for USAFRICOM in addition to approximately 100 billets for the associated Naval Component Command.

Language, Regional Expertise & Culture (LREC)

Achieving Navy's maritime strategy depends in part on our ability to communicate with and comprehend adversaries, allies, and partners. Consistent with the Defense Language Transformation Roadmap and the Navy Strategic Plan (NSP), the program incentivizes language proficiency, increases regional content in Navy Professional Military Education (NPME), and provides non-resident language instruction to all Sailors and delivers in-residence training to more officers. \$51.1 million requested in fiscal year 2009 continues existing efforts and begins new initiatives of enhanced non-resident and resident language training.

Navy Education

Professional Military Education (PME)

Our fully fielded PME continuum provides career-long educational opportunities for professional and personal development that support mission capabilities. It contributes significantly to the development of 21st century leaders who have the capacity to think through uncertainty; develop innovative concepts, capabilities, and strategies; fully exploit advanced technologies, systems, and platforms; understand cultural/regional issues; and conduct joint operations.

Navy PME (NPME), with Joint PME embedded at every level, provides a common core of knowledge for all Sailors. A primary level program was implemented via distance learning in June 2006. The initial targeted audience is junior unrestricted line officers and senior enlisted Sailors. Introductory and basic level PME courses for more junior Sailors were fielded in January 2008. Our fiscal year 2009 request of \$180.2 million allows the continuation of career-long educational opportunities for our Sailors.

Joint Professional Military Education (JPME)

JPME teaches the principles of Joint warfare and prepares leaders to conduct operations as a coherent Joint force. Our path enhances our belief in the value of jointness and systematically develops Navy leaders who are strategically minded, capable of critical thinking, and skilled in naval and Joint warfare. PME completion is linked with career progression. For example, intermediate-level PME with JPME Phase I is required for screening unrestricted line officers for command beginning in fiscal year 2009. In August 2006, the Naval War College implemented in-residence instruction of JPME Phase II into the senior-level course. To support Maritime Component Commanders, the Naval War College has also implemented the Maritime Staff Operations Course to strengthen maritime and joint planning and war fighting.

The Naval Reserve Officers Training Corps (NROTC)

The NROTC program comprises 59 active units at 71 host institutions of higher learning across the nation. With \$178 million requested in fiscal year 2009, the program is adequately funded to provide four and two year scholarships to qualified young men and women to help prepare them for leading increasingly technical Navy and Marine Corps organizations as commissioned officers. The program continues to be a key source of nuclear power candidates and nurses and it increases officer corps diversity. We are increasing strategic foreign language skills and expanding cultural awareness among NROTC Midshipmen as well.

The United States Naval Academy

The Naval Academy is our naval college and it prepares young men and women morally, mentally, and physically to become professional officers of competence and character in the U.S. Navy and Marine Corps. Midshipmen attend the academy for four years. They graduate with a Bachelor of Science degree from one of 21 subject areas and are commissioned as Ensigns in the Navy or Second Lieutenants in the Marine Corps. The Naval Academy offers one of the most socially diverse educational experiences in America. Midshipmen come from all fifty states, forty-eight countries, and represent a mix of races, socio-economic groups, and religions. Naval Academy graduates serve at least five years in the Navy or Marine Corps. Renowned for producing officers with solid technical and analytical foundations, the Naval Academy is expanding its capabilities in strategic languages and regional studies. The \$128.6 million requested in the fiscal year 2009 budget supports the Naval Academy mission.

The Naval Postgraduate School (NPS)

NPS is the Navy's principal source for graduate education. It provides Navy and defense-relevant, degree and non-degree, resident and nonresident, programs to enhance combat effectiveness. NPS provides essential flexibility for students to satisfy Navy and DOD emergent research needs. The flexibility also helps develop warfighters whose demanding career paths and deployment cycles can make graduate education opportunities difficult to achieve. NPS supports Navy operations through naval and maritime research and maintains an expert faculty capable of working in, or serving as, advisors to operational commands, labs, systems commands, and headquarters. The \$92.3 million requested in fiscal year 2009 sustains this unique national asset, provides lab upgrades, and increases opportunities for distance learning.

The Naval War College (NWC)

The Naval War College provides professional maritime and joint military education, advanced research, analysis, and gaming to educate future leaders. Its mission is to enhance the professional capabilities of U.S. and international students to make sound decisions in command, staff and management positions in naval, joint, and multinational environments. The College also contributes to the evolution and establishment of international relationships and building Global Maritime Partners. The faculty, staff, and students support combat readiness through developing expertise at the operational level of war. The \$63 million requested in fiscal year 2009 supports increased support of Joint Forces Maritime Component Command/Coalition Forces Maritime Component Command analysis and gaming capability, the China Maritime Studies Institute, initial investment for MHQ/MOC, support for JPME I and JPME II accreditation, funding for JPME I at the Naval Postgraduate School, and for NWC Maritime Staff Operations curriculum development.

Enlisted Retention (Selective Reenlistment Bonus)

Sailors are the Navy, and retaining the best and brightest Sailors has always been a Navy core objective and key to success. We retain the right people by offering rewarding opportunities for professional growth, development, and leadership. With reenlistment rates returning to historic levels after peaking in fiscal year 2003, current reenlistment efforts are focused on shaping and stabilizing the force. Selective Reenlistment Bonuses (SRBs) are a key tool enabling us to offer attractive incentives to selected Sailors we want to retain. \$359.6 million requested in fiscal year 2009 will provide for over 76,000 new and anniversary payments and ensure the Navy will remain selective in fiscal year 2009.

Sexual Assault Victim Intervention (SAVI)

SAVI has three major components: awareness and prevention education, victim advocacy and intervention services, and collection of reliable data on sexual assault. Per the fiscal year 2005 National Defense Authorization Act requirements, the Navy SAVI Program was transitioned from a program management to case management focus. Existing installation program coordinator positions were increased and became Sexual Assault Response Coordinators (SARCs), which is a standard title and position across the Department of Defense. SARCs are accountable for coordinating victim care/support and for tracking each unrestricted sexual assault incident from initial report to final disposition. Navy also provides 24/7 response capability for sexual assaults, on or off an installation, and during deployment through the use of Victim Advocates who report to installation SARCs. The \$6.2 million requested in the fiscal year 2009 budget enables us to maintain this expanded SAVI program fleet-wide.

Family Advocacy Program (FAP)

The FAP addresses prevention, identification, reporting, evaluation, intervention, and follow-up with respect to allegations of child abuse/neglect and domestic abuse involving active duty and their family members or intimate partners. Maintaining abuse-free and adaptive family relationships is critical to Navy mission readiness, maintenance of good order and discipline, and quality of service for our active duty members and their families.

RC Sailors, when activated or in a drill status, fall under the guidelines of DON Family Advocacy Program policy and have access to Navy programs until 18 months after deactivation. They also have access to Fleet and Family Support programs, which include new parent support and other prevention programs. FAP ensures proper balance for our Sailors' physical and mental health.

Sea Warrior Spiral 1

Sea Warrior comprises the Navy's training, education, and career management systems that provide for the growth and development of our people. The first increment, or "Spiral 1", of Sea Warrior is Interactive Detailing. This system allows Sailors to have greater insight and involvement in identifying and applying for Navy positions of interest to them professionally and personally. Spiral 1 Sea Warrior is a funded Navy program and its development follows a standard, rigorous acquisition engineering and program management processes. Additional Sea Warrior spirals will be developed in accordance with future capability needs and as clear requirements are defined.

In 2007 we fielded the first version of the Career Management System (CMS) with Interactive Detailing. This new system allows Sailors ashore to review their personal and professional information, view available jobs, and submit their detailing preferences through their career counselors. The next step is to provide the

same to Sailors on ships. This portion of the system has been tested in the laboratory and is in the process of being installed and tested on selected ships.

The successful development and testing of these increments of additional functionality to the CMS system are the first steps in achieving our vision of enabling all Sailors to review available jobs and submit their own applications for their next assignment (consistent with policy and access) by June of 2009.

Health Care

Combat Casualty Care

Combat casualty care is provided by Navy medical personnel assigned to and serving with Marine Corps units in Expeditionary Medical Facilities, aboard casualty receiving/treatment ships and hospital ships, and in military and VA hospitals. A full range of health services to support the war fighter is provided in this integrated continuum of care, from the battlefield to our CONUS hospitals. We are redesigning Expeditionary Medical Facilities to become lighter, more mobile, and interoperable in a Joint environment.

Recent advances in force protection, battlefield medicine, combat/operational stress control, and medical evacuation have led to improved survival rates and enhanced combat effectiveness. Since the start of OEF/OIF the Marine Corps has fielded new combat casualty care capabilities, including: updated individual first aid kits with QuikClot and advanced tourniquets, robust vehicle first-aid kits for convoy use, and Combat Lifesaver training. Navy Medicine leads advanced technology research for the development of new systems to provide forward resuscitative surgery, en route care, and the use of innovative technologies.

Post Traumatic Stress Disorder (PTSD)

Though there has been a slight increase in new cases since fiscal year 2003, the prevalence of PTSD remains about one percent of the total Navy active duty population. The number of cases of PTSD in active duty Sailors was 1,046 in fiscal year 2003, 964 in fiscal year 2004, 1,221 in fiscal year 2005 1,280 in fiscal year 2006, and 1,399 thru September 12, 2007. To reflect recent advancements in prevention and treatment of stress reactions, injuries, and disorders, the Navy/Marine Corps Combat/Operational Stress Control (COSC) doctrine is under revision and becomes effective in April 2009.

Quality Medical Care

Navy Medicine provides high quality, compassionate, cost-effective care. This care is a worldwide continuum from those wounded in battle to those operationally deployed, to those in garrison support, and to those who have retired from the uniformed service. Navy Medicine is continuously assessing its medical capabilities to improve and has adjusted to ensure the right health care capabilities are deployed as far forward as possible. These improvements are based on experience, lessons learned, and on requirements mandated by the warfighter. Changes have been made in the training of the physicians, nurses, and corpsmen who first encounter injured service members and in treatment methods. Recruitment and retention of health professionals remains a major focus.

Post-Deployment Health Care

Navy Medicine has developed new delivery models for deployment-related concerns and is working with the Office of Seamless Transition to improve coordination with the VA. Navy Medicine has established 17 Deployment Health Centers (DHC) as non-stigmatizing portals of care for service members and their families in areas of Fleet and Marine concentration. These centers support operational commands in ensuring medical care for those returning from deployment.

Senator INOUE. Commandant.

STATEMENT OF GENERAL JAMES T. CONWAY, COMMANDANT, UNITED STATES MARINE CORPS

General CONWAY. Mr. Chairman, Senator Stevens, and distinguished members of the subcommittee, I pledge to always provide you with forthright and honest assessments of your Marine Corps, and I bear that in mind today as I report to you on the posture of our service.

In a written statement, I provided you a list of priorities that would enable your Corps to best serve our Nation's security inter-

ests, both today and in the uncertain future. But in brief, our young warriors in combat are my number one priority. Those magnificent patriots have been extremely effective in disrupting insurgents and the al Qaeda in the al-Anbar province. In the spirit of jointness, I must note that it hasn't been just marines, rather marines, sailors, and soldiers, a composite effort over time, that has brought success to the al-Anbar.

Quiet in their duty and determined in their approach, your marines are telling us loud and clear that wherever there is a job to be done, they'll shoulder that mission with enthusiasm. They're tough, and they'll do what it takes to win.

We are still supporting the surge in Iraq and have already shifted from population protection to transitioning security responsibilities to Iraqi security forces. They're actively stepping up to the task. What may not be our core competency, marines have addressed the nation-building aspect of our duties with enthusiasm and determination.

And as to the most recent call from the Secretary of Defense, we are also deploying more than 3,400 marines to Afghanistan. Your marines will assist a joint force in either gaining or maintaining momentum there. We fall on our expeditionary ethos of living hard and fighting well, as part of an air-ground team.

I just returned from a visit to Iraq and Afghanistan and, ladies and gentlemen, I'm pleased to report to you that your marines are demonstrating an amazing resiliency in the face of multiple deployments to dangerous lands. In spite of a one-to-one deployment to dwell regimens, that has virtually no chance of getting better until the fall, the factors that we track monthly to determine health of the force, those include desertion and UA rates, suicide, divorce, child and spousal abuse, retention and re-enlistment rates, are all as good or better than they were in 2001.

We do have a significant issue with our families, simply put, they're proud of their contributions to this war, but they're tired. We owe it to those families to put our family service programs on to a war time footing. For too long our programs have been born on the backs of volunteers, acceptable perhaps during peace time, but untellable during a protracted conflict. The Congress has been exceptionally supportive in enabling us to make good on our promises to do more.

Of course, we look beyond today in our obligation to the Nation, and we have learned lessons in trying to build the force as we fight. In response to a clear need, we are growing the Corps to 202,000 marines. We do this without lowering our standards, and we're ahead of our goals. During the last fiscal year we need to bring aboard or retain 5,000 additional marines. We actually grew 7,000 additional troops, over 96 percent of them, high school graduates.

But more than just manpower, this growth requires training, infrastructure, and equipment to meet the needs of the country. You've helped us meet those requirements with steady support and encouragement, and for that, we certainly thank you.

The Marine Corps retains the mission to provide a multi-capable force for our Nation, a two-fisted fighter, if you will, able to destroy enemy formations with our air-ground teams and major contin-

gencies, but equally able to fall back on our hard earned, irregular warfare skills, honed over decades of conflict. By far, the most complex of our congressionally mandated missions, amphibious operations, require deliberate training and long-term resourcing to achieve high levels of proficiency. The operational expertise, special equipment sets, and amphibious lift are not capabilities that we can rapidly create in the face of a threat.

PREPARED STATEMENT

Finally, on behalf of your marines, I extend a great appreciation for your support thus far, and I thank you in advance for your efforts on behalf of your brave servicemen and women in harms way. I assure you, that the Marine Corps appreciates the increasing competitions for the Nation's discretionary resources and will continue to provide a tangible return for every dollar spent.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES T. CONWAY

EXECUTIVE SUMMARY

Chairman Inouye, Senator Stevens, and Distinguished Members of the Subcommittee; I have pledged to always provide you forthright and honest assessments of your Corps. I bear that in mind today as I report to you on the posture of your Corps.

Your Marine Corps is fully engaged in what we believe is a generational struggle against fanatical extremists; the challenges we face are of global scale and scope. This Long War is multi-faceted and will not be won in one battle, in one country, or by one method. Your Marines are a tough breed and will do what it takes to win—not only in these opening battles of Iraq and Afghanistan, but also in the subsequent conflicts which we endeavor to prepare for today.

In the face of great hardship, your Marines have made a positive and selfless decision to stay resolved. More than 332,000 Marines have either enlisted or re-enlisted since September 11, 2001; more than 208,000 have deployed to Iraq or Afghanistan—a telling number for a force of less than 200,000 Marines. Make no mistake, they joined or decided to re-enlist knowing they would go into harm's way.

They have answered the Nation's call and are fully engaged in this fight—serving with distinction as the professionals they are. It falls on us, then, to fully support them—we owe them the full resources required to complete the tasks ahead. Now more than ever, they need the sustained support of the American people and the Congress to provide them the help they need to fight today's conflict, prepare for tomorrow's, and fulfill our commitment to our Marine families.

Without question, Marines in combat are our number one priority. Taken as a whole, combat operations are indeed stressing our forces and families. That said, the Marine Corps will not fail her country when called. In fact, in answer to the most recent call to provide ready forces to serve our Nation, the Marine Corps is deploying more than 3,200 Marines to Afghanistan in addition to supporting ongoing surge operations in Iraq and other force requirements worldwide.

It is with these great men and women in mind that the Marine Corps has shaped its priorities—which are enduring and serve not only the conflict of today, but also the inevitable crises that will arise in our Nation's future. Through this budget request, we seek to:

Right-size the Marine Corps for today's conflict and tomorrow's uncertainty.—To fulfill our obligations to the Nation, the Marine Corps will grow its personnel end strength to 202,000 Active Component Marines by the end of fiscal year 2011. This increase will enable your Corps to train to the full spectrum of military operations and improve the ability of the Marine Corps to address future challenges of an uncertain environment. Our growth will enable us to recover our ability to respond in accordance with timelines outlined in Combatant Commander war plans—thereby, reducing operational risk. More than just manpower, this growth will require training, infrastructure, and equipment to meet the needs of our Nation.

Reset the force and prepare for the next contingency.—To meet the demands of this war, we must reset the force so that we can simultaneously fight, train, and sustain

our Corps. The Long War is taking a considerable toll on our equipment, and we continue to make tough choices on how best to apply the resources we are provided. Congress has responded rapidly and generously to our requests for equipment and increased protection for our Marines and Sailors. We are committed to fulfilling our responsibility to manage these resources prudently as we modernize our force.

Modernize for tomorrow to be “the most ready when the Nation is least ready.”—Congressionally-mandated to be “the most ready when the Nation is least ready,” your multi-capable Corps is committed to fulfilling this responsibility. We remain focused and steadfast in our responsibility to be the Nation’s premiere expeditionary Force-in-Readiness. To do so, we continue to adapt our organization and equipment to provide our country the best Marine Corps in the world.

Provide our Nation a naval force that is fully prepared for employment as a Marine Air Ground Task Force across the spectrum of conflict.—The newly published Maritime Strategy reaffirms our naval character and reemphasized our enduring relationship with the Navy and, now, Coast Guard. Current operations limit our ability to aggressively commit forces to strategy implementation at this time. However, as we increase our end-strength to 202,000 Marines and as security conditions continue to improve in Iraq, the Marine Corps will transition our forces to other battles in the Long War. The most complex mission in the Maritime Strategy is the Congressionally-mandated mission of amphibious forcible entry. Such an operation requires a high level of proficiency and long-term resourcing and is not a capability that we can create on short notice.

Take care of our Marines and their families.—Our most precious asset is the individual Marine. Our Marines and families have been steadfast and faithful in their service to our country, and we have an equally enduring obligation to them. As such, we are committed to putting our family programs on a wartime footing—our Marines and families deserve no less.

Posture the Marine Corps for the future beyond the horizon.—The United States faces a complex mix of states who sponsor terrorism, regional and rising peer competitors, failing states that undermine regional stability, and a variety of violent non-state actors—all serving to destabilize legitimate governments and undermine security and stability of the greater global community. We see this global security context as a persistent condition for the foreseeable future.

The Marine Corps continues to create a multi-capable force for our Nation—not only for the current operations in Iraq and Afghanistan, but also for subsequent campaigns of the Long War. We are committed to ensuring we remain where our country needs us, when she needs us, and to prevail over whatever challenges we face.

On behalf of your Marines, I extend great appreciation for your support thus far and thank you in advance for your ongoing efforts to support our brave service men and women in harm’s way. I promise you that the Corps understands the value of each dollar provided and will continue to provide maximum return for every dollar spent.

MARINES AND SAILORS IN COMBAT ARE OUR NUMBER ONE PRIORITY

Marines in the operating forces have been pushed hard by the tempo and frequency of operational deployments; yet, their morale has never been higher—because they believe they are making a difference. Thanks to the Congress, your Marines know that the people of the United States and their Government are behind them. Your support has been exceptional—from the rapid fielding of life-saving equipment to the increase of Marine Corps end strength. With your continued support, your Marines will continue to make progress in their mission.

USMC Commitments in the Long War

Over the past year, your Marines deployed to all corners of the globe in support of our Nation. With more than 24,000 Marines deployed throughout the U.S. Central Command’s Area of Responsibility, Operations IRAQI FREEDOM (OIF) and ENDURING FREEDOM (OEF) remain our largest commitment. The Marine Corps continues to support surge operations in Iraq in the form of two additional infantry battalions and the enabling forces that accompany them. As part of the Marine Air Ground Task Force in Iraq, these forces have proven extremely effective in the disruption of insurgent activities in the Al Anbar province.

As part of these forces, Marine Corps provides more than 250 personnel to OEF—Afghanistan. Approximately 100 of these Marines are members of a Marine Special Operations Company that routinely engages in combat operations with partnered Afghan and U.S. Special Forces units. The remaining Marine complement to Afghanistan forms the nucleus of seven Embedded Training Teams (ETTs); these de-

tachments provide strong mentorship to Afghan National Army units in the continuing fight against the Taliban.

Taken as a whole, these recurring commitments of Marine forces in support of combat operations is indeed a stressing challenge on our forces and families. That said, the Marine Corps is fully cognizant of the regional and global effects of progress in Iraq, Afghanistan, and the Middle East. In fact, in answer to the most recent call to provide ready forces to serve our Nation, the Marine Corps is deploying a Marine Expeditionary Unit (MEU)-sized Marine Air Ground Task Force and an additional Battalion to conduct combat operations in Afghanistan. These 3,200 Marines are in addition to surge operations in Iraq and other force requirements worldwide.

The Marine Corps also deployed forces to participate in over sixty Theater Security Cooperation events, which ranged from small Mobile Training Teams in Central America to Marine Expeditionary Unit exercises in Africa, the Middle East, and the Pacific. The Marine Corps also took part in civil-military and humanitarian assistance operations such as New Horizons events in Nicaragua, land mine removal training in Azerbaijan, and disaster relief in Bangladesh after a devastating cyclone.

RIGHT-SIZE THE MARINE CORPS FOR TODAY'S CONFLICT AND TOMORROW'S UNCERTAINTY

To meet the demands of the Long War, as well as the unforeseen crises that will inevitably arise, our Corps must be sufficiently manned, well trained, and properly equipped. Like the Cold War, the Long War is a long-term struggle that will not be measured by the number of near-term deployments or rotations; it is this long-term view that informs our priorities and plan for growth.

To fulfill our obligations to the Nation, the Marine Corps will grow its personnel end strength to 202,000 Active Component Marines. This increase will enable our Corps to train to the full spectrum of military operations and improve the ability of the Marine Corps to address future challenges of an uncertain environment. Our growth will enable us to recover our ability to respond in accordance with timelines outlined in Combatant Commander war plans—thereby, reducing operational risk.

Current wartime deployment rates dictate an almost singular focus to prepare units for their next rotation and counterinsurgency operations. This focus and the deployment rate of many units threaten to erode the skills needed for Marine Corps missions such as combined-arms maneuver, mountain warfare, and amphibious operations. Our deployment cycles must not only support training for irregular warfare, but also provide sufficient time for recovery and maintenance as well as training for other contingency missions. By increasing dwell time for our units, we can accomplish the more comprehensive training needed for the sophisticated skill sets that have enabled Marine Air Ground Task Forces to consistently achieve success in all types of operations.

Just as importantly, this growth will relieve strain on those superb Americans who have volunteered to fight the Nation's battles. We must ensure that our personnel policies, organizational construct, and training enable our Marines to operate at the "sustained rate of fire." This means that we must have sufficient dwell time, equipment for training, and resources for our Marines and their families to sustain their efforts over time. Our recently begun growth to 202,000 Marines will significantly enhance our ability to operate at the "sustained rate of fire."

Our goal, during the Long War, is to achieve a 1:2 deployment-to-dwell ratio for all of our active forces; for every seven months a Marine is deployed, he or she will be back at home station for fourteen months. Right now, many of our forces are at a 1:1 deployment-to-dwell ratio or less—which cannot be sustained in the long-term. We also aim to implement a 1:5 deployment to dwell ratio for our reserve forces and, eventually, achieve a peacetime deployment-to-dwell ratio goal is 1:3 for our active forces.

As we grow, we will develop all the elements of our Marine Air Ground Task Force in a balanced manner to meet the diverse challenges of an uncertain future. This growth includes:

- An increase in our end strength to 202,000 Marines;
- Adequate expansions of our infrastructure to provide for our Marines, their families, and their equipment; and
- The right mix of equipment for the current and future fight.

This additional end strength will result in three Marine Expeditionary Forces—balanced in capacity and capability. The development of Marine Corps force structure has been the result of a thorough and ongoing process that supports the Combatant Commanders and accomplishes our Title 10 responsibilities. The process addresses all pillars of combat development (Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, and Facilities) and identifies our re-

quired capabilities and the issues associated with fielding them. The most recent assessment revealed a requirement to front-load structure for recruiters and trainers to support our personnel growth and a phased introduction of units balanced across the Marine Air Ground Task Force.

In fiscal year 2007, we stood up two infantry battalions: 1st Battalion, 9th Marines and 2nd Battalion, 9th Marines. We also added capacity to our combat engineer battalions and air naval gunfire liaison companies. Our plan will gradually improve the deployment-to-dwell ratio of some of our other habitually high operational tempo units—such as military police, unmanned aerial vehicle, helicopter, air command and control, combat service support, and explosive ordnance disposal units.

Growing the Marine Corps as we simultaneously fight the Long War is a challenge, but we are committed to being the best stewards of the Nation's resources and working with the Congress to achieve these important goals.

Growing to 202,000 Marines

The Marine Corps surpassed its fiscal year 2007 authorized end strength goal of 184,000 and is on track to meet the goal of 189,000 Marines for fiscal year 2008 as well as our target end strength of 202,000 Marines by fiscal year 2011.

Recruiting.—A vital factor in sustaining our force and meeting end strength goals is continuing to recruit qualified young men and women with the right character, commitment, and drive to become Marines. With over 70 percent of our end strength increase comprised of Marines on their first enlistment, our recruiting efforts are a critical part of our overall growth.

While exceeding Department of Defense quality standards, we continue to recruit the best of America into our ranks. In fiscal year 2007, the Marine Corps achieved over 100 percent of the Active Component accession goal necessary to grow the force as well as 100 percent of our reserve recruiting goals. We reached this goal without compromising the high quality standards the American people expect of their Marines.

We forecast that both active and reserve recruiting will remain challenging in fiscal year 2008, particularly given the increased accession missions needed to meet our end strength growth. We will need the continued indispensable support of Congress to sustain our existing programs and other incentives essential to achieving our recruiting mission.

Retention.—Retention is the other important part of building and sustaining the Marine Corps. As a strong indicator of our force's morale, the Marine Corps has achieved unprecedented numbers of reenlistments in both the First Term and Career Force. The expanded reenlistment goal, in which we sought to reenlist over 3,700 additional Marines, resulted in the reenlistment of 31 percent of our eligible First Term force and 70 percent of our eligible Career Force—compared to the 22 percent first term and 65 percent career force reenlistments in fiscal year 2006. This achievement was key to reaching the first milestone in our end strength increase—184,000 Marines by the end of fiscal year 2007—without sacrificing our high quality standards. In fact, a recent Center for Naval Analyses study concluded that the quality of our First Term force who reenlist has improved steadily since fiscal year 2000.

For fiscal year 2008, our retention goals are even more aggressive, but we fully expect to meet them. Our continuing success will be largely attributable to several important enduring themes. First, Marines are motivated to “stay Marine” because they are doing what they signed up to do—fighting for and protecting our Nation. Second, they understand our culture is one that rewards proven performance; our Selective Reenlistment Bonuses are designed to retain top quality Marines with the most relevant skill sets.

There is no doubt that your Marines' leadership and technical skills have rendered them extremely marketable to lucrative civilian employment opportunities. To retain the most qualified Marines, we must maintain Selective Reenlistment Bonus (SRB) funding. In fiscal year 2007, the Marine Corps spent approximately \$460 million in SRB and Assignment Incentive Pay (AIP) to help achieve our end strength goal. With a reenlistment mission of 17,631 in fiscal year 2008—compared to an historical average of 12,000—the Marine Corps expects to spend approximately \$500 million in reenlistment incentives during fiscal year 2008.

This aggressive SRB plan will allow us to retain the right grade and skill sets for our growing force—particularly among key military occupational specialties. The continued support of the Congress will ensure we have the necessary combat-trained Marines for the Long War and other contingency operations.

Reserve Component End Strength.—Our fights thus far in Iraq and Afghanistan have been a Total Force effort—our Reserve forces continue to perform with grit and determination. Our goal is to obtain a 1:5 deployment-to-dwell ratio within our Re-

serve Component. As our active force increases in size, our reliance on our Reserve forces should decrease—helping us achieve the desired deployment-to-dwell ratio. We believe our current authorized end strength of 39,600 Selected Marine Corps Reserves is appropriate. As with every organization within the Marine Corps, we continue to review the make-up and structure of our Reserve in order to ensure the right capabilities reside within the Marine Forces Reserve units and our Individual Mobilization Augmentee program.

Military-to-Civilian Conversions.—Military-to-civilian conversions replace Marines in nonmilitary-specific billets with qualified civilians, enabling the Corps to return those Marines to the operating forces. Since 2004, the Marine Corps has returned 3,096 Marines to the operating force through military-to-civilian conversions. We will continue to pursue sensible conversions as this will aid in our deployment-to-dwell ratio goals for the force.

Growing to 202,000: Infrastructure

Military Construction is one of our keys to success in increasing the Marine Corps to 202,000 Marines by 2011. We have determined the optimal permanent locations for these new units and have generated estimates for the types and sizes of facilities needed to support these forces. Because our end strength will increase before final construction is complete, we are providing interim support facilities that will include lease, rental, and purchase of temporary facilities. Our plan will ensure adequate facilities are available to support the phase-in and Final Operating Capability of a 202,000 Marine Corps while meeting our environmental stewardship responsibilities.

Military Construction—Bachelor Enlisted Quarters Initiative.—Housing for our single Marines continues to be our top military construction focus. Barracks are a significant quality of life element in taking care of our single Marines. We have put ourselves in extremis with regards to new barracks as we have degraded their priority for decades in lieu of operational requirements. We are now committed to providing adequate billeting for all of our existing unmarried junior enlisted Marines and non-commissioned officers by 2012—and for our increased end strength by 2014. To do that, we doubled the amount of our bachelor housing funding request from fiscal year 2007 to 2008; we will more than triple the 2008 amount in fiscal year 2009. We are also committed to funding replacement of barracks' furnishings on a seven-year cycle and prioritizing barracks repair projects to preempt a backlog of repairs.

Public Private Venture (PPV) Housing.—Our efforts to improve housing for Marines and their families continue. The housing privatization authorities are integral to our efforts to accommodate both current housing requirements and those resulting from our planned force increases. Thanks to Congressional support, the Marine Corps had business agreements in place at the end of fiscal year 2007 to eliminate all of our inadequate family housing. However, we need to continue our PPV efforts to address the current insufficient number of adequate housing units as well as the deficit being created by the increase in end strength to 202,000 Marines.

Training Capacity.—Marine Corps Training & Education Command is increasing its training capacity and reinvigorating our pre-deployment training program to provide support to all elements of the Marine Air Ground Task Force (MAGTF) across the full spectrum of potential missions. In accordance with the Secretary of Defense's Security Cooperation guidance, we are developing and coordinating training and education programs to build the capacity of allied and partner nations. We are also developing the capability to conduct large-scale MAGTF exercises within a joint, coalition, and interagency context to maintain proficiency in core warfighting functions such as combined arms maneuver, amphibious operations, and maritime repositioning operations. Finally, we are ensuring our training and education programs and training ranges accommodate the 27,000 Marine Corps end strength increase.

Growing to 202,000: Equipment

Our assessment of the materiel requirements for our growth has been significantly enhanced through cooperation between the Marine Corps and industry partners. Through this effort, the units we created in fiscal year 2007 were provided the equipment necessary to enter their pre-deployment training cycle. By prioritizing Marines in combat and redistribution of some of our strategic stocks, these new units were able to meet training and deployment requirements for combat. With the Congress' continued support, the numerous equipment contracts required to support our growth were met during fiscal year 2007 and will be met through fiscal year 2008 and beyond.

RESETTING THE FORCE AND PREPARING FOR THE NEXT CONTINGENCY

To meet the demands of this war, we must reset the force so that we can simultaneously fight, train, and sustain our Corps. The Long War is taking a considerable toll on our equipment, and we continue to make tough choices on how best to apply the resources we are provided—either to replace our rapidly aging equipment with similar platforms or to modernize with next generation equipment. Additionally, we have routinely drawn additional equipment from strategic stocks, which need to be replenished in order for us to remain responsive to emerging threats. The Congress has responded rapidly and generously to our requests for equipment and increased protection for our Marines and Sailors. We are committed to fulfilling our responsibility to manage these resources prudently as we modernize our force.

Costs of Resetting the Force

Reset funds replenish the equipment necessary to keep the Marine Corps responsive to emerging threats. Costs categorized as “reset” meet one of the following criteria: maintenance and supply activities to restore and enhance combat capability to unit and pre-positioned equipment; replace or repair equipment destroyed, damaged, stressed, or worn out beyond economic repair; and enhance capabilities, where applicable, with the most up-to-date technology.

Our current reset estimate is \$15.6 billion. To date, Congress has appropriated a total of \$10.9 billion for Marine Corps GWOT reset costs. As the nature of the Long War evolves, “reset the force” cost estimates evolve as well. We not only need to “Reset” the force to support current readiness, but we also need to “Reconstitute and Revitalize” the force in preparation for future challenges. We are coordinating with other Services and the Joint Staff to refine estimates, and we are aggressively executing funding to ensure the Marines in the fight have the proper equipment in a timely manner.

Equipment Readiness

While the vast majority of our equipment has passed the test of sustained combat operations, it has been subjected to more than a lifetime’s worth of wear stemming from increased vehicle mileage and operating hours as well as harsh environmental conditions—resulting in an escalated maintenance effort. This maintenance requirement is a consequence of not only operational tempo and operating environments, but also the sheer amount of equipment employed in operations. Approximately 26 percent of all Marine Corps ground equipment is currently engaged overseas. Most of this equipment is not rotating out of theater at the conclusion of each force rotation; it remains in combat, used on a near-continuous basis at a pace that far exceeds normal peacetime usage.

For example, in Operation IRAQI FREEDOM, crews are driving Light Armored Vehicles in excess of 8,700 miles per year—3.5 times more than the programmed annual usage rates of 2,480 miles per year. Our tactical vehicle fleet is experiencing some of the most dramatic effects of excessive wear, operating at five to six times the programmed rates. Many weapon systems have been modified during this conflict; some of these modifications have led to further wear and tear due to additional weight—for example, armor plating has been added for protection against improvised explosive devices. These factors, coupled with the operational requirement to keep equipment in theater without significant depot repair, has tremendously decreased the projected lifespan of this equipment. As a result, we can expect higher than anticipated reset costs and more replacements than repair of equipment. The depot level maintenance requirements for the equipment that is repairable will continue beyond the conclusion of hostilities in Iraq and Afghanistan.

Our priority for equipment is to support Marines serving in harm’s way. Therefore, we have drawn additional equipment from the Maritime Prepositioning Ships and prepositioned stores in Norway; we have also retained equipment in theater from units that are rotating back to the United States. The operational results of these efforts have been outstanding—the average mission capable rates of our deployed forces’ ground equipment remain above 90 percent—but there is a price.

The cost of this success is a decrease in non-deployed unit readiness as well as an increase in the maintenance required per hour of operating time. Equipment across the Marine Corps is continuously cross-leveled to ensure that units preparing to deploy have sufficient equipment to conduct our rigorous pre-deployment training programs. Because the stateside priority of equipment distribution and readiness is to units preparing to deploy, there has been a trade-off in unit training for other types of contingencies. The timely delivery of replacement equipment is crucial to sustaining the high readiness rates for the Marines in theater, as well as improving the rates for the forces here at home. While additional equipment has been pur-

chased, long lead times and production rates mean that, although funded, much of this equipment is still many months from delivery.

Aviation Equipment & Readiness

The operationally demanding and harsh environments of Iraq, Afghanistan, and the Horn of Africa have highlighted the limitations of our aging fleet of aircraft. In order to support our Marines, sister Services, and coalition partners successfully, our aircraft have been flying at two to three times their designed utilization rates.

Despite this unprecedented use, our maintenance and support personnel have sustained a 79 percent aviation mission-capable rate for deployed Marine aircraft over the past twelve months. Maintaining the readiness of our aviation assets while preparing our aircrew for their next deployment is and will continue to be an enormous effort and constant challenge for our Marines. To maintain sufficient numbers of aircraft in deployed squadrons, our non-deployed squadrons have taken significant cuts in available aircraft and parts as they prepare for deployment—resulting in a 30 percent decrease in the number of non-deployed units reporting “deployment capable” over the last five years. Reset funding has partially alleviated this strain, but continued funding is needed as we are simply running short of aircraft on our flight lines due to age, attrition, and wartime losses.

Reset programs have helped us mitigate degradation of our aircraft materiel readiness through aircraft modifications, proactive inspections, and additional maintenance actions. These efforts have successfully bolstered aircraft reliability, sustainability, and survivability; nevertheless, additional requirements for depot level maintenance on airframes, engines, weapons, and support equipment will continue well beyond the conclusion of hostilities.

Prepositioning Programs

Comprised of three Maritime Prepositioning Ships Squadrons (MPSRON) and other strategic reserves, the Marine Corps’ prepositioning programs are a critical part of our ability to respond to current and future contingency operations and mitigate risk for the Nation. Targeted withdrawal of equipment from our strategic stocks has been a key element in supporting combat operations, growth of the Marine Corps, and other operational priorities; these withdrawals provided necessary equipment from the existing inventory while industry catches up to our new requirements in the long-term. Generous support from the Congress has enabled the long-term solution, and as a result, shortfalls within our strategic programs will be reset as equipment becomes available from the manufacturer.

Maritime Prepositioning Ships Squadrons (MPSRON).—Our MPSRONS will be reset with the most capable equipment possible, and we have begun loading them with capabilities that support lower spectrum operations while still maintaining the ability to generate Marine Expeditionary Brigades capable of conducting major combat operations. Since 2007’s report, all three squadrons have completed the Maritime Prepositioning Force (MPF) Maintenance Cycle eight (MMC-8). MPSRONS 1 and 3 were reconstituted to 91 percent and 100 percent respectively. The near-term reduction of MPSRON-1 was required to outfit new units standing up in fiscal year 2007 and fiscal year 2008 as part of our end strength increase. MPSRON-1 will complete MPF Maintenance Cycle-nine (MMC-9) in June 2008, and we anticipate it will be loaded with roughly 80 percent of its full equipment set as a result of our requirement to support end strength increase to 202,000 Marines. MPSRON-2 was loaded to 54 percent of its equipment requirements; much of MPSRON-2’s equipment remains committed to Operation IRAQI FREEDOM. With projected deliveries from industry, our intent is to fully reset and modernize MPSRON-2 and MPSRON-3 when they return for maintenance beginning in May 2008 and April 2009 respectively.

We are actively working with the Navy and Transportation Command to incorporate newer, more flexible ship platforms from the existing Military Sealift Command fleet into our aging legacy Maritime Prepositioning Force program. As we reset MPF, these changes are necessary to ensure we incorporate hard fought lessons from recent combat operations. Two decades of equipment growth and recent armor initiatives have strained the capability and capacity of our present fleet—that was designed to lift a Naval Force developed in the early 1980s.

We plan to incorporate three of Military Sealift Command’s nineteen large, medium-speed, roll-on/roll-off ships (LMSR) as replacements for five of our older leased platforms. The LMSR significantly expands MPF flexibility and will allow us to reset and optimize MPF to meet current and emerging requirements.

Marine Corps Prepositioning Program—Norway.—The Marine Corps Prepositioning Program—Norway (MCPP-N) was also used in support of current operations, growth of the Marine Corps, and resetting other Marine Corps shortfalls

with a higher operational priority. The Marine Corps continues to reset MCPP-N in concert with our operational priorities while also exploring other locations for geographic prepositioning that will enable combat and theater security cooperation operations for forward deployed Naval Forces.

Depot Maintenance

The Marine Corps has aggressively worked to stabilize the conditions that affect our depot maintenance. These conditions include: the uncertainty of the timing of reset, asset availability, timing of funding, equipment condition, and evolving skill requirements. One area we focus on is the in-theater identification of equipment and scope of work to be performed; this effort enables better planning for parts, manpower resources, funding requirements, and depot capacity. Triage assessments made in theater and relayed back to the sources of repair have helped to ensure efficient repair preparation time. These efforts reduce the repair cycle time, returning the mission capable equipment to the warfighter as soon as possible—improving materiel readiness.

Depot capacity is elastic; productivity is not constrained by money or capacity; the limiting factor is asset (carcass) availability. We increase capacity to support surge requirements through a variety of means—overtime, additional shifts, and additional personnel. Performing work on over 260 product lines, our depot workforce currently has multiple trade skills ranging from laborers to engineers. Much of the equipment in theater today includes items not previously repaired by any depot facility—organic or non-organic. As a result, the existing workforce may require additional training. New personnel and continued supplementation through contractor support may also be required. We continue to leverage state and local institutions, such as the technical colleges and universities, which can provide valuable assistance in training our workforce in skills such as welding, environmental science, and engineering.

Future challenges to meeting the increasing workload requirements include leveraging depot capacity, lessening the impact on our labor force, and ensuring parts are available. Continuing to partner with other Services and industry, we will enhance execution of reset using organic and non-organic sources of repair. We will continue to work with the Congress to anticipate the evolving depot maintenance funding requirements.

Equipment Retrograde Operations from Central Command Area of Operations

During 2006, in a continued effort to support the Commander, United States Marine Forces, Central Command, Marine Corps Logistics Command took the lead as the Service Executive Agent for the retrograde of equipment in theater determined to be excess. In addition to receiving, preparing, and shipping excess equipment within theater, Marine Corps Logistics Command (Forward) coordinates strategic lift requirements and manages the redistribution of principle end items in accordance with the Commandant of the Marine Corps' sourcing priorities. Since June 2006, over 15,731 principle end items have been processed at the retrograde lot in Al Taqaddum and approximately 11,799 items have been shipped back to Blount Island Command for disposition. Once disposition is received, assets are sent to Marine Corps Logistics Command for induction into the Master Work schedule, placed In-Stores, used to fill requisitions, or sent to the Defense Reutilization Marketing Office if deemed uneconomical to repair. The repair and return of items to In-Stores will enable us to better address the many demands for equipment. This, in turn, will keep us moving forward towards our goal of continued readiness improvement.

Operation IRAQI FREEDOM has led to a conceptual change in the way we provide operational-level logistics to the warfighter. Due to changing operational and mission requirements, Marine Corps Logistics Command is implementing capabilities extending beyond traditional boundaries, creating a more mobile and agile organization. The Marine Corps Logistics Command (Forward) was established to satisfy operational logistics requirements using competitive, comprehensive, and integrated solutions obtained from “the best” strategic Department of Defense and commercial providers. While continuing to execute its strategic-level responsibilities, Marine Corps Logistics Command has transformed from a garrison-centric organization to one capable of deploying operational-level logistics solutions to augment the sustainment requirements of Marine Forces in combat.

MODERNIZE FOR TOMORROW TO BE “THE MOST READY WHEN THE NATION IS LEAST
READY”

We know we have tough choices ahead of us to meet equipment demands across the Corps. As we reset, we are making prudent assessments on when it is more effective to replace aging and worn out equipment with similar equipment or to buy

new equipment. We remain focused and steadfast on our responsibility to be the Nation's premiere expeditionary Force-in-Readiness.

Experimentation

Our Marine Corps Warfighting Laboratory conducts experiments to support operating force requirements and combat development. We continually seek to improve the capabilities of the operating forces by focusing on the needs of our lower-level ground combat and ground combat support units engaged in current and potential near-term contingencies. Some examples of current projects include:

- “Combat Hunter,” a project aimed at enhancing observation and hunting skills of individual Marines operating in a combat environment;
- Company Level Intelligence Cell experiment, designed to provide us with a “best practices” model and to standardize infantry battalion intelligence processes;
- Squad Fires experiment, enhancing close air support to squad-level units;
- Combat Conditioning project, examining advances in physical fitness training to best prepare Marines for the demands of combat; and
- Lighten the Load initiative, an effort to decrease the amount of weight carried by Marines in the field.

Enhancing Individual Survivability

The Marine Corps continues to pursue technological advancements in personal protective equipment—our Marines in combat deserve nothing less. Fully recognizing the limiting factors associated with weight, fatigue, and movement restriction, we are providing Marines the latest in personal protective equipment—such as the Modular Tactical Vest, QuadGard, Lightweight Helmet, and Flame Resistant Organizational Gear.

Body Armor.—Combat operations in Iraq and Afghanistan have highlighted the need to evolve our personal protective vest system. In February 2007, we began transitioning to a newly-designed Modular Tactical Vest (MTV). This vest is close to the same weight as its predecessor, the Outer Tactical Vest, but it integrates more easily with our other personal protection systems. It provides greater comfort through incorporation of state-of-the-art load carriage techniques, which better distributes a combat load over the torso and onto the hips of the Marine. The MTV also incorporates our combat-proven Enhanced Small Arms Protective Inserts (E-SAPI) and Side SAPI plates. These plates are provided to every Marine in the Central Command theater of operations. The E-SAPI provides the best protection available against a wide variety of small arms threats—to include protection against 7.62 mm ammunition. The initial acquisition objective for the MTV was 60,000 systems, with deliveries completed in October 2007. We are procuring additional MTVs during this fiscal year to ensure our Marines continue to deploy with the best body armor system available.

QuadGard.—The QuadGard system is designed to provide ballistic protection for a Marine's arms and legs when serving as a turret gunner on convoy duty. This system, which integrates with other personal ballistic protection equipment, such as the MTV ESAPI and Lightweight Helmet, provides additional protection against ballistic threats—particularly improvised explosive device fragmentation.

Lightweight Helmet.—We are committed to providing the best head protection available to our warfighters. The Lightweight Helmet (LWH) weighs less than its predecessor and provides a high level of protection against fragmentation threats and 9 mm bullets. We now require use of a pad system inside the helmet as multiple independent studies and tests demonstrated that it provides greater protection against non-ballistic blunt trauma than the sling suspension system. We are retrofitting more than 150,000 helmets with the pad system and have already fielded enough helmet pads for every deployed Marine. Since January 2007, all LWHs produced by the manufacturer are delivered with the approved pad system installed. In October 2007, we began fielding the Nape Protection Pad (NAPP), which provides additional ballistic protection to the occipital region of the head—where critical nervous system components, such as the cerebellum, brain stem, occipital lobe, and spinal cord are located. The NAPP is attached to the back of the LWH or the Modular Integrated Communications Helmet (MICH), which is worn by our reconnaissance Marines. Final delivery of the initial 69,300 NAPPs is scheduled for April 2008. That said, we continue to challenge industry to build a lightweight helmet that will stop the 7.62 mm round fired from an AK-47.

Flame Resistant Organizational Gear (FROG).—In February 2007, we began fielding FROG to all deployed and deploying Marines. This lifesaving ensemble of flame resistant clothing items—gloves, balaclava, long-sleeved under shirt, combat shirt, and combat trouser—is designed to mitigate potential injuries to our Marines from

flame exposure. These clothing items provide protection that is comparable to that of the NOMEX combat vehicle crewman suit/flight suit, while adding durability, comfort, and functionality. We have recently begun fielding flame resistant fleece pullovers to our Marines for use in cooler conditions, and we are developing flame resistant varieties of cool/cold weather outer garments and expect to begin fielding these to Marines in late fiscal year 2008. With the mix of body armor, undergarments, and outerwear, operational commanders can determine what equipment their Marines will employ based on mission requirements and environmental conditions. Through ongoing development and partnerships with other Services, we continue to seek the best available flame resistant protection for our Marines.

Sustained funding for the development and procurement of individual protective equipment has had a direct impact on our ability to reduce or mitigate combat injuries. Continued Congressional support is needed to ensure that our Marines and Sailors receive the best equipment available in the coming years.

Counter Improvised Explosive Devices (CIED).—Responding to urgent warfighter needs, we are providing the most capable force protection systems available. We are upgrading our Counter Remote-controlled IED Electronic Warfare Chameleon systems to meet rapidly evolving threats while remaining engaged with the Joint Program Board to develop a joint solution. We are enhancing our ability to combat the effects of weapons of mass destruction as well as protecting our Marines worldwide by fielding eighteen consequence management sets using the best available commercial off-the-shelf technologies. These sets complement the capabilities of our Family of Incident Response Systems and the Chemical Biological Incident Response Force. Our Family of Explosive Ordnance Disposal Equipment has undergone significant modernization through enhancement of technician tool kits and greater counter IED robotics capability and availability.

Marine Aviation Plan

Resetting Marine Aviation means getting more capable and reliable aircraft into the operational deployment cycle sooner—not merely repairing and replacing damaged or destroyed aircraft. Daily, your Marines rely on these aircraft to execute a wide array of missions including casualty evacuation for our wounded and timely close air support for troops in contact with the enemy. Legacy aircraft production lines are no longer active—exacerbating the impact of combat losses and increasing the urgency for the Marine Aviation Plan to remain fully funded and on schedule.

The 2007 Marine Aviation Plan (AvPlan) provides the way ahead for Marine Aviation over the next 10 years as it transitions 39 of 71 squadrons from 13 legacy aircraft to 6 new aircraft; it incorporates individual program changes and synchronizes support of our end strength growth to 202,000 Marines.

Joint Strike Fighter (JSF).—F-35B Lightning II development is on track with the first flight of BF-1 Short Take-Off/Vertical Landing (STOVL) variant scheduled for 2008. The F-35B STOVL variant is a fifth generation aircraft that will provide a quantum leap in capability, basing flexibility, and mission execution across the full spectrum of warfare. The JSF will act as an integrated combat system in support of ground forces and will be the centerpiece of Marine Aviation. The manufacture of the first nineteen test aircraft is well underway, with assembly times better than planned and exceptional quality demonstrated in fabrication and assembly. The first Conventional Take-Off/Landing (CTOL) aircraft flew in December of 2006 and accumulated nineteen flights prior to a planned technical refresh. The JSF acquisition strategy, including software development, reflects a block approach. The Marine Corps remains committed to an all-STOVL tactical aircraft force—which will enable future Marine Air Ground Task Forces (MAGTFs) to best fulfill its expeditionary warfighting responsibilities in support of the Nation and Combatant Commanders.

MV-22 Osprey.—The MV-22 brings revolutionary assault support capability to our forces in harm's way; they deserve the best assault support aircraft in the world—without question, the MV-22 is that aircraft. The MV-22 is replacing the CH-46E aircraft. The CH-46E is over forty years old, with limited lift and mission capabilities to support the MAGTF. In September 2005, the V-22 Defense Acquisition Board approved Full Rate Production. Twenty-nine Block A and twenty-four Block B aircraft have been delivered and are based at Marine Corps Air Station New River, North Carolina; Patuxent River, Maryland; and Al Asad Air Base, Iraq.

Much like the F-35, the MV-22 program uses a block strategy in its procurement. Block A aircraft are training aircraft, Block B are operational aircraft, and Block C aircraft are operational aircraft with mission enhancements that will be procured in fiscal year 2010 and delivered in fiscal year 2012. One V-22 Fleet Replacement Training Squadron, one test squadron, and three tactical VMM squadrons have stood up. MV-22 Initial Operational Capability was declared on June 1, 2007 with a planned transition of two CH-46E squadrons per year thereafter.

VMM-263 is deployed to Al Asad Air Base, Iraq, and the significant capabilities of the Osprey have already been proven in combat. A brief examination of the daily tasking of the MV-22 squadron in Iraq tells a compelling story: a flight of MV-22s are doing in six hours what would have taken twelve hours in CH-46s. In addition, the aircraft easily ranges the entire area of operations and flies a majority of the time at altitudes beyond the range of our enemy's weapons. The Marine Corps asked for an aircraft that could take us farther, faster, and safer; and Congress answered.

KC-130J.—KC-130Js have been continuously deployed in support of Operation IRAQI FREEDOM since February 2005—providing state-of-the-art, multi-mission, tactical aerial refueling, and fixed-wing assault support. The KC-130J is the workhorse of the MAGTF; its theater logistical support reduces the requirement for resupply via ground, limiting the exposure of our convoys to IEDs and other attacks.

The introduction of the aerial refuelable MV-22 combined with the forced retirement of the legacy KC-130F/R aircraft due to corrosion, fatigue life, and parts obsolescence requires an accelerated procurement of the KC-130J. In addition, the Marine Corps will replace its twenty-eight reserve component KC-130T aircraft with KC-130Js, simplifying the force to one Type/Model/Series. The Marine Corps is contracted to procure a total of forty-six aircraft by the end of fiscal year 2013; twenty-nine new aircraft have been delivered and four KC-130J aircraft requested in the fiscal year 2008 budget.

H-1 Upgrade.—The H-1 Upgrade Program (UH-1Y/AH-1Z) resolves existing operational UH-1N power margin and AH-1W aircrew workload issues—while significantly enhancing the tactical capability, operational effectiveness, and sustainability of our attack and utility helicopter fleet. The Corps' Vietnam-era UH-1N Hueys are reaching the end of their useful life. Due to airframe and engine fatigue, Hueys routinely take off at their maximum gross weight with no margin for error. Rapidly fielding the UH-1Y remains a Marine Corps aviation priority, with the first deployment of UH-1Ys to Operation IRAQI FREEDOM scheduled for the spring of 2009.

Due to significant operational demands and aircraft attrition in the existing attack and utility helicopter fleet, the Marine Corps adopted a “build new” strategy for the UH-1Y in fiscal year 2006. Similarly, the Marine Corps began investing in Non-Recurring Engineering (NRE) in fiscal year 2007 for the production of a limited number of AH-1Z “build new” aircraft; these AH-1Zs will augment those existing AH-1Ws that will be remanufactured. This combined “build new” and remanufacture strategy will enable the Marine Corps to rapidly increase the number of AH-1s available, support the Marine Corps' growth to 202,000 Marines, and alleviate inventory shortfalls caused by aircraft attrition. Ten production aircraft have been delivered. Operation and Evaluation (OPEVAL) Phase II commenced in February 2008, and as expected, showcased the strengths of the upgraded aircraft. Full rate production of the H-1 Upgrade (and the contract award of Lot 5 aircraft) is scheduled to take place during the fourth quarter fiscal year 2008.

CH-53K.—In operation since 1981, the CH-53E is becoming increasingly expensive to operate and faces reliability and obsolescence issues. Its replacement, the CH-53K, will be capable of externally transporting 27,000 lbs to a range of 110 nautical miles, more than doubling the current CH-53E lift capability. Maintainability and reliability enhancements of the CH-53K will significantly decrease recurring operating costs and will radically improve aircraft efficiency and operational effectiveness over the current CH-53E. The program passed Milestone B (System Development & Demonstration [SDD] initiation) in December 2005. The SDD Contract was awarded to Sikorsky Aircraft Corporation in April 2006. Initial Operational Capability (IOC) is scheduled for fiscal year 2015, and is defined as a detachment of four aircraft, ready to deploy.

Unmanned Aerial Systems (UAS)

The Marine Corps is taking aggressive action to modernize and improve organic UAS capabilities. The Marine Corps' UAS are organized into three echelons, appropriate to the level of commander they support. Tier III UAS serve at the Marine Expeditionary Force (MEF) level. Tier II UAS support Regimental Combat Team and Marine Expeditionary Unit operations, and Tier I UAS support battalion and below operations. At the Tier III level, we have simultaneously transitioned Unmanned Aerial Vehicle Squadrons (VMU) to the RQ-7B Shadow; started reorganizing the squadrons' force structure to support detachment-based flexibility (operating three systems versus one for each squadron); and initiated the stand up of a third active component VMU squadron.

With the significant support of the Army, the Marine Corps has completed the transition to the RQ-7B Shadow in less than nine months. The transition to the Shadow provides a mature and modern—yet basic and readily available—Tier III

platform upon which to baseline Marine VMU reorganization. A detachment-based concept of operations for the VMU will give Marine Expeditionary Force commanders flexibility to task-organize based on mission requirements. The addition of a third VMU squadron is critical to sustaining current operations by decreasing our current operational deployment-to-dwell ratio—currently at 1:1—to a sustainable 1:2 ratio. This rapid transition and reorganization, begun in January 2007, will be complete by the fourth quarter fiscal year 2009, significantly improving organic Marine Corps UAS capability while increasing joint interoperability and commonality.

The Marine Corps is using an ISR Services contract to provide Scan Eagle systems to Multi-National Forces—West, Iraq to fill the Tier II void until future fielding of the Tier II/Small Tactical UAS (STUAS), a combined Marine Corps and Navy program beginning in fiscal year 2008 with planned fielding in 2011. At the Tier I level, the Marine Corps is transitioning from the Dragon Eye to the joint Raven-B program, also common with the U.S. Army.

When fully fielded, the Corps' Unmanned Aerial Systems will be networked through a robust and interoperable command and control system that provides commanders an enhanced capability applicable across the spectrum of military operations.

Ground Mobility

The Army and Marine Corps are leading the Services in developing tactical wheeled vehicle requirements for the joint force. Our efforts will provide the joint force an appropriate balance of survivability, mobility, payload, networking, transportability, and sustainability. The Army/Marine Corps Board has proven a valuable forum for coordination of development and fielding strategies; production of armoring kits and up-armored HMMWVs; and response to requests for Mine Resistant Ambush Protected vehicles. The Ground Mobility Suite includes:

Expeditionary Fighting Vehicle (EFV).—The Marine Corps provides the Nation's joint forces with a unique and flexible forcible entry capability from the sea. The EFV is specifically suited to maneuver operations conducted from the sea and sustained operations in the world's littoral regions. Its inherent capabilities provide utility across the spectrum of conflict. As the Corps' largest ground combat system acquisition program, the EFV is the sole sea-based, surface-oriented vehicle that enables projection of combat power from a seabase to an objective. It will replace the aging Assault Amphibious Vehicle—in service since 1972. Complementary to our modernized fleet of tactical vehicles, the EFV's amphibious mobility, day and night lethality, enhanced force protection capabilities, and robust communications will substantially improve joint force capabilities. Its over-the-horizon capability will enable amphibious ships to increase their standoff distance from the shore—protecting them from enemy anti-access weapons.

The Marine Corps recently conducted a demanding operational assessment of the EFV. It successfully demonstrated the most critical performance requirements, but the design complexities are still providing challenges to system reliability. To that end, we conducted a comprehensive requirements review to ensure delivery of the required capability while reducing complexity where possible. For example, the human stresses encountered during operations in some high sea states required us to reevaluate the operational necessity of exposing Marines to those conditions. Based upon this assessment, along with subsequent engineering design review, we will tailor final requirements and system design to support forcible entry concepts while ensuring the EFV is a safe, reliable, and effective combat vehicle.

Joint Light Tactical Vehicle (JLTV).—The Army/Marine Corps Board has been the focal point for development of joint requirements for a Joint Light Tactical Vehicle—which will provide protected, sustained, networked, and expeditionary mobility in the light tactical vehicle weight class. Throughout 2007, Army and Marine Corps combat and materiel developers coordinated with the Joint Staff, defining requirements and acquisition planning for the replacement for the up-armored HMMWV. In December, the Defense Acquisition Board approved JLTV entry into the acquisition process at Milestone A, designating the Army as lead Service and initiating competitive prototyping during the technology development phase. Prototypes will be evaluated to demonstrate industry's ability to balance survivability, mobility, payload, network enabling, transportability, and sustainability. The program is on track for a Milestone B in early 2010.

Marine Personnel Carrier (MPC).—The MPC is an expeditionary armored personnel carrier—ideal for irregular warfare—yet effective across the full range of military operations. Increasing armor-protected mobility for infantry battalion task forces, the MPC program balances vehicle performance, protection, and payload attributes. Through 2007, we completed both joint staffing of an Initial Capabilities Document and, a draft concept of employment. Additionally, the Analysis of Alter-

natives final report was published in December 2007. The program is on track for a Milestone B decision in the second quarter of fiscal year 2010 and an Initial Operational Capability in the 2015 timeframe.

Internally Transported Vehicle (ITV).—The ITV is a family of vehicles that will provide deployed Marine Air Ground Task Forces with ground vehicles that are transportable inside the MV-22 and CV-22 tilt-rotor aircraft, as well as CH-53 and MH-47 aircraft. There are three variants of the ITV, the Light Strike, the Prime Mover-Weapon, and the Prime Mover-Trailer. Both prime mover variants are components of the Expeditionary Fire Support System designed to support the M327 120 mm mortar. In conjunction with testing of our Expeditionary Fire Support System, we conducted an operational assessment of the ITV Light Strike variant during which it met all key performance parameters. We expect to begin fielding this variant the Light Strike Variant of the ITV in June 2008.

Vehicle Armoring

Our goal is to provide the best level of available protection to 100 percent of in-theater vehicles that go “outside the wire.” Our tactical wheeled vehicle strategy pursues this goal through the coordination of product improvement, technology insertion, and new procurement in partnership with industry. The Marine Corps, working with the other Services, is fielding armored vehicles such as: the Mine Resistant Ambush Protected Vehicle (MRAP), the Medium Tactical Vehicle Replacement Armor System, the Logistics Vehicle System (LVS) Marine Armor Kit, and the Up-armored HMMWV.

Medium Tactical Vehicle Replacement (MTVR) Armor System (MAS).—MAS provides an integrated, armor enclosed, climate-controlled cab compartment and an armored troop carrier for our MTVR variants. These vehicles are also being upgraded with an improved blast protection package consisting of blast attenuating seats, five-point restraint harnesses, and improved belly and fender-well blast deflectors. Basic MAS has been installed in all of the Marine Corps’ MTVRs in the Central Command’s theater of operation. Additionally, we are installing blast upgrade, fuel tank fire protection kits, and 300 AMP alternators; target completion for in-theater vehicles is Fourth Quarter fiscal year 2008.

Logistics Vehicle System (LVS) Marine Armor Kit (MAK) II.—The LVS MAK II provides blast, improvised explosive device, and small arms protection. It has a completely redesigned cab assembly that consists of a new frame with armor attachment points and integrated 360-degree protection. The new cab will also have an air conditioning system that cools from 134 degrees Fahrenheit to 89 degrees Fahrenheit in twenty minutes. Additional protection includes overhead and underbody armor using high, hard steel, rolled homogenous armor, and 2.75 inch ballistic windows. The suspension system has been upgraded to accommodate the extra weight of the vehicle. We estimate the LVS MAK II armoring effort will complete fielding by February 2009.

M1114 Highly-Mobile Multi-Wheeled Vehicle (HMMWV)—Upgrade—Fragmentation Kit 2 and Kit 5.—Fragmentation Kit 2 enhances ballistic protection in the front driver and assistant driver wheel-well of HMMWVs. Fragmentation Kit 5 reduces injuries from improvised explosive devices as well as armor debris and fragmentation. Installation of both fragmentation kits was completed in fiscal year 2007. We are continuing to evaluate the U.S. Army’s objective kit development and work with the Army and Office of Naval Research to assess new protection-level capabilities and share information. The Marine Corps has adopted a strategy of a 60 percent fully up-armored HMMWV fleet. All new Expanded Capacity Vehicles will have the Integrated Armor Package. Of those, 60 percent will be fully up-armored to include the appropriate “B” kit and Fragmentation kits during production. The Marine Corps will continue to work with the Army to pursue the development of true bolt-on/bolt-off “B” kits and fragmentation kits to apply as needed to post-production vehicles.

Mine Resistant Ambush Protected (MRAP) Vehicles.—MRAP vehicles have a V-shaped armored hull and protect against the three primary kill mechanisms of mines and improvised explosive devices (IED)—fragmentation, blast overpressure, and acceleration. These vehicles provide the best currently-available protection against IEDs. Experience in theater shows that a Marine is four to five times less likely to be killed or injured in a MRAP vehicle than in an up-armored HMMWV—which is why Secretary Gates made the MRAP program the number one acquisition priority for the Defense Department. MRAP vehicles come in three categories: Category I designed for use in urban environments and carries by up to six personnel; Category II for convoy escort, troop transport, and ambulance evacuation, which transports up to ten personnel; and Category III for route clearance/explosive ordnance disposal vehicles.

The total Department of Defense requirement for MRAP vehicles is 15,374—of which 3,700 are allocated for the Marine Corps. However, the Marine Corps requirement has been revalidated to 2,225, pending Joint Requirements Oversight Council approval. The Navy is the Executive Agent for the program and the Commander, Marine Corps Systems Command is the Joint Program Executive Officer. As an example of our adaptation to evolving threats, the Joint MRAP Vehicle Program Office has recently selected qualified producers of a new MRAP II vehicle for the Marine Corps and other forces. Vehicles procured through this second solicitation will meet enhanced survivability and performance capability required by field commanders.

The Marine Corps is very pleased with the overwhelming support of Congress on the MRAP program, both financially and programmatically. We ask that Congress continue their support for these life-saving vehicles and support us as we transition to the sustainment of these vehicles in future years.

MAGTF Fires

In 2007, we initiated a study entitled “The Major Combat Operations Analysis for fiscal years 2014 and 2024.” This study scrutinized the current organic fire support of the Marine Air Ground Task Force (MAGTF) to determine the adequacy, integration, and modernization requirements for ground, aviation, and naval surface fires. The study concluded that the MAGTF/Amphibious Task Force was unable to adequately address moving and armored targets 24/7 and in all weather conditions. This deficiency is especially acute during the Joint Forcible Entry Operation phase of combat operations. The study also reinforced the critical importance of both the Joint Strike Fighter and AH1Z in minimizing the fires gap. With this information, we then developed a set of alternatives for filling these gaps—using either MAGTF reinforcing or joint fires. We also performed a supplemental historical study using Operation IRAQI FREEDOM data to examine MAGTF Fires in the full spectrum of warfare. These studies reconfirmed the requirement for a mix of air, naval surface, and ground-based fires as well as the development of the Triad of Ground Indirect Fires.

Our Triad of Ground Indirect Fires provides for complementary, discriminating, and nondiscriminating fires that facilitate maneuver during combat operations. The Triad requires a medium-caliber cannon artillery capability; an extended range, ground-based rocket capability; and a mortar capability with greater lethality than current models and greater tactical mobility than current artillery systems. The concept validates the capabilities provided by the M777 lightweight 155 mm towed howitzer, the High Mobility Artillery Rocket System, and the Expeditionary Fire Support System, a 120 mm rifled towed mortar.

M777 Lightweight Howitzer.—The new M777 lightweight howitzer replaces our M198 howitzers. It can be lifted by the MV-22 Osprey and the CH-53E helicopter and is paired with the Medium Tactical Vehicle Replacement truck for improved cross-country mobility. Through design innovation, navigation, positioning aides, and digital fire control, the M777 offers significant improvements in lethality, survivability, mobility, and durability over the M198 howitzer. The Marine Corps began fielding the first of 511 new howitzers to the operating forces in April 2005 and expects to complete fielding in fiscal year 2011.

High Mobility Artillery Rocket System (HIMARS).—HIMARS fills a critical range and volume gap in Marine Corps fire support assets by providing twenty-four hour, all weather, ground-based, indirect precision and volume fires throughout all phases of combat operations ashore. We will field forty-six HIMARS—eighteen to the Active Component, eighteen to the Reserve Component, four to the Supporting Establishment, and six to the War Reserve Material Readiness—Forward. When paired with Guided Multiple Launch Rocket System rockets, HIMARS will provide a highly responsive, precision fire capability to our forces. We will reach Initial Operational Capability this August and expect to be at Full Operational Capability by fiscal year 2010.

Expeditionary Fire Support System (EFSS).—The EFSS, a towed 120 mm mortar, will be the principal indirect fire support system for heli- and tiltrotor-borne forces executing Ship-to-Objective Maneuver as part of a Marine Air Ground Task Force. When paired with an Internally Transportable Vehicle, EFSS can be transported aboard MV-22 and CH-53E aircraft. EFSS-equipped units will have immediately responsive, organic indirect fires at ranges beyond current infantry battalion mortars. Initial operational capability is planned during fiscal year 2008, and full operational capability is planned for fiscal year 2010.

Infantry Weapons

Based on combat experience and numerous studies, we are developing infantry weapons systems with the following goals: increased effectiveness, lighter weight,

improved modularity, and integration with other infantry equipment. The Marine Corps and Army are co-leading joint service capabilities analysis for future developments.

Individual Weapons.—The M16A4 is our current service rifle and makes up the majority of our assigned individual weapons. It is supplemented by the M4 Carbine, which is assigned to Marines based on billet and mission requirements. We are participating in several Army tests which will evaluate the capabilities and limitations of our small arms inventory. In conjunction with the Army and Air Force, we will use these results to determine priorities for a future service rifle with focus on modularity, ergonomics, balance, and lethality. We also have executed a two-pronged strategy for a larger caliber pistol: supporting the Air Force's effort to analyze and develop joint capabilities documents for a new pistol and examining the Army's recent consideration of personal defense weapons.

Multi-Purpose Weapons.—The Shoulder-Launched Multipurpose Assault Weapon (SMAW) is an aging, heavy weapon that is nearing the end of its service life. We are seeking ways to reduce weight, increase reliability, and improve target identification as well as develop a "fire from enclosure" capability that will enable Marines to fire the weapon from within an enclosed space.

Scout Sniper Capability.—We are conducting a holistic assessment of our Scout Sniper capability to identify shortfalls and develop recommended solutions—concurrently integrating the doctrine, training, weapons, equipment, and identified tasks with a Marine sniper's professional development and career.

Non-lethal Weapons Technology.—The complexities of the modern battlespace often place our Service men and women in challenging situations where sometimes, lethal force is not the preferred response. In these environments, our warfighters need options for a graduated escalation of force. As the Executive Agent for the Department of Defense Non-Lethal Weapons Program, we see the need for long-range, directed-energy systems. Marines and Soldiers in Iraq are already using non-lethal directed energy weapons; green laser warning devices have reduced the requirement to use lethal force at checkpoints against wayward, but otherwise innocent, Iraqi civilians. We continue to pursue joint research and development of promising non-lethal weapon technologies, such as the millimeter wave Active Denial System. We thank the Committee for its support of these vital capabilities for modern warfare.

Counter-Sniper Technology.—We are leveraging the work of the Defense Advanced Research Projects Agency, our sister Services, the Marine Corps Intelligence Activity, and the National Ground Intelligence Center in an effort to increase our ability to counter enemy snipers. We are examining different obscurant technologies as well as various infrared detection/location sense and warn capabilities. We are experimenting with advanced equipment and improved tactics, techniques, and procedures. The ability to detect enemy optics will provide our Marines warning of impending sniper or improvised explosive device attacks and the ability to avoid or engage the sniper before he can fire. Ongoing joint and interagency cooperation, coupled with industry collaboration, will shape our future experiments.

Infantry Battalion Enhancement Period Program (IBEPP).—We are fielding additional equipment to infantry battalions to better enable Marines to fight and win on the distributed and non-linear battlefield. This equipment encompasses communications, optics, weapons, and vehicles, at a cost of approximately \$19 million per battalion. Key elements of the IBEPP include a formal squad leader course for every rifle battalion squad leader, a tactical small unit leaders' course for prospective fire team leaders, and a "Train the Trainer" mobile training team to teach junior tactical leaders the skills required to more effectively train their own Marines.

Command and Control (C2) Harmonization

The Marine Corps' Command and Control Harmonization Strategy articulates our goal of delivering an end-to-end, fully-integrated, cross-functional capability to include forward-deployed and reach-back functions. We envision seamless support to Marines in garrison and in combat—taking the best of emerging capabilities to build a single solution that includes the Common Aviation Command and Control System (CAC2S), Tactical Communications Modernization (TCM) program, Very Small Aperture Terminal (VSAT), and training.

The CAC2S fuses data from sensors, weapon systems, and command and control systems into an integrated display, assisting commanders in controlling organic, joint, and coalition efforts while operating as a joint task force. Delivered in a common, modular, and scalable design, CAC2S reduces the current systems into one hardware solution. The TCM and VSAT programs fuse data on enemy forces into the Common Operating Picture and increase our ability to track friendly forces. Lastly, our C2 Harmonization Strategy increases capability to train our staffs through Marine Air Ground Task Force Integrated System Training Centers.

Information Operations

The ability to influence an adversary through information operations has been a critical capability our current operations and will be of even more importance as we continue to engage in security cooperation efforts around the globe. To better support our Information Operations (IO), we are standing up the Marine Corps Information Operations Center at Quantico, VA—our primary organization to integrate and deliver IO effects throughout the Marine Corps.

Marine Corps Intelligence, Surveillance, and Reconnaissance Enterprise

We are increasing the quality of our Intelligence, Surveillance, and Reconnaissance (ISR) capabilities through the use of an enterprise approach known as the Marine Corps ISR Enterprise (MCISR-E)—resulting in a fully-integrated architecture compliant with joint standards for data interoperability. MCISR-E will provide networked combat information and intelligence down to the squad level across the range of military operations. To ensure Marines have access to these new capabilities, our MAGTF Command and Control systems feed combat operation centers with information from wide field of view persistent surveillance systems such as Angel Fire, traditional ISR systems such as our family of Unmanned Aircraft Systems (UAS), and non-traditional collection assets such as Ground Based Operational Surveillance System (GBOSS). Intelligence sections down to the company level are equipped with ISR fusion systems as well as applications such as MarineLink that enable rapid discovery, data mining, analysis, and most importantly incorporation of Intelligence into tactical planning for operations and intelligence reporting down to squad level and up to higher headquarters.

Marine Corps Operational Logistics

Operating Force Sustainment Initiatives.—We have aggressively moved forward on several forward-deployed initiatives that have improved our support to our Marines in combat. Our Marine Corps Logistics Command is working with our Marine Expeditionary Forces on extending heavy intermediate maintenance support within the continental United States. Maintenance Center contact teams at Camp Lejeune and Camp Pendleton are extending the service life of equipment through corrosion control and maintenance programs that enhance pre-deployment readiness.

Improving Combat Readiness Through Innovation.—To assure optimum use of the resources provided by Congress and the American taxpayers, we are making innovations in how we equip, sustain, house, and move our war-fighters. We are aggressively applying the principles of continuous process improvement to these enabling business processes across the Corps. In just the past year we have cut costs and repair cycle time at both aviation and ground maintenance depots, revamped and speeded up the urgent universal needs statements process, and instituted regional contracting for materiel and services that is proving more cost effective. Such improvements are expected to increase as training and experience proliferate.

Urgent Universal Needs Statement (UUNS) Process

The UUNS process enables deployed commanders to request equipment based on their recent experience. Designed to procure equipment more expediently than if submitted in the regular budgeting process, the Marine Corps' UUNS process uses a secure, web-based system that provides full stakeholder visibility from submission through resolution. Through continuous process improvement, we have reduced our average processing time by 58.8 days. Our goal is responsive support to commanders in the field by providing a rational, disciplined, and time-sensitive process that fulfills their validated urgent requirements in the fastest, most logical way. We continue to review the system for opportunities to increase efficiency and timeliness. For example, as a result of a February 2006 Lean Six Sigma review, several improvements were implemented including standardization, on-line tracking, and streamlined approval. Typically, UUNS are funded by reprogramming funds from approved programs or through Congressional supplemental funding. They are funded with regard for current law, their effects on established programs of record, or other initiatives in the combat capability development process.

Information Technology Enablers/Global Combat Support System—Marine Corps

Global Combat Support System—Marine Corps continues to make strides toward delivering a modernized information technology system that will enhance logistics support to the warfighter. As the primary information technology enabler for the Marine Corps' Logistics Modernization efforts, the system's primary design focus is to enable the warfighter to operate while deployed and provide reach back capability from the battlefield. At the core is modern, commercial-off-the-shelf enterprise resource planning software that will replace our aging legacy systems. The Global Combat Support System—Marine Corps Block 1 focuses on providing the operating

forces with an integrated supply/maintenance capability and enhanced logistics-chain-management planning tools. Field User Evaluations and Initial Operational Test & Evaluations are scheduled for 1st Quarter fiscal year 2009, followed by fielding of the system and Initial Operating Capability during fiscal year 2009. Future blocks will focus on enhancing capabilities in the areas of warehousing, distribution, logistics planning, decision support, depot maintenance, and integration with emerging technologies to improve asset visibility.

Secure Internet Routing Protocol Network (SIPRNET)

The Secure Internet Routing Protocol Network (SIPRNET) is our primary warfighting command and control network. The asymmetric nature of current attacks combined with future threats to our networks demand a greater reliance on the SIPRNET to ensure the security of Marine Corps warfighting and business operations. The Marine Corps is aggressively upgrading our existing SIPRNET capabilities and an expansion of our SIPRNET in the future will be necessary to meet operational demands. The resources required for this expansion will enable wider use of the SIPRNET across the Marine Corps as we transition more warfighting and business operations into a highly secure and trusted network.

Infrastructure Energy Considerations

The purchase of electricity, natural gas, petroleum fuels, and potable water to operate our facilities is a significant expense. Through proactive Facilities Energy & Water Management and Transportation Programs to reduce consumption, we are achieving substantial cost avoidance and environmental benefits including reduction of greenhouse gas emissions and other pollutants. Our program provides the direction, actions, and metrics necessary for commands to:

- Reduce rate of energy use in existing facilities;
- Improve facility energy efficiency of new construction and renovations;
- Expand use of renewable resources;
- Reduce water usage rates on our installations;
- Improve security and reliability of energy and water systems; and
- Decrease petroleum use through increased efficiency and alternative fuel use.

Marine Corps conservation efforts have been substantial, but installation energy and water requirements continue to increase as we increase our end strength and adjust to rising energy prices.

PROVIDE OUR NATION A NAVAL FORCE FULLY PREPARED FOR EMPLOYMENT AS A MAGTF
ACROSS THE SPECTRUM OF CONFLICT

The enduring value of naval expeditionary forces in protecting our homeland, preventing crises, and winning our Nation's wars is a key theme of the recently signed maritime strategy entitled "A Cooperative Strategy for 21st Century Seapower," the Naval Operations Concept, and the Marine Corps Operating Concepts for a Changing Security Environment. These documents acknowledge the uncertainty of the strategic environment and that winning the battle for influence—and thus preventing wars—is as important as our Nation winning wars. Influenced by a variety of geographic, diplomatic, and geographic factors, our country's access to strategic basing is in decline. Our strategies address the requirement to maintain a robust forcible entry capability: the ability to maneuver from the sea, gain and maintain access anywhere in the littorals as well as transition to operations ashore and sustain the force from the seabase. They provide a template for Maritime Service capability and capacity and underscore our Marine Corps-Navy warfighting interdependence.

These concepts and strategies also incorporate hard-fought lessons from our current battles in Iraq and Afghanistan. Combat casualties have in a very real sense become a center of gravity for America—no matter what the cause or conflict. Therefore, "increased risk" and "slower response times" must always be calculated in terms of their real costs—loss of life and materiel on the battlefield and then, potentially, the loss of support of the American people.

Seapower is a distinct asymmetric advantage of the United States. For Marines, that asymmetric advantage includes Joint Seabasing, which allows us to maximize forward presence and engagement while "stepping lightly" on local sensitivities, avoiding the unintended political, social, and economic disruptions that often result from a large American presence ashore. It allows us to conduct a broad range of operations in areas where access is challenged, without operational commanders being forced to immediately secure ports and airfields. Given diplomatic, geographic, and infrastructure constraints, Seabasing is absolutely critical to overcoming area denial and anti-access weapons in uncertain or openly hostile situations. The combination of capabilities that allows us to influence events ashore from over the hori-

zon—amphibious warfare ships, innovative Maritime Prepositioning Force (Future) ships, Joint High Speed Vessels, surface connectors, MV-22s, and Expeditionary Fighting Vehicles—play a key role in surmounting access challenges.

Seabasing is not exclusive to the Navy and Marine Corps—it will be a national capability. In fact, we view Joint Seabasing as a national strategic imperative. Just as the amphibious innovations championed by the Navy-Marine Corps team during the 1920s and 1930s were employed by all U.S. and Allied forces in every theater during World War II, we believe that the Seabasing initiatives currently underway will expand to become joint and interagency capabilities. Our control of the sea allows us to use it as a vast maneuver space—365 days a year. Seabasing allows us to project influence and expeditionary power in the face of access challenges, a distinct asymmetric advantage. These capabilities allow maritime forces to support our partners and to deter and defeat adversaries in a complex and uncertain future. Today, another generation of Naval planners continues to envision how our amphibious capabilities can evolve into more fully sea-based operations and better meet the Combatant Commanders' varied and competing requirements.

Amphibious Ship Requirements

The maritime strategy advocates credible combat power as a deterrent to future conflict. The Marine Corps supports this capability through the flexibility and combat power of the Marine Air Ground Task Force embarked on amphibious warfare ships. By far the most complex of our congressionally-mandated missions, amphibious forcible entry requires long-term resourcing and a high-level of proficiency. It is not a capability that we can create in the wake of a threat.

The characteristics of amphibious ships (their command and control suites, flight decks, well decks, air and surface connectors, medical facilities, messing and berthing capacity, and survivability) merged with the general-purpose nature of embarked Marines, make them multi-mission platforms—unbeatable in operations ranging from humanitarian assistance to amphibious assault. These forces have brought hope and assistance to peoples ravaged by tsunamis, earthquakes, and cyclones—even hurricanes in our own country. They have provided a powerful combat force from the sea as evidenced by the opening days of Operation ENDURING FREEDOM when Marines provided the first conventional forces ashore in Afghanistan. An equally powerful force assaulted from amphibious ships up the Al Faw peninsula in early weeks of Operation IRAQI FREEDOM. In spite of the proliferation of anti-access technologies among state and non-state actors, Navy-Marine Corps amphibious capabilities have answered our Nation's "9-1-1 call" over 85 times since the end of the Cold War. Many international navies have recognized the value of amphibious warfare ships—as evidenced by the global renaissance in amphibious ship construction.

Based on strategic guidance, in the last several years we have accepted risk in our Nation's forcible entry capacity and reduced amphibious lift from 3.0 Marine Expeditionary Brigade (MEB) assault echelons to 2.0 MEB assault echelons. In the budgetary arena, the value of amphibious ships is too often assessed exclusively in terms of forcible entry—discounting their demonstrated usefulness across the range of operations and the clear imperative for Marines embarked aboard amphibious ships to meet Phase 0 demands. The ability to transition between those two strategic goalposts, and to respond to every mission-tasking in between, will rely on a strong Navy-Marine Corps Team and the amphibious ships that cement our bond. The Navy and Marine Corps have worked diligently to determine the minimum number of amphibious ships necessary to satisfy the Nation's needs—and look forward to working with the Committee to support the Chief of Naval Operation's ship-building plans.

The Marine Corps' contribution to the Nation's forcible entry requirement is a single, simultaneously-employed two Marine Expeditionary Brigade (MEB) assault capability—as part of a seabased Marine Expeditionary Force. Although not a part of the Marine Expeditionary Force Assault Echelon, a third reinforcing MEB is required and will be provided via Maritime Prepositioning Force (Future) capabilities. Each MEB assault echelon requires seventeen amphibious warfare ships—resulting in an overall ship requirement for thirty-four amphibious warfare ships. However, given current fiscal constraints, the Navy and Marine Corps have agreed to assume greater operational risk by limiting the assault echelon of each MEB by using only fifteen ships per MEB—in other words, a Battle Force that provides thirty operationally available amphibious warfare ships. In that thirty-ship Battle Force, ten aviation-capable big deck ships (LHA/LHD/LHA(R)) and ten LPD 17 class ships are required to accommodate the MEB's aviation combat element.

In order to meet a thirty-ship availability rate—based on a Chief of Naval Operations-approved maintenance factor of 10 percent—a minimum of eleven ships of

each of the current types of amphibious ships are required—for a total of thirty-three ships. The Navy has concurred with this requirement for thirty-three amphibious warfare ships, which provide the “backbone” of our maritime capability—giving us the ability to meet the demands of harsh environments across the spectrum of conflict.

Amphibious Assault Ship (Replacement) (LHA(R)).—The legacy Tarawa class amphibious assault ships reach the end of their service life during 2011–2015. The eighth Wasp class LHD (multi-purpose amphibious assault ship) is under construction and will replace one Tarawa class ship during fiscal year 2008. To meet future warfighting requirements and fully capitalize on the capabilities of the MV–22 and Joint Strike Fighter, two LHA(R) class ships with enhanced aviation capabilities will replace the remaining LHA class ships. These ships will provide enhanced hangar and maintenance spaces to support aviation maintenance and increased jet fuel storage and aviation ordnance magazines. We are investigating the feasibility of incorporating the reduced island concept and well-deck capabilities in future, general-purpose assault ship construction.

Amphibious Transport Dock (LPD).—The LPD 17 San Antonio class of amphibious warfare ships represents the Department of the Navy’s commitment to a modern expeditionary power projection fleet that will enable our naval force to operate across the spectrum of warfare. It is imperative that eleven of these ships be built to meet the minimum of ten necessary for the 2.0 MEB assault echelon amphibious lift requirement.

The Navy took delivery of the first LPD 17 in the summer of 2005 and operational evaluation is scheduled for Spring 2008. The LPD 17 class replaces four classes of older ships—LKA, LST, LSD 36, LPD 4—and will have a forty-year expected service life. LPD 17 class ships will play a key role in supporting the ongoing Long War by forward deploying Marines and their equipment to better respond to crises abroad. Its unique design will facilitate expanded force coverage and decreased reaction times of forward deployed Marine Expeditionary Units. In forcible entry operations, the LPD 17 will help maintain a robust surface assault and rapid off-load capability for the Marine Air Ground Task Force and the Nation.

The Maritime Prepositioning Force

Capable of supporting the rapid deployment of three Marine Expeditionary Brigades (MEB), the Maritime Prepositioning Force is an important element of our expeditionary warfighting capability. MPF is a proven capability and has been used as a force deployment option in selected contingencies, to close forces on accelerated timelines for major combat operation, and in combination with amphibious forces to rapidly and simultaneously react to crises in more than one theater.

The next and necessary evolution of this program is incorporation of the Maritime Prepositioning Force—Future (MPF(F)) Squadron into the existing MPF Program. MPF(F) is a key enabler for Seabasing and will build on the success of the legacy Maritime Prepositioning Force program. MPF(F) will provide support to a wide range of military operations with improved capabilities such as at-sea arrival and assembly, selective offload of specific mission sets, and long-term, sea-based sustainment. From the sea base, the squadron will be capable of prepositioning a single MEB’s critical equipment and sustainment for delivery—without the need for established infrastructure ashore.

While the MPF(F) is not suitable for forcible entry operations, it is critical for the rapid build up and sustainment of additional combat forces once our entry has been achieved by our assault echelon—launched from amphibious assault ships. The MPF(F), along with two legacy MPF squadrons, will give the Marine Corps the capacity to quickly generate three MEBs in support of multiple Combatant Commanders. The MPF(F) squadron composition decision was made in May 2005. That squadron is designed to consist of three aviation-capable big-deck ships, three large medium-speed roll-on/roll-off ships, three T-AKE supply ships, three Mobile Landing Platforms, and two dense-packed container ships. All of these will be crewed by civilian mariners and, as stated earlier, are not designed to conduct forcible entry operations. The program is currently in the technology development phase of acquisition, with a Milestone B decision planned in fiscal year 2008.

Mobile Landing Platform (MLP).—The MLP is perhaps the most flexible platform in the MPF(F) squadron. Designed to be the “pier in the ocean,” the MLP is an interface platform for other surface lift ships and vessels. Instead of ships and lighters going to a terminal on shore, they could transfer vehicles and equipment to and from the MLP. The ship is being designed to interface with MPF(F) Large Medium-Speed Roll-on/Roll-off ships through sea state four and accommodate Landing Craft Air Cushion operations in sea state three at a minimum. Additionally other service platforms could leverage the ship as an interface. In concert with the Navy, the

MLP capabilities development document was delivered to the Joint Requirements Oversight Counsel in January 2007.

Dry Cargo/Ammunition Ship (T-AKE).—The T-AKE is a selectively off-loadable, afloat warehouse ship, which is designed to carry dry, frozen, and chilled cargo; ammunition; and limited cargo fuel. Key holds are reconfigurable for additional flexibility. It has a day/night capable flight deck. These ships can support the dry cargo and compatible ammo requirements of Joint forces and are the same ship class as the Combat Logistics Force T-AKE ships.

Large Medium-Speed Roll-on/Roll-off (LMSR) Ship.—The LMSRs were designed to accommodate the Department of Defense's largest vehicles—such as the Abrams Tanks, Rough Terrain Cargo Handler, and tractor trailers; this capacity is being leveraged to support Marine Corps vehicles and equipment. These ships, modified for MPF(F), will be very large, afloat equipment staging areas with additional capabilities including vehicle maintenance areas, berthing, ammunition breakout areas, two aviation operating spots, underway replenishment equipment, MLP interface, and a 113-ton crane capable of lifting vehicles or shipping containers. Importantly, they will also reduce strategic airlift requirements associated with our fly-in echelon.

Ship-to-Shore Mobility

Historically, Marine Corps amphibious power projection has included a deliberate buildup of combat power ashore; only after establishment of a beachhead could the Marine Air Ground Task Force begin to focus its combat power on the joint force's operational objective. Advances in mobility, fires, and sustainment capabilities will greatly enhance operations from over the horizon—by both air and surface means—with forces moving rapidly to operational objectives deep inland without stopping to seize, defend, and build up beachheads or landing zones. The ability to project power inland from a mobile sea base has utility across the spectrum of conflict—from humanitarian assistance to major combat operations. The Expeditionary Fighting Vehicle, MV-22 Osprey, and CH-53K heavy lift helicopter are critical to achieving necessary capabilities for future expeditionary operations.

High Speed Connectors.—High-speed connectors will facilitate sustained seabased operations by expediting force closure and allowing the necessary sustainment for success in the littorals. Coupled with strategic airlift and sealift assets, the Joint High Speed Vessel and Joint Maritime Assault Connector provide an intra-theater capability, which enables rapid closure of Marine forces and sustainment ashore. These platforms will link bases and stations around the world to the sea base and other advanced bases, as well as provide linkages between the sea base and forces operating ashore.

TAKING CARE OF OUR MARINES AND OUR FAMILIES

Our most precious asset is the individual Marine. Our Marines and families have been steadfast and faithful in their service to our country, and we have an equally enduring obligation to them. As such, we are committed to putting our family programs on a wartime footing—our Marines and families deserve no less.

Putting Family Readiness Programs on a Wartime Footing

Last year, we directed a rigorous assessment of our family programs and have aggressively moved forward to improve them at every level. We continue our assessments—targeting younger Marines and their families to ensure that we are fully addressing their needs. We request that Congress continue to support these initiatives so that we can advance these reforms to meet the evolving requirements of our warfighters and their families.

Our Marine Corps Family Team Building Program and unit Family Readiness Programs, the centerpiece to our family support capability, was based on a peacetime model and 18-month deployment cycles. It was also largely supported on the backs of our dedicated volunteers; our volunteers have been performing magnificently while shouldering the lion's share of this program—but it is time to dedicate sufficient resources in light of the demands of our wartime operations.

We have recently initiated a sustained funding increase to implement Marine Corps family readiness reforms in fiscal year 2008. These reforms include:

- Formalizing the role and relationship of process owners to ensure accountability for family readiness;
- Expanding programs to support the extended family of a Marine (spouse, child, and parents);
- Establishing primary duty billets for Family Readiness Officers at regiment, group, battalion, and squadron levels;
- Improving the quality of life at remote and isolated installations;
- Increasing Marine Corps Family Team Building installation personnel;

- Refocusing and applying technological improvements to our communication network between commanders and families;
- Dedicating appropriate baseline funding to command level Family Readiness Programs; and
- Developing a standardized, high-quality volunteer management and recognition program.

The Marine Corps continues its proud heritage of “taking care of its own” and ensuring family programs sustain our families and our Marines for the Long War.

Casualty Assistance

Your Marines proudly assume the dangerous, but necessary, work of serving our Nation. Some Marines have paid the ultimate price, and we continue to honor them as heroes for their immense contributions to our country. Our casualty assistance program continues to evolve to ensure the families of our fallen Marines are always treated with the utmost compassion, dignity, and honor.

Our trained Casualty Assistance Calls Officers provide the families of our fallen Marines assistance to facilitate their transition through the stages of grief. Last year, Congressional hearings and inquiries into casualty next-of-kin notification processes revealed deficiencies in three key and interrelated casualty processes: command casualty reporting, command casualty inquiry and investigation, and next-of-kin notification. These process failures were unacceptable. Instantaneous with discovery of the process failures, we ordered an investigation by the Inspector General of the Marine Corps and directed remedial action to include issuing new guidance to commanders—reemphasizing investigation and reporting requirements and the importance of tight links between these two systems to properly serve Marines and their families. We will continue to monitor our processes, making every effort to preclude any future errors and to ensure Marines and families receive timely and accurate information relating to their Marine’s death or injury.

Wounded Warrior Regiment

In April 2007, the Wounded Warrior Regiment was activated to achieve unity of command and effort in order to develop a comprehensive and integrated approach to Wounded Warrior care. The establishment of the Regiment reflects our deep commitment to the welfare of our wounded, ill, and injured. The mission of the Regiment is to provide and facilitate assistance to wounded, ill, and injured Marines, Sailors attached to or in support of Marine units, and their family members, throughout all phases of recovery. The Regiment provides non-medical case management, benefit information and assistance, and transition support. We use “a single process” that supports active duty, reserve, and separated personnel and is all inclusive for resources, referrals, and information.

There are two Wounded Warrior Battalions headquartered at Camp Lejeune, North Carolina, and Camp Pendleton, California. The Battalions include liaison teams at major military medical treatment facilities, Department of Veterans Affairs Polytrauma Rehabilitation Centers and Marine Corps Base Naval Hospitals. The Battalions work closely with our warfighting units to ensure our wounded, ill and injured are cared for and continue to maintain the proud tradition that “Marines take care of their own.”

The Regiment is constantly assessing how to improve the services it provides to our wounded, ill, and injured. Major initiatives of the Regiment include a Job Transition Cell manned by Marines and representatives of the Departments of Labor and Veteran Affairs. The Regiment has also established a Wounded Warrior Call Center for 24/7 support. The Call Center both receives incoming calls from Marines and family members who have questions, and makes outreach calls to the almost 9,000 wounded Marines who have left active service. A Charitable Organization Cell was created to facilitate linking additional wounded warrior needs with charitable organizations that can provide the needed support. Additionally, The Regiment has also strengthened its liaison presence at the Department of Veterans Affairs Central Office. These are just some of the initiatives that reflect your Corps’ enduring commitment to the well-being of our Marines and Sailors suffering the physical and emotional effects of their sacrifices for our great Nation.

We are at the beginning of a sustained commitment to care and support our wounded, ill and injured. As our Wounded Warrior Program matures, additional requirements will become evident. Your continued support of new legislation is essential to ensure our Wounded Warriors have the resources and opportunities for full and independent lives.

Thank you for your personal and legislative support on behalf of our wounded warriors. Your personal visits to them in the hospital wards where they recover and the bases where they live are sincerely appreciated by them and their families. Your

new Wounded Warrior Hiring Initiative to employ wounded warriors in the House and Senate demonstrates your commitment and support of their future well-being. We are grateful to this Congress for the many wounded warrior initiatives in the 2008 National Defense Authorization Act. This landmark legislation will significantly improve the quality of their lives and demonstrates the enduring gratitude of this Nation for their personal sacrifices. I am hopeful that future initiatives will continue to build upon your great efforts and further benefit the brave men and women, along with their families, who bear the burden of defending this great country.

Traumatic Brain Injury (TBI)

With the frequent use of improvised explosive devices (IEDs) and improved protective measures that reduce mortality rates, more Marines are exposed to possible traumatic brain injuries. As with other poorly understood injuries, there is sometimes a reluctance by individual Marines to seek medical attention at the time of the injury. Education is the best way to reduce this stigma, and it is to be the most effective treatment for those suffering a mild injury. TBI awareness and education is part of pre-deployment and routine training. All Marines are being screened for TBI exposure during the post-deployment phase and those identified as injured receive comprehensive evaluation and treatment. A pilot program for baseline neurocognitive testing is being implemented to improve identification of TBI and maintain individual and unit readiness in the field. The Marine Corps continues to work closely with DOD's Center of Excellence for Psychological Health and Traumatic Brain Injury to continue to advance our understanding of TBI and improve the care of all Marines.

Post Traumatic Stress Disorder (PTSD)

The Marine Corps Combat Development Command, Marine Corps Training and Education Command, Naval Health Research Center, and others are studying ways to identify risk and protective factors for Post-Traumatic Stress Disorder (PTSD) and to increase our resilience to stress. By improving the awareness of both individuals and our leaders, we can provide early identification and psychological first aid for those who are stress-injured. Better screening and referral of at-risk Marines are underway via pre- and post-deployment standard health assessments that specifically screen for mental health problems. The Department of Veterans Affairs has established comprehensive guidelines for managing post-traumatic stress, which are available to all services.

The Marine Corps is grateful for the effort Congress has put into making TBI, PTSD, and other-combat-related mental illness issues a top priority. We will continue to do the same so that we can further improve our knowledge and treatment of these disorders.

Combat and Operational Stress Control (COSC)

Marine Corps commanders are fully engaged in promoting the psychological health of our Marines, Sailors, and family members. Our commanders bear responsibility for leading and training tough, resilient Marines and Sailors, and for maintaining strong, cohesive units. Unit commanders have the greatest potential for detecting stress occurrences and assessing impact on warfighters and family members. Our leaders establish an environment where it is okay to ask for help and that combat stress is as deserving of the same respect and care as any physical wound of war. With the Navy's medical community, we are expanding our program of embedding mental health professionals in operational units—the Operational Stress Control and Readiness (OSCAR) program—to directly support all elements of the Marine Air-Ground Task Force. We also continue our collaboration with sister Services, the Department of Veterans Affairs' National Center for Post-traumatic Stress Disorder, and external agencies to determine best practices to better support Marines and their families.

Family Member Pervasive Developmental Disorders

The effectiveness of Marines and Sailors during deployment is dependent upon the adequacy of support provided to family members at home. Children of Service members with special needs, to include pervasive developmental disorders, have additional medical, educational, and social needs that are challenging to meet even when both parents are available. The TRICARE Enhanced Care Health Option has not been able to provide sufficient support. To address this issue, the Marine Corps is working with the Department of Defense Office of Family Policy Work Group on examining options to expand its Educational & Developmental Intervention Services (EDIS), a program that delivers Early Intervention Services to eligible infants and

toddlers in domestic and overseas areas as well as through Medically Related Service programs in Department of Defense schools overseas.

Exceptional Family Member Program (Respite Care)

Parental stress can be heightened for families that are not only impacted by the current operational tempo but are also caring for a child with special needs. To focus on this need, we offer our active duty families enrolled in the Exceptional Family Member Program up to 40 hours of free respite care per month for each exceptional family member. We seek to provide a “continuum of care” for our exceptional family members. In this capacity, we are using our assignment process, working with TRICARE and the Department of the Navy Bureau of Medicine and Surgery to expand access and availability to care, and providing family support programs to ease relocations and ensure quality care transitions.

Water Contamination at Camp Lejeune

Past water contamination at Camp Lejeune has been and continues to be a very important issue for the Marine Corps. Our goal is, using good science, determine whether exposure to the contaminated water at Camp Lejeune resulted in any adverse health effects for our Marines, their families, and our civilian workers.

The Marine Corps continues to support the Agency for Toxic Substances and Disease Registry (ATSDR) in their health study, which is estimated to be completed during 2009. With the help of Congress, the highly respected National Academy of Sciences is now helping us develop a way ahead on this difficult issue.

The Marine Corps continues to make progress notifying former residents and workers. We have established a call center and notification registry where the public can provide contact information so that we can keep them apprised of the completion of these health studies.

BEYOND THE HORIZON—POSTURING THE MARINE CORPS FOR THE FUTURE

History has proven that we cannot narrowly define the conditions for which our military must be ready. With little warning, our Nation has repeatedly called its Corps front and center. In the southern Pacific after Pearl Harbor, in Korea after the communist invasion in 1950, in the mountains of Afghanistan after 9/11, and southern Asia in the wake of the catastrophic tsunami of 2004—to name a few. These strategic surprises demonstrate the broad range of possibilities for which the Marine Corps must be prepared.

The United States faces a complex mix of states who sponsor terrorism, regional and rising peer competitors, failing states that undermine regional stability, and a variety of violent non-state actors—religious extremists, insurgents, paramilitary forces, pirates, and other criminals—all serving to destabilize legitimate governments and undermine security and stability of the greater global community. We see this global security context as a persistent condition for the foreseeable future.

Our Nation and its international partners are engaged in a global struggle for influence at the same time our access to many areas is acutely challenged—diplomatically, militarily, and geographically. In the past, the United States has maintained large forces on a significant number of permanent bases beyond our shores. Today, however, we have far fewer installations overseas. When conflict is imminent or crises occur, which may require land-based forces, we must conduct extensive diplomatic negotiations to acquire basing rights. Because of local and regional political, social, or economic pressures, even countries friendly to the United States decline to host or place conditional restrictions on basing U.S. forces. Furthermore, proliferation of anti-access technology among state and non-state actors further diminishes access opportunities.

Our national interests increasingly require us to operate in remote, developing regions of the world where infrastructure is either insufficient or rendered useless by natural disasters. The growing trend of violent, transnational extremism is especially prevalent in many of these remote areas. In addition to ethnic and religious intolerance, many developing regions are troubled with economic challenges and infectious diseases. These problems are especially severe in the densely populated urban centers common to the world’s littorals, resulting in discontented populations ripe for exploitation by extremist ideologues and terrorist networks. We estimate that by the 2035 timeframe, more than 75 percent of the world’s population will live within just 120 miles of the ocean; alternative energy sources will not be mature, so industrial and, increasingly, developing nations will depend on the free flow of oil and natural gas. Fresh water will be as equally important as petroleum products; during the 20th century, while the global population increased 300 percent, the demand for water increased 600 percent. Demographics and the aging of the population in industrial countries, accompanied by a youth bulge in developing countries,

will literally change the face of the world as we know it. The U.S. technological advantage, economic power, and military might still exceed that of other nations, but will not be nearly as dominant.

Given these strategic conditions, the requirement for maritime forces to project U.S. power and influence has increased—and will continue to increase. With its inherent advantages as a seabased and expeditionary force, the Marine Corps can quickly reach key areas of the globe in spite of challenges to U.S. access. The Marine Corps and its naval partners will expand the application of seapower across an even wider range of operations to promote greater global security, stability, and trust—key objectives for winning the Long War. Our seabased posture will allow us to continue to conduct “Phase 0” operations with a variety of allies and partners around the world to ease sources of discontent and deter conflict. We must increase our capacity for these operations without forfeiting our warfighting prowess in the event of a major regional conflict. As a forward-deployed force, we are able to achieve familiarity with various environments, as well as behavioral patterns of regional actors—contributing to our significant advantage in speed and flexibility.

Recently combat-tested in the Middle East and historically engaged in the Pacific, the Marine Corps will seek to further enhance its operational capabilities in the Pacific theater. Some areas like Africa offer unique challenges and opportunities for significant U.S. engagement. The sheer breadth and depth of that great continent present their own challenges, but given the operational flexibility afforded by Seabasing and the extended reach of the MV-22 and KC-130J, the future bodes well for the ability of dispersed units of Marines—with interagency partners—to extend our partnerships within the continent of Africa.

Security Cooperation Marine Air Ground Task Force (MAGTF)

The linchpin of future Marine efforts to support the engagement requirements of combatant commanders to build partnership capacity will be the Security Cooperation Marine Air Ground Task Force. Similar to a Marine Expeditionary Unit but regionally-focused and task organized for security cooperation, Security Cooperation MAGTFs will provide training and assistance to partner nations—shaping the environment and deterring irregular adversaries.

The units comprising the Security Cooperation MAGTF are general purpose forces, which will maintain a foundation of excellence in combined arms and the full range of military operations. Additional training in culture, language, and foreign internal defense will further prepare these units for the unique tasks needed to train foreign militaries. Able to aggregate and dis-aggregate based on mission requirements, elements of the Security Cooperation MAGTFs will be capable of operating for sustained periods and will help prepare the militaries of partner nations to disrupt irregular adversaries and reduce the requirement for U.S. forces to be committed to these regions.

Defense Policy Review Initiative (DPRI) / Guam

Our recent force posture agreement reached under the auspices of the Defense Policy Review Initiative with Japan is facilitating an opportunity to more effectively employ Marine Corps forces while mitigating the effects of encroachment around United States facilities in Japan. The most significant DPRI action is completion of the Futenma Replacement Facility on Okinawa. Its completion is a prerequisite for realignment of Marine units north of Kadena Air Force Base on Okinawa, shifting KC-130s from Futenma to Iwakuni, Japan, and movement of approximately 8,000 Marines and their family members from Okinawa, Japan, to Guam. The Government of Japan is prepared to bear much of the cost associated with the planned changes, but there are still significant remaining military construction and other infrastructure needs that require United States financial support. For the past two years, the Marine Corps has worked with numerous stakeholders to shape the eventual basing of forces onto Guam. The Department of Navy-led Joint Guam Program Office is leading the detailed facility-level planning effort to support the force build-up on Guam. The Marine Corps is working with Joint Guam Program Office, the Secretary of the Navy, and Commander, United States Pacific Command to ensure plans meet operational requirements.

Law of the Sea Convention

To be able to maneuver from the seas in a timely and reliable manner, and in concert with the U.S. Navy, we support joining the Law of the Sea Convention. Joining the Convention will best preserve the navigation and overflight rights that we need to reliably maneuver and project power from the sea.

The Future of Training and Education

With Marine forces so heavily engaged in counterinsurgency operations, we will have to take extraordinary steps to retain the ability to serve as the Nation's shock troops in major combat operations. Continued congressional support of our training and education programs will enable us to remain faithful to our enduring mission: To be where the country needs us, when she needs us, and to prevail over whatever challenges we face.

The Long War requires a multi-dimensional force that is well trained and educated for employment in all forms of warfare. Historically, our Corps has produced respected leaders who have demonstrated intellectual agility in warfighting. Our current deployment tempo increasingly places our Professional Military Education (PME) programs at risk. No level of risk is acceptable if it threatens the steady flow of thinkers, planners, and aggressive commanders who can execute effectively across the entire spectrum of operations.

Marine Corps University (MCU).—We have made substantial improvements in our Officer and Enlisted Professional Military Education (PME) programs and have significant improvements planned for the future. Marine Corps War College was the first senior Service college to be certified as Joint PME II and will soon undergo accreditation as part of the process for joint education accreditation by the Joint Staff. The Command and Staff resident and non-resident programs are scheduled for Joint PME I re-accreditation in September 2008. We have integrated irregular warfare instruction throughout all levels of PME; at the same time, balance between irregular and conventional warfare has been maintained so as not to lose sight of our essential core competencies, including amphibious operations. Additionally, MCU has led the way for integration of culture and language by continually refining their curricula to provide proper balance among PME, culture, and language.

Last year we conducted a comprehensive assessment of the health of PME. The assessment examined six areas: students, curriculum, educational programs, staff, infrastructure, and policy. We are working diligently to improve our information technology and infrastructure by developing a facility master plan to accommodate needed growth. We must develop an aggressive plan and commit resources for additional faculty, facilities, and resources. The assessment was informative—we have world-class students, curricula, and faculty as evidenced by Marines' performance on today's battlefields. With continued Congressional support, we can build our information technology and facility structure to match.

Marine Corps Center for Lessons Learned.—Our Marine Corps Center for Lessons Learned applies lessons from operational experiences as well as those of the Joint Staff, other Services, and Joint Forces Command to guide efforts for "fine tuning" and transforming our force. This rapid, continuous process ensures the latest enemy and friendly tactics, techniques, and procedures are used in training and are part of the decision-making for institutional changes. In 2007, as result of these lessons learned, the Marine Corps implemented changes in pre-deployment training in such areas as detention operations; transition teams; interagency coordination of stability, support, transition, and reconstruction operations; irregular warfare; and the role of forensics in counterinsurgency operations.

Center for Irregular Warfare.—In 2007, we established the Center for Irregular Warfare as the primary Marine Corps agency for identifying, coordinating, and implementing irregular warfare capability initiatives. The Center reaches out through the Center for Advanced Operational Culture Learning (CAOCL) and Security Cooperation Education and Training Center (SCETC) to other military and civilian agencies. Last year, the CAOCL expanded beyond pre-deployment unit training by offering operational culture, regional studies, and limited language courses for officer professional military education programs. Thus far, approximately 2,100 new lieutenants have been assigned regions for career long-term study through the regional learning concept, which will be expanded this year to include sergeants, staff sergeants, and captains. Both officer and enlisted Marines will receive operational culture education throughout their careers. We plan to have Language Learning Resource Centers at the eight largest Marine Corps bases and stations to provide local, on-call, operational language training. Congressional support, to include recent supplemental funding, has been invaluable.

Since early 2006, our SCETC formalized our military advisor training process and trained over thirty transition teams in fiscal year 2007. In fiscal year 2008, the SCETC is scheduled to train over 100 teams (over 2,000 Marine advisors) as well as stand up a Marine Corps Training Advisory Group to manage the global sourcing of future transition and security cooperation teams.

Foreign Area Officers.—The Marine Corps has begun an expansion of its Foreign Area Officer (FAO) program in response to the wide-spread demand for language and cultural expertise for worldwide service with the Defense Attaché System and

combined, joint, and Service headquarters. As a result, the training of Marine FAOs will more than double in the near term. In addition to our traditional emphasis on Arabic, Russian, and Chinese, FAOs selected this year will learn more than a dozen different foreign languages, including Pashto, Hindi, Thai, French, and Indonesian.

Training Marine Air Ground Task Forces

Operations in support of the Long War have significantly increased our training requirements. To meet deployment requirements and remain skilled in the full spectrum of operations, Marines must now train to a broader range of skills. However, due to high operational tempo, we face ever-decreasing timetables for Marines to achieve mastery of these skills. Our first major initiative to maximize effective use of limited time for training was the establishment of a standardized and well-defined Pre-deployment Training Program. Subsequently, we have instituted two additional training efforts: the Marine Combat Operations Training Group and the Infantry Battalion Enhancement Period Program.

Marine Corps Tactics and Operations Group (MCTOG).—We recently established the MCTOG to provide standardized training and instructor qualifications for ground combat elements, similar to our exceptionally successful Marine Aviation Weapons and Tactics Instructor Course in Yuma, Arizona. The MCTOG is developing and implementing a Ground Combat Element Operations and Tactics Training Program to provide advanced training in MAGTF operations, combined arms training, and unit training management and readiness at the battalion and regimental levels. We will improve unit preparation and performance by:

- Providing focused, advanced instruction for key battalion and regimental staff personnel, and
- By assisting with the identification and vetting training requirements and deficiencies for our ground combat elements.

Located at Twentynine Palms MAGTF Training Center, the MCTOG will reach an Initial Operating Capability by Spring 2008 and a Full Operating Capability by Spring 2009.

Marine Aviation Training Systems Program (ATS).—Marine Aviation, through Aviation Training Systems (ATS), is pursuing the development of fully integrated training systems at the post-accession aviation officer and enlisted level, to greatly enhance operational readiness, improved safety through greater standardization, and to significantly reduce the life cycle cost of maintaining and sustaining aircraft. ATS will plan, execute, and manage Marine Aviation training to achieve individual and unit combat readiness through standardized training across all aviation core competencies.

29 Palms Land Expansion.—The Marine Corps currently lacks a comprehensive training capability to exercise all elements of a Marine Air-Ground Task Force (MAGTF) in an environment that replicates operational conditions with our current equipment—as our new weapons systems have greatly increased ranges over legacy systems. As a result, we are conducting planning studies for expansion of our range complex at the Marine Corps Air Ground Combat Center in Twentynine Palms, California. Implementing this action will involve acquiring land and seeking assignment of airspace by the Federal Aviation Administration in support of large-scale MAGTF live fire and maneuver training. This will give us the maneuver space to simultaneously train three to four battalions in the range complex and train with our current equipment. Our proposed complex will further facilitate the use of the Western Range Training Complex and lead to the capability for future large-scale MAGTF, Coalition, and Joint National Training Center training.

Modernization of Training Ranges.—In 2001, we activated a Range & Training Area Management Division, and in 2004, we began a comprehensive investment program to sustain, upgrade, and modernize our training infrastructure. This modernization effort provides tools for better planning and execution of live training. The four principles of our program are:

- Preserve and enhance our live-fire combined arms training ranges. The full development of our doctrine and the integrated employment of air and ground weapons will continue to require access to the volume of land and air space available at these larger installations.
- Recapture the unit-training capabilities of the Nation's two premier littoral training areas, Camp Lejeune and Camp Pendleton. The transition of expeditionary combat power from sea to shore remains among the most challenging of military tasks, and we must reorient and update our training capabilities.
- Provide timely and objective feedback to Marines who are training. Proficiency with individual weapons and in combined-arms requires that we provide venues that have the air and land space to allow realistic employment and the instrumentation and targetry to provide objective, actionable feedback.

- Ensure our complexes are capable of supporting joint forces. Common range infrastructure and systems architecture to support the joint national training capability are requirements of our modernization program.
- The range modernization program is a program of record and has successfully programmed the resources to continue operating and maintaining the many investments made with supplemental and congressional-add funds.

Core Values and Ethics Training

As part of our ethos, we continually seek ways to improve ethical decision-making at all levels. In 2007, we implemented the following initiatives to strengthen our Core Values training:

- Tripled the amount of time Drill Instructor and recruits conduct “foot locker talks” on values;
- Institutionalizing habits of thought for all Marines operating in counterinsurgencies, the message of the importance of ethical conduct in battle, and how to be an ethical warrior is being strengthened and re-emphasized at all levels of the Marine Corps;
- Published pocket-sized Law of War, Rules of Engagement, and Escalation of Force guides;
- Increased instruction at our Commander’s Course on command climate and the commander’s role in cultivating battlefield ethics, accountability, and responsibility;
- Educated junior Marines on the “strategic corporal” and the positive or negative influence they can have; and
- Re-invigorated the Values component of our Marine Corps Martial Arts Program, which teaches Core Values and presents ethical scenarios pertaining to restraint and proper escalation of force as the foundation of its curriculum.

We imbue our Marines with the mindset that “wherever we go, everyone is safer because a U.S. Marine is there.”

CONCLUSION

The Marine Corps continues to create a multi-capable force for our Nation—not only for the current operations in Iraq and Afghanistan, but also for subsequent campaigns of the Long War. We are committed to ensuring we remain where our country needs us, when she needs us, and to prevail over whatever challenges we face. Your continued support has been critical to our readiness for today and adaptation for tomorrow. I promise you that the Corps understands the value of each dollar provided and will continue to provide maximum return for every dollar spent.

Perhaps most importantly to keep in mind as we develop our force for the future, everything we read about the future indicates that well-trained, well-led human beings with a capacity to absorb information and rapidly react to their environment have a tremendous asymmetric advantage over an adversary. Ladies and gentlemen, that advantage goes to us. Our young Marines are courageous, willing to make sacrifices and, as evidenced by our progress in Al-Anbar, capable of operating in complex environments. Quiet in their duty yet determined in their approach, they are telling us loud and clear that wherever there is a job to be done, they will shoulder that mission with enthusiasm. On behalf of your Marines, I extend great appreciation for your support thus far and thank you in advance for your ongoing efforts to support our brave service men and women in harm’s way.

Senator INOUE. I thank you very much, Commandant. I’d like to begin my questioning with you, sir.

MARINE CORPS FORCE

At the present time, there are 350 marines and marine reservists in Afghanistan, and you recently announced that you’ll be adding 3,200 marines to Afghanistan. In addition to this, there are 25,300 marines and marine reservists deployed in Iraq, and added to that, you have your commitments in the Horn of Africa, Kuwait, and other locations. And this from a small number of 189,000. How will this additional 3,200 deployed in Afghanistan impact your organization?

General CONWAY. Sir, the impact is significant, and I would add, just in recent days, that number of 3,200 has actually grown to

some 3,400 because of requirements that we see with regard to the battalion, the marine battalion, 2d Battalion, 7th Marines. It will be dropped down into some very bad-guy country. And to that regard, we saw the need for a couple of more people—a couple hundred more people—with special capabilities.

But, to get at the essence of your question, it will keep us at what we call surge capacity, that is one-to-one deployment to dwell, or worse, in some cases through October of this year. It's not something that we like to do. We have told the Secretary, in his judgment, that we need that force to respond to the request for forces that came from both Afghanistan and CENTCOM, that in a very real sense, we're taking one for the team because we were not able to raise the force elsewhere. But the fact is, we believe that there's an important time window there. I think my marines feel like it is a very worthwhile mission, they said as much when I spoke to them in Afghanistan. And through October, I think we'll be able to bear up under that increased stress that the service will experience.

Senator INOUE. How much more do you think you'll be adding to your force?

General CONWAY. In terms of—in what, capacity, sir? If I could ask for a clarification?

Senator INOUE. The number of marines. You have plans to add an additional 27,000.

General CONWAY. Yes, sir.

Senator INOUE. Through 2011.

General CONWAY. Yes, sir. Sir, we will grow to 202,000 marines, as I referenced in our opening statement, we are ahead of our program.

We thought we would originally grow to about 189,000 this year, that's roughly 5,000 for each of the first couple of years. We're ahead of that schedule, and we think we can stay ahead of it this year.

So, our target is actually something closer to 192,000 marines. And, of course what that means on the deck, is the creation of new units to put against, especially, some of our low-density, high-stressed organizations, to be able to do something about this deployment-to-dwell.

Senator INOUE. Thank you very much.

DDG 1000

I'd like to ask the CNO, the DDG 1000 program that you spoke of has been in development in one form or another since the 1990s, to address the land attack requirements. The number of ships the Navy plans to buy has declined to seven. The cost estimates of the first of these new destroyers have increased to at least \$3 billion apiece. Can you explain where the DDG 1000 fits into the future of the surface Navy, and do you believe this is the right ship?

Admiral ROUGHEAD. Senator, the DDG 1000, as you've said, has been some time in coming. But what the DDG 1000 brings to our Navy and the two ships that we put on contract recently, is the introduction of new technologies that will be very important to how we go forward.

In most instances, when we introduce a new class of ship, there are only a couple of new advances on those ships. In the case of the DDG 1000 there are about 10.

The one that is most important, I believe, for the future of our Navy, is the effort that has been put into the design, that brings the crew size of these very complex ships down to numbers that we have never seen before. So, I believe that is absolutely a critical step forward for us, in the DDG 1000.

With regard to the reduced number of ships that we have in this year's proposed budget, that's really being driven by not having four littoral combat ships in there, because of some of the issues we've been facing with that program.

But I do believe that both of these ships portend the Navy of the future. In the case of the littoral combat ship, it's not as if we're replacing a capability we already have. We have gaps in our ability to operate in the littoral areas, and that is something that we must have for the future, in my professional opinion.

The DDG 1000 will bring the longest-reach shore-fire support gun that we've ever had, but most importantly, the DDG 1000 brings the technologies that will shape our Navy for the future.

Senator INOUE. Mr. Secretary, I presume you agree with that?

Dr. WINTER. Most definitely, sir. I think that the addition of the DDG 1000 has been well-thought out. As you pointed out, it's been under development for a number of years. We've made significant investments in the technology developments that underpin this new vessel. We've had more engineering development models on this particular vessel than we've ever had before, we've also gone, to a much greater degree, of detailed design prior to the signing of the contract and start of construction than we ever have before. So, I'm comfortable that we're proceeding on a well-thought out process here.

At the same time, as the CNO pointed out, DDG 1000 by itself does not solve the future surface Navy issues. There were many other issues—not the least of which—is the littoral combat ship.

LITTORAL COMBAT SHIP

We have adjusted the pace of acquisition there, from one that proved to be too aggressive and too fast, to one that I believe is more appropriate to the development of a new class of vessel. That development is now proceeding along a well-established route. We have good progress being made on both of the individual vessels, the hulls. And we're also having exceptionally good development on mission modules that will support that particular activity.

We will, even with this slower acquisition of the LCS, still have the desired number, 55, as part of the target 313 ships that we will achieve in the 2019 time period. So, I'm very comfortable with the acquisition process, and the budget that's been laid out for that.

Senator INOUE. So, you're comfortable and you're pleased with the present progress of the LCS?

Dr. WINTER. I look at it very carefully. I'm never pleased by any of these development activities, but I think that recognizing the amount of new development that is associated with this new vessel, that we're making good progress there, and I'm pleased to see that progress continuing to be made.

I'm also particularly pleased, I will note, to see that we're able to bring along the mission modules, as well. We have taken delivery already on the first of those modules, the mine warfare module, the first of the mine warfare modules, and we expect to take delivery of the first of the surface warfare in the first of the ASW modules later this year.

Senator INOUE. Thank you very much.

Senator STEVENS.

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

NNMC BETHESDA AND WALTER REED

Secretary Winter, we've been told that the Navy has announced now its award to rebuild Walter Reed at Bethesda. You will be in charge of that, right?

Dr. WINTER. Yes, sir.

Senator STEVENS. Do you know what the total cost of that is?

Dr. WINTER. The current estimate cost is a little over \$900 million, sir. I can get you the exact figure if you'd like.

[The information follows:]

The current estimate to rebuild Walter Reed at Bethesda is \$939.6 million. Detailed cost information follows:

[In millions of dollars]

Construction Description	Cost
Medical Center Addition, Alteration, and Parking Garage	697.5
Warrior Transition Unit Administrative and Building 17 Renovation for non-clinical administration	101.0
Warrior Transition Clinical Space	3.2
Facilities for the Warrior Transition Unit/Brigade (including renovation of Comfort Hall BEQ, Parking, a Fitness Facility, Dining Facility, and other Billeting)	134.4
Additional Planning and Design costs in fiscal year 2008	3.5
Total Estimated Cost	939.6

Senator STEVENS. There's a base realignment and closure (BRAC) deadline on that, is there?

Dr. WINTER. There is a BRAC deadline, there is also an acceleration of the activity that we have committed to. The cost growth is, in part—a small part—due to the acceleration process. There are also additional costs associated with the significant expansions that we have made to the plans for the integration of these two great facilities, to ensure that they truly represent a world-class medical treatment facility for all of our servicemembers.

Senator STEVENS. Well, the subcommittee will probably be disturbed with me, because I felt the same way about moving the installations from Germany to Italy. We moved two massive installations out of Germany, down to Italy, now we're going to replace Walter Reed—which is still functioning—all during wartime. Do you think this is the right time to be doing that?

Dr. WINTER. Sir, we've made a priority to ensure that the continuity of care for all of those who are treated at Bethesda is maintained during this process. That has been a major priority that has been established for the architects and engineers that are going through the overall development process.

Senator STEVENS. Well, respectfully, Walter Reed has been considered an Army facility.

Dr. WINTER. Yes, sir.

Senator STEVENS. But the Navy is going to take it over?

Dr. WINTER. Well, sir, it's going to be worked as a joint activity. We have the responsibility for the facilities implementation of the joint activity, here.

Senator STEVENS. All right, well put me down as one who disagrees, but it doesn't do any good. I just think that it's the wrong time to be doing that, and that the Army ought to have its facility, just as the Navy has had its, over the years.

V-22

General Conway, the V-22 Osprey squadron was deployed last year, as you know, I had the honor to be the first member of the Congress to fly that—how did it do?

General CONWAY. Sir, they're about 2 months from coming home from that 7-month deployment, I've made it a point to visit with them both times that I've been in-theater while they've been over.

I will tell you, sir, you're asking the question because we have purposefully suppressed information coming out of the theater until such time as the deployment is over. But the fact is, they're performing very, very well. They've flown over 2,700 hours with the aircraft without incident, they're performing all manner and function of missions of the aircraft that the Osprey is replacing—the venerable old CH-46 and the CH-53 Delta.

It cruises at 13,000 feet, well above the small arms and the rocketry that have taken down other of our aircraft. It cuts the time one-half to one-third, that it takes to transit in and around the theater. It's performing very, very well, sir, on the first-time deployment of an aircraft in combat, to a very austere environment.

Senator STEVENS. Well, the chairman and I caught a little hell over that—keeping that alive, as you recall. And so many people—after the instance occurred in its initial operation, wanted to retire it. I'd just put in a request that when they do get back that we can get a de-brief from those guys as to how it really functioned. I thought—we thought—that was absolutely a necessary system for the marines, and I'm glad to hear that.

General CONWAY. Appreciate your support, sir. And we have that as a takeaway.

MARINE CORPS GROW THE FORCE

Senator STEVENS. Tell me, you're trying to accelerate growth, and I hope that you understand what I'm saying—this is to appear to continue the engagement, now how does that work out? It takes some period of time before you can deploy those people, doesn't it?

General CONWAY. Yes, sir, it does. And what happens, sir, is that as we grow the force, our initial targets were, again, those low-density, high-use MOS fields that are being most stressed in our Corps. It takes time to get those marines recruited, through their entry-level training, into their MOS schools, mated with the right equipment and so forth.

But, in the case of two of the three infantry battalions, Senator, that we have grown—those people are already scheduled to go to Iraq.

So, the process is underway, it is working very well. As I mentioned in my opening statement, we're seeing no diminution in terms of quality of the marines that are joining us, and it's working very much like we would have hoped, again, or even in excess of goals, compared to where we thought we would be today.

Senator STEVENS. Do you have the resources to do that, while the war is going on?

General CONWAY. Sir, we have had augmentation through supplementals, in terms of resources required. We hope that for this year, for 2009, that it will go into a baseline budget, so that we will have that money—that available money, then—to continue to work as we continue to grow the force.

We are somewhat behind, as you might imagine, with regard to the infrastructure. The infrastructure has not caught up to the increased growth, or even the advanced pace of our growth, and in a coarse sort of way, the fact that we have so many marines deployed is helping us in that capacity, because we don't have to create so many temporary structures.

Senator STEVENS. You're talking about facilities here, at home, to house them, when they come home?

General CONWAY. Precisely, sir. Facilities, ranges, equipment—those types of—

Senator STEVENS. I've got to get you up to Alaska, and let you look around.

General CONWAY. I'd love to do that, sir.

Senator STEVENS. Secretary Winter, is that right? Is the money in here to handle the scope for the marines?

Dr. WINTER. Yes, Senator. And, in particular, just to parlay on with the Commandant's comments about the facilities, we have put additional resources into the budget to accelerate the construction of the new barracks. We expect to be able to have all of the barracks for the previous force by 2012, with the additional force being accommodated by 2014.

In the interim, we're doing two things to accommodate the additional personnel, one of which has to do with the use of temporary facilities, which are being constructed rapidly at the required locations, and there is also some activity going on to retrofit and improve some of the older facilities to ensure they're able to accommodate the marines.

GUAM

Senator STEVENS. Is part of that at Guam?

Dr. WINTER. Not yet, sir. But, in Guam, we have a major activity going on associated with the planning of the move from Okinawa to Guam of the marines, about 8,000 marines there.

Right now, the activity is focused in two areas, one of which is the Military Master Plan for Guam, and the other is the associated environmental impact statement (EIS) that needs to be established prior to the start of construction in Guam.

Senator STEVENS. Thank you.

MARITIME PATROL

Admiral Roughead, you mentioned, I think, your top unfunded priority for 2009 is for critical maritime patrol improvements. I

don't quite understand—what is that funding and how does it relate to the maritime domain awareness initiative?

Admiral ROUGHEAD. Senator, the top unfunded requirement applies to our P-3 maritime patrol airplanes, which have been used extensively in the Central Command area of operations, because of their very, very good intelligence, surveillance, and reconnaissance capability.

Senator STEVENS. Is that in the drug area?

Admiral ROUGHEAD. No, sir. They're being used in combat operations in Iraq and Afghanistan.

Senator STEVENS. You have a replacement P-3 coming yet?

Admiral ROUGHEAD. Yes, sir, we do. We have the new P-8, which is moving along quite nicely, that program is doing well, and it will make its initial operational capability (IOC) in 2013. But going back to the P-3s, we have detected cracking in the wings, because they have been flown far in excess of what their flight life was projected to be. And the additional funding that we will seek is for repairs to those wings.

We've grounded 39 airplanes, 28 of which are deployed, which represents about—

Senator STEVENS. P-3s, or—

Admiral ROUGHEAD. These are the P-3s that we've had to ground. That represents about one-quarter of our Maritime Patrol Force.

Senator STEVENS. When will the nines be delivered?

Admiral ROUGHEAD. I'm sorry, sir?

Senator STEVENS. When's the replacement?

Admiral ROUGHEAD. Replacement will IOC in 2013. Their initial operational capability will be in 2013.

Senator STEVENS. Are these going to get you through to that time?

Admiral ROUGHEAD. Yes, sir, we will—we have a plan for the re-winging of the affected airplanes, and they—we will diminish our inventory as we work our way through that. It is a rather lengthy process to make the repairs on the P-3s, but that's why I've placed it so high on the priority list.

Senator STEVENS. Well, thank you very much. I manage a bill on the floor, I'm going to have to leave. I'll tell you, to us from the World War II era, we are really honored to be able to work with you in this generation as we've got now. They are all volunteers, they're the new greatest generation. They'll go down in history, I think, in a way that will be very favorable to them. They've taken on every task and done well.

And despite the horrors of some of these engagements, their enlistments are increasing. So, I think we really owe a debt of gratitude, the whole country, to this new generation.

Thank you very much, Mr. Chairman.

Dr. WINTER. Thank you, sir.

Admiral ROUGHEAD. Thank you, sir.

Senator COCHRAN. Mr. Chairman.

LPD-17

Mr. Secretary, we noticed that the LPD-17 amphibious ship is at the top of the Marine Corps unfunded program list, and it's also

on the Navy's unfunded list. And this, I guess, in parlance means these are important. These are some of the most important requests being made for funding.

And I wonder if you would agree that if LPD-26 was to be funded in fiscal year 2009 would it provide the needed war fighting capability to the fleet at the earliest opportunity? And would it take advantage of the learning curve effect found in continuous production?

Dr. WINTER. Thank you for your interest, sir, in our shipbuilding activities, and LPD, in particular.

I think as you noted, appropriately, the LPD requirement has become a significant issue, both for the Marine Corps, and for the Navy. We accept the established requirement now for 11 operational LPDs, and recognize that it has got to be part of what we eventually develop as our integrated fleet plan.

At that point in time, we have nine LPDs in the fleet. We have six of the older Austin class, and three of the new San Antonio class, that have all been commissioned.

We also have six additional LPD-17s, the San Antonio class, that have been ordered. Four of those six are under construction. The two that have been more recently ordered, the ones in the last 1½ years, have not yet started construction, which is to say, their keels have not been laid.

We have several mechanisms of ensuring that we're able to get to, and maintain, 11 LPDs over the period of interest associated with the 30-year shipbuilding plan. We're currently going through an evaluation of that, as part of our POM 2010 evaluation, and I think we'll be able to lay out an appropriate course of action, here as part of the 2010 build that will establish an appropriate mechanism of ensuring that we get to the desired fleet.

Senator COCHRAN. Thank you.

Admiral Roughead, I know that you are aware that cost increases and delays in scheduling in several programs have had an impact—adverse impact—on Navy shipbuilding plans, and adjustments are necessary. But it's a concern that's been brought to my attention that \$1.6 billion has been moved away from new ship construction for fiscal year 2009 and that could have been used to fund the 10th LPD-17 requirement. What is your observation?

Admiral ROUGHEAD. Well, Senator, when we put together the plan for our current shipbuilding plan for the future, balancing all of the other requirements that the Navy is doing, and other future needs that we have, the decision was to submit the plan as it is currently constructed—with the seven ships in there—and to hold off on the 10th LPD.

I believe that is the best way forward to apportion the resources that we have and still fulfill the needs of building the fleet for tomorrow.

Senator COCHRAN. Thank you.

JOINT HIGH SPEED VESSEL (JHSV)

General Conway, the Navy's budget request includes the first procurement of the joint high speed vessel. I understand these vessels are highly flexible and adaptable to a variety of missions, they're faster and can operate in shallower and more austere ports

than larger vessels. Would you advise us how you plan to use these vessels, and how important is funding this program to the global war on terrorism?

General CONWAY. Sir, we see a significant use for these joint high-speed vessels. Senator Stevens referenced Guam a moment ago—when we move to Guam—assuming that negotiations work out and that it happens in the vicinity of 2014 or so, Guam will not offer the training opportunities that we currently have on Okinawa, so as part of the planning that the Secretary of the Navy spoke to was looking elsewhere in the Pacific basin, immediately in the vicinity of Guam, the Marshall and Palau Islands, to determine what training opportunities exist there.

And we're also in discussion with the Australians—of course, we have some training opportunity in Korea, we have training opportunity on mainland Japan, we'd like to expand the opportunities with the Philippines—all of that requires inter-Pacific transit kind of capability. And we think the JHSV, in addition, perhaps, to some amphibs, could very well satisfy those types of requirements.

That's just one potential use. The qualities of the vessel that you mentioned open up another whole panorama of opportunities to getting to locations we might not otherwise be able to go with small numbers of marines aboard those high speed vessels.

We have some concern about their ability to operate in rough seas, and we hope that engineering and so forth, will overcome some of those shortfalls, and make them fully capable over a wide spectrum of sea states.

Senator COCHRAN. Thank you very much.

Thank you, Mr. Chairman.

Senator INOUE. Thank you.

Senator MIKULSKI.

Senator MIKULSKI. Mr. Chairman, General Conway, Admiral, Secretary.

NNMC BETHESDA AND WALTER REED

First of all, we feel very close to the Navy. We have the Naval Academy in our State, we have Bethesda Naval which has been talked about, Patuxent River, and of course the marines, the marines that are a favorite everywhere.

My question is going to go to family readiness and the family support services, but first, one quick word about Bethesda Naval.

I understand the concern of Senator Inouye, but as I understand, the intellectual underpinnings of merging Bethesda with Walter Reed is, the marines are an expeditionary force. The kinds of wounds of war that they endure parallel what our Army also endures from improvised explosive devices (IEDs) to traumatic brain injury, to those permanent wounds of war. So there's a symmetry now. And I think that's the intellectual underpinning of working together.

What I'm excited about, Mr. Chairman, and I'm sorry that Senator Stevens had to go, is that Bethesda Naval-Walter Reed is directly across the street from the National Institutes of Health (NIH). It's right across the street, too, from the Institute of Medicine, and then you have the military medical school in the same campus as this. So, we have the possibility for incredible new

thinking, new ideas, the training of the next generation of physicians, doctors, nurses, with the best ideas coming out of military medicine, as well as civilian medicine.

Am I right about what you anticipate as the symmetry of this? Knowing Walter Reed is an icon, world-known, did not seek this, but what it is, is that we think it could be really of stunning quality to serve our marines and our naval forces.

Dr. WINTER. Yes, Senator, I believe that the structure that we're building right now at Bethesda is intended to provide the Centers of Excellence that really are critical, that have been defined, recognizing the types of injuries that we see amongst all of our servicemembers that have been deployed overseas.

There are some unique issues, traumatic brain injuries, and post-traumatic stress disorders (PTSD) that really require some new developments, and require the integration, if you will, of a diverse set of clinical and nonclinical specialists. Having that all together at one location at Bethesda, gives us the ability to leverage the totality that's available within the growing medical community of Maryland. And I look forward to the ability that the conglomeration, that integrated capability will be able to provide for our medical service personnel.

Senator MIKULSKI. Well, we want to continue to work with you. What we're concerned about is the ability for State and local infrastructure, namely that with all those geniuses I just described, they could all be at the same traffic light at the same time, on Wisconsin Avenue, all calling me. And I'm going to say, but they do call me when they're all at the traffic light at the same time. So, we look forward to our physical infrastructure.

Dr. WINTER. Senator, we're taking the issues there associated with the road, and access, very seriously. It's a major part of the environmental impact study that we are working through right now, and I fully expect that we will be able to provide appropriate mechanisms of mitigating all of those—

Senator MIKULSKI. And I'd like to talk with you more about it, if I may.

Dr. WINTER. I'd be pleased to, ma'am.

FAMILY SUPPORT SERVICES

Senator MIKULSKI. If I could change to both the Marine Corps and the Navy and the family support services.

General Conway, I was so pleased to hear what you said about the Family Readiness Programs, and the reliance of the marines on volunteers. You've all been very creative, and whether it's the young marine—I've heard anecdotal information about how in California you're in something called "Boot Camp for Dads," it's a weekend program for new fathers, to learn what to do with a baby, and you even do, kind of manly things like, you hold a baby like a football, just don't toss him or run with them—but really, in ways that help these modern men, who need to be involved with their families.

But then when you get that pre-deployment and post-deployment program—we cannot do this on volunteers. We note that you've added about \$400,000 to a \$30 million program—could you share with us, now, with the intensity of the deployments, certainly the

Marine Corps rest time is better than the Army—how you see what you need to do to keep that spirit of volunteerism that's been a characteristic of supporting a marine and his family, or her family, and what you need to bring to this to really help them in pre-deployment, and also the reintegration when they come back home, with spouses, with children, ironing out what might have been financial wrinkles that have developed—things along those lines.

General CONWAY. Yes, ma'am, I'd be happy to.

Senator MIKULSKI. As well as the very crucial, important medical services.

But, as you know, the social fabric, often, of a family has been worn and tattered during deployment time.

General CONWAY. Yes, ma'am.

I would highlight one thing, ma'am. We're very proud of our contribution to this war, and it equates to, essentially, what the U.S. Army is doing, as well. In a 28-month period, a soldier will be deployed for 15 months, home for 12—that's a 27-month period. In a 28-month period, a marine will be gone for 14, home for 14. So, it balances out over time, even though you are correct, our deployment cycle is very different. And the marines prefer the 7-month deployments, quite frankly.

In terms of what we've done with our family programs, we have had some global war on terrorism monies as sort of a windfall for this year, and we hope now, for next year. We're using those monies to enhance our child care, which is the number one demand coming from our families—in really, all of our bases and stations. We're including some respite care in that as well, in some of our exceptional family member programs.

But, what we're doing, essentially, is trying to professionalize where we have relied on volunteers in the past. That is, in no way, demeaning what our volunteers have given.

Senator MIKULSKI. What does that mean?

General CONWAY. Well, ma'am, every unit, battalion size, squadron size, or larger has a family readiness officer. That family readiness officer has been a volunteer in seasons past, and that person normally was a spouse from the deploying battalion or squadron. Their duties were all-encompassing—create the organization, create the notification chains, stay current with information, do the socials, take care of families—

Senator MIKULSKI. And they did it on their own time?

General CONWAY. Absolutely.

Senator MIKULSKI. And in many instances, their own—I mean the families, where the families raised money—

General CONWAY. Absolutely.

Senator MIKULSKI. You know, we'll call it the "bake sale" way of—

General CONWAY. Yes, it was very much a bake sale kind of operation. And we have simply now been able to one, put more of our own budget against that, but also, again, through the benefit of some of the GWOT monies, enhance those efforts to where—we still have volunteers, and it's still an absolute requirement for some of what we do. But not nearly on the scale that we have previously relied on, over the past 4 years.

FAMILY READINESS

Senator MIKULSKI. So, now—is this true, then, in every marine base, you will have, then, someone in charge of these efforts, whose full-time duty is that?

General CONWAY. Yes, ma'am.

Senator MIKULSKI. And it will be a paid person? Because volunteer, you still—we know this even from the nonprofits sector. Volunteers are great, but you need paid professional staff to know how to organize—first of all, to create, develop, and organize what is needed.

General CONWAY. I would asterisk your comment, ma'am, with just a couple of things.

It still is the Commander's program. He has, at his discretion, the opportunity to hire someone, or if he chooses, if you have, say, a staff non-commissioned officer that's been deployed three or four times in that unit, and he wants to leave that person back, he can name that person as his family readiness officer. So, it's the Commander's option, but certainly he didn't have those options before.

Senator MIKULSKI. Well, I know my time is moving along, I'd like to have a real, a more complete description of what this Readiness Program is, and moving along in this, because you have families, you have families there with special needs, which—we're so glad you even named, because quite frankly, the Army doesn't—and the National Guard, quite frankly, the Director of Personnel for the Army didn't think enough to put it in the Guard.

So, we want to help you, because behind every marine is a family and its morale.

But, we know, for example, on one base, they organized a group called "Grannies for the Marines." These were people who were grandparents in an area that would volunteer 5 hours, say, a month, to help a Marine Corps spouse, be able to take care of some things. You can't organize volunteers with a volunteer. It just takes too much to do it. But beyond that, you have to have pre-deployment counseling, when they come back home it takes an organized effort for reintegration in the family—spouse, children and if there's intense medical needs, that could go on for a long time—we really have to have a program.

General CONWAY. Yes, ma'am.

And, ma'am, to the credit of the Navy Medical Services, a marine who deploys will typically, before he goes and after he gets back, will have four such counseling periods. And the Navy has also established a forward footprint, with teams actually in the theater, who are able to respond if a marine has a traumatic incident and needs counseling on the way.

Senator MIKULSKI. Could we hear, then, from the Navy, and that'll be the summary of my questions.

Admiral ROUGHEAD. Yes, ma'am.

As you know, we've been a deploying force for centuries, but even with that, we've made enhancements to what we are providing for our families in our fleet and family readiness, or support centers.

We, too, like the marines, have also expanded our child care, which is a very important dimension of our families' interests. But, we have also deployed our Navy differently in this war. We've de-

ployed our sailors as individual augmentees. In fact, many don't realize that the United States Navy has more people on the ground in the Central Command area than we have at sea.

And so, what we've done is we've created an organization and a separate element within that organization that deals with the welfare of those individual deployers, and the ability to support the families of those who have been individually deployed.

And I can tell you, in the time that I've been in the Navy, there has been no more focus provided by senior leadership, than that which we are providing for our individually deployed sailors and their families.

Senator MIKULSKI. Well, I know this is also a keen interest of all members of the subcommittee, but I know, Senator Murray and I are trying to see from pre-deployment to battle assignment to coming back home, to also, then, as they come back for medical care or move back into the VA, that we really are developing this system that the family needs, as well as the warfighter.

Our position is that even though the warfighter might not be literally wounded, with shrapnel or from an IED, they are permanently impacted. And we need to stick with them all the way through.

So, starting with pre-deployment all the way through is what we're interested in, so we can help you, and behind every great soldier, seaman, marine, is a family that supports them, but a mission that supports the family.

So, thank you, and we look forward to more conversation on this.

Senator INOUE. Thank you.

Senator Shelby.

Senator SHELBY. Thank you, thank you, Mr. Chairman.

LCS

Secretary Winter, this may—I stepped out a few minutes, and this may have been asked, and it may not have.

The littoral combat ship that you alluded to earlier is vitally important to the future of our Navy, and I think you've said that many times. And I believe it represents an important capability for the Navy, and will give our forces a new transformational system with the maneuverability to operate anywhere, especially in shallow waters, is that correct?

Dr. WINTER. Yes, sir.

Senator SHELBY. While I know there have been issues that we've talked about with the LCS acquisition program, can you discuss the way forward on the littoral combat ship program?

Dr. WINTER. Thank you very much, Senator, for your interest in this area. I think that we've restructured the LCS program into an acquisition process now which is appropriate for the development of a new class of vessel, and still gets us to the desired fleet size of 55 LCS ships as part of the 313 that we're targeting for in 2019.

What we've done right now is, I believe you're aware, is to focus on the first two individual vessels—one of each type—so as to ensure that we can get through the initial construction phase there, understand any issues in construction, take them out to sea, be able to go through the initial sea trials, and be able to take benefit from all of that as part of the next procurement.

We have approval and funding for one additional vessel in 2008, and we are requesting funding for two additional vessels in 2009. Our desire there is to go out on the acquisition of three additional vessels with the idea that we would have a competition—one contractor getting two, one contractor getting one—providing some motivation for the contractors but maintaining the competitive base through that period of time.

That would lay the groundwork for the future, full-scale acquisition process, which would be informed by the full benefits of the sea trials, as well as the development activities that have taken place.

Senator SHELBY. Would you just take a minute and tell us again for the record, how important the littoral combat ship program is to the Navy, and the future capability, and how we deal with the threats in the shallow water?

Dr. WINTER. I will touch lightly on three specific items there, and then ask the CNO to add specifically from an operational point of view.

What we've stressed on the design and development of the LCS, is really three things. Number one, having speed, speed consistent with the evolving threat that we're seeing out in the Middle East and elsewhere around the world. Second of all, shallow draft—the ability to operate safely and effectively in the littoral regions, which is becoming more and more of a focus for our Navy. And last, having the capability to use what we call mission modules, the ability to switch the mission capability to adapt to the challenges that we see at any given point in time.

This provides us with a huge increase in flexibility, of responding to the threat, whether that's a surface threat, submarine threat, or mine threat. And also gives us the ability to continue to evolve this class of vessels to deal with future, perhaps unidentified threats, that we may need to deal with in many years to come.

And with that, I'd like the CNO to comment on the operational aspects.

Admiral ROUGHEAD. Sure, thank you, Mr. Secretary.

And—

Senator SHELBY. How important is it, Admiral?

Admiral ROUGHEAD. It is extraordinarily important. And in my perspective, as based on being fortunate to come into this job as one of two officers who has commanded the Pacific Fleet and the Atlantic Fleet. And from my experiences, and the types of operations that we are involved in now, and the fact that we do not have a capability that allows us to work in close to shore, work in the larger archipelagos that are in the world today, the LCS gives us that flexibility—the speed, the shallow draft which expands the amount of ocean we can operate in, and the flexibility to change mission capabilities in that ship rapidly.

There is nothing on the books now, or on the boards now, that fulfills that need, and that is why that ship is so important to us.

LPD-17

Senator SHELBY. Thank you, this question may have been asked, Admiral—I understand the Navy's fiscal year 2009 budget that LPD-17 production will conclude after nine ships. It's my under-

standing that the Marine Corps top-funded priority for this year is acquiring another LPD. Do you feel that the future amphibious fleet should include 11 LPDs? What are your thoughts, here?

Admiral ROUGHEAD. Yes, sir, I do agree with that.

General Conway and I have had several discussions about the future of where we are going. I believe that the world that we will live in, in the future, the Navy and Marine Corps will be a force of choice, because of our ability to move quickly, to be able to move into areas where access may be denied, and our amphibious fleet, the assault echelon, as well as the maritime pre-position force of the future, will give the Navy and Marine Corps that flexibility.

I support his requirement of 11 LPDs, and that's why it also appears on my unfunded program list.

Senator SHELBY. General, you want to comment? You just agree with the—do you agree or disagree?

General CONWAY. Sir, I agree wholeheartedly. We've had some very productive discussions, and both the Navy and the Marine Corps agree upon the requirement of the ships.

We have accepted some risk already, with the idea of 30 amphibious ships to satisfy a two-brigade requirement. The Navy has been forthcoming in trying to sort of stretch the rubber band to satisfy our needs, they have agreed to potentially extend some of the older amphibious ships. But even with their best effort, that leaves us another 9 percent, or so, short of being able to project those brigades, so a 30 percent shortfall, or so, roughly, is still not something that we're comfortable with, so we have asked for newer ships, larger ships, really, that allow us to put more aboard.

Senator SHELBY. Thank you, gentlemen.

Chairman, thank you.

Senator INOUE. Thank you.

Senator Murray.

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

Thank you to all of you for your service and for being here today.

MENTAL HEALTH

Secretary Winter, I want to follow up on a little about what Senator Mikulski talked about. I think we're still playing catch-up for the poor planning that took place after very long operations—7 years in Afghanistan, almost 5 years in Iraq.

A large concern I have is the slow change of tide regarding the perception and attitude about psychological health. And wanted to ask—I know you talked a lot about the programs themselves. But what about—what are we doing to really change the attitude, all the way down to the bottom levels, about sailors, marines, feeling comfortable talking about needing help with psychological issues?

Dr. WINTER. I think, ma'am, the stigma issue, if you will, is I think a very critical issue. We recognize it, I think it's been recognized at all levels within both the Navy and the Marine Corps, and has been attacked from the very senior levels, all the way on down.

The issue there, I think, is to first of all make clear what the leadership position is on this, to make sure people understand the view. To provide mechanisms of facilities access, so that people can access medical care.

This has gone to the point of including forward-deployed mental health professionals, as part of our OSCAR Program, the operational stress combat—I'm trying to remember the details of the acronym, there—program in which we are actually deploying mental health professionals with the forces, to be able to provide close proximity and access.

We're also providing training for many people who have peripheral access to such issues—our chaplains and religious professionals—who have the ability to guide individual servicemembers to seek medical care when it is needed and appropriate.

We're also trying to get marines and sailors to help each other. And this has been a longstanding tradition, and I think some of the ways in which we are able to get that message out, and have individual marines recognize, and be able to go marine-to-marine, I think, has a huge benefit.

Last, we're trying to work with the families, and one of the issues that keeps on coming up is, how do you deal with this issue post-deployment, and post-discharge? We try to do the normal checkups and all the reviews and things of that nature, and we're looking to be able to reevaluate—

Senator MURRAY. It's oftentimes the spouse that recognizes PTSD or other—

Dr. WINTER. Exactly.

Senator MURRAY. And I know you talked about some of the programs you have for spouses—they're great. But you need professionals who are helping the families understand what to look for, too. How are you doing with that?

Dr. WINTER. What we're trying to do there, ma'am, is to first of all, help the spouses and the families recognize the issues, and then ensuring that they understand how to get help. And that includes a series of outreach activities, as well as resources that they can draw upon, by phone, by Internet, and by visiting personnel—whether they're at fleet concentration areas, major bases, and operations, or out in the economy. And so, we're trying to facilitate that access so that they know where they can turn and understand the resources that are available to them.

Senator MURRAY. General.

General CONWAY. If I could augment a very complete answer just a little bit, I agree with you that we need professionals and we need programs, but we can also help ourselves, and we're endeavoring to do that.

First of all, you get at why a marine feels like there may be some stigma associated with it, and quite frankly, Sergeant Major and I, when we go and visit, and in publications are saying, "You don't get PTSD unless you're a warrior. You have had experiences that, in some cases, no one else has had. So, you don't start out being weak or a wimp in this business, PTSD, to begin with."

Second, some of our most senior people are experiencing it. We have a couple of sergeants major, or master gunnery sergeants out there who are experiencing these kinds of things, and it's just as true for them that we want to help you with this injury, because we consider it an injury, just as certainly as an external wound, we want to help you with this, and we want to get you through it, because you can recover.

We want to change the name, from “disorder” to something else. Because, it has, I think, a negative connotation with it.

And the last thing is—you’re right—spouses sometimes recognize it even before the servicemember does, and sometimes the dialogue is, “Well, don’t report it or they’ll toss you out.” Well, we’re not doing that. We want to get people through it, and we want to keep them as productive members of our Corps, and—

Senator MURRAY. And you’re giving that message to—

General CONWAY. Absolutely.

Senator MURRAY [continuing]. All the way down?

General CONWAY. Absolutely.

INDIVIDUAL AUGMENTEES (IAS)

Senator MURRAY. And what about the IAs, in particular?

Admiral ROUGHEAD. We have a screening process for our IAs and not just our active force. I think the greatest challenge we have are for IAs who are Reservists who come back, and then go back into their communities. So, at the operational support centers, we’re paying particular attention to that.

We also, in the Navy, have taken about 1,300 positions that involve medical providers, chaplains and other individuals, and have spent some additional time and resources on them to make sure that they too are familiar with the types of things that they must be aware of.

And similarly with the Marine Corps, the effort to de-stigmatize the PTSD issue. And I do believe we’re making some good progress in this regard.

MENTAL HEALTH PROFESSIONALS

Senator MURRAY. So we have enough resources to hire the mental health professionals that you need?

Dr. WINTER. I think, ma’am, we have the resources, the issue is in actually being able to hire.

Senator MURRAY. To fill them?

Dr. WINTER. The availability of mental health professionals, particularly psychologists and psychiatrists, has been a challenge. We’ve done a little bit better with the mental health nurses, we’ve done very well with social workers that we’ve been able to use in certain, limited, mental health capacities, but for psychologists and psychiatrists, this is a national challenge.

Senator MURRAY. Okay.

Admiral ROUGHEAD. Mr. Secretary—if I may.

Senator MURRAY. Absolutely.

Admiral ROUGHEAD. Senator, that’s why the provisions that you have provided us, in the form of the incentives and the bonuses is so very important, particularly in the mental health area, so we thank you for that.

Senator MURRAY. Okay, well I can assure you that a number of us on this subcommittee really want to continue not only to work with you to get that message all the way down to the man or woman at the bottom, but also to provide the services we need. And certainly, I think, we do have to worry about the capability of hiring enough professionals out there, and want to continue to work with you on that.

Dr. WINTER. Greatly appreciate the support, ma'am.
 Senator MURRAY. Thank you.

ELECTRONIC WARFARE

To change the topic a little bit, I wanted to ask you about the military's ability to jam and use electronic warfare in Iraq and Afghanistan—certainly critical as we all know. But historically, as we've seen threats decrease, our electronic warfare capability has decreased, and we have not invested in platforms and technologies and communities.

Can you give me a current assessment of where we are on that?

Dr. WINTER. Well, right now, ma'am, our principal activity is the development of the Growler, which is the replacement for the EA6B Prowler aircraft. The EA6B is being used extensively in the theater right now. It is also the only mechanism we have of prosecuting electronic attack at this point in time.

It is being used extensively, and we are starting to get concerned about the life-limiting features associated with it.

Our analyses suggest that we—an 84-aircraft Growler fleet is what we need to build to. We have requested funds for 22 Growlers in this budget as part of that. That's in addition to five Growlers that are pending from the supplemental request from 2008. We believe that it is a proper course toward providing satisfaction of the 84 aircraft requirement.

I will note that the sizing of 84 aircraft presume that the aircraft would also participate in the development of additional electronic attack capabilities—

Senator MURRAY. Are you concerned that other agencies aren't investing?

Dr. WINTER. We will be looking at that, ma'am, as part of the 2010 POM evaluation, and determining whether or not we're still comfortable with that assumption, and if that assumption is in need of revisitation, we will take a look at the implications of that.

Senator MURRAY. Thank you.

NAVAL STATION EVERETT

I also want to ask you, as you know, Naval Station Everett is one of the three west coast locations under consideration as home port for the DDG 1000 that we talked about earlier. My understanding is that three of these ships will be stationed at a selected location—and with all respect to my chairman—I think Naval Station Everett, obviously, is an ideal location.

Barring that, can you give us a quick assessment of where we are in the process and criteria that will be used to develop that? Admiral.

Admiral ROUGHEAD. Senator, what we are doing is looking at what the lay down of our force should be. When I came into this position a few months ago, I wanted to have a very thoughtful approach to where forces should be, my staff is working on that, and I look forward to having that presented to me, and then making the appropriate recommendations.

Senator MURRAY. Okay, we look forward to hearing that, very much.

BREMERTON CVN PIER

And finally, Mr. Chairman, if I could, I just wanted to mention that the Navy is preparing a major overhaul of an existing maintenance pier at Naval Base Kitsap in Bremerton, I'm sure you're aware of it. It's a \$160 million project, and very important to all of us—there's no doubt that we all know how critical it is.

But, I was just recently made aware that there are several concerns that have been raised at the local level about the Navy's consultation with some of the impacted parties, and I was hoping that you could just work with us later, and make sure we're working with those local constituencies.

Admiral ROUGHEAD. Yes, ma'am, we are, and—

Senator MURRAY. Are you aware of the problems?

Admiral ROUGHEAD. I'm aware of that, and the meetings that we've been having—I'm committed to continuing to address the issues that have been put on the table. And as you pointed out, it is very critical that it get resolved, because of the availabilities that will be coming into the shipyard and that will need that facility there.

Senator MURRAY. Okay. Thank you very much, I appreciate that.

Senator INOUE. Thank you very much.

AEGIS BALLISTIC MISSILE DEFENSE

Admiral Roughead, the subcommittee wishes to congratulate you and the men and women of your command for the very successful interception of the failing NRO satellite, 2 weeks ago.

However, I note that there are many aegis ships deployed with long-range surveillance and tracking capabilities, but very few equipped with the missile itself. When are you going to have this transition from the Missile Defense Agency (MDA), so you can take over?

Admiral ROUGHEAD. Thank you for the question, Senator.

I believe that what our, what we demonstrated 3 weeks ago showed that our capability is one that is very valuable to the Nation, even though we had to modify significant portions of it, to be able to go after a satellite as opposed to ballistic missiles.

But, over the years, as we have demonstrated at Barking Sands, at the range in Hawaii, the success of our program, I believe is a function of having some great capability that was purchased without the intent of what we're using it for now.

But most importantly, it shows that our capability is in the operational Navy. It has grown up in the operational Navy, the tests that have been performed, the engagement of the satellite were done by sailors, in their ships, using systems that they use every day.

I believe that the investment that MDA makes in the Navy, which is roughly 10 percent of their budget, is an investment well spent. I also believe that it is an appropriate time to consider the migration of what is referred to as the fielding wedge for the capability, for that to migrate to the Navy, so we can move forward quickly and robustly in maritime ballistic missile defense.

Senator INOUE. So, you plan to equip the aegis vessels with missiles?

Admiral ROUGHEAD. Yes, sir, I believe that we will have to increase the inventory of missiles. As I look around the world today, the proliferation and the sophistication of ballistic missile development in many places in the world will be important for us to ensure access, to protect our forces, and also to support our partners and allies.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUE. Mr. Secretary, I have a lot of questions I'd like to submit to you and your colleagues for their responses.

And Senator Cochran, do you have any questions?

If not, I'd like to thank you, Mr. Secretary, Admiral Roughead and General Conway for your testimony this morning before the subcommittee. And we appreciate your continuing service to our country.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. DONALD C. WINTER

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

SUSTAINING CURRENT AIRCRAFT VERSUS INVESTING IN FUTURE PROGRAMS

Question. Secretary Winter, as budget pressures rise there is often a dilemma in balancing the maintenance of current or legacy systems versus developing new capabilities. How is Navy addressing this balance in the aviation community? Are sufficient funds being invested in the reliability of current systems—like the P-3C, the E-2C, and the H-3—to avoid capability gaps should new systems be delayed? Secretary Winter, given that delays and cost growth in the development and fielding of new aircraft are so common, how confident are you that plans to accelerate procurement of various new aircraft to address deficiencies in the current fleet is the right strategy?

Answer. December's grounding of 39 P-3Cs impacted our ability to meet COCOM requirements. To mitigate capability gaps and sustain the P-3C force until the arrival of the P-8A, fiscal year 2008 and fiscal year 2009 funding is being separately requested for P-3C wing panels, supporting hardware and installation, and acceleration of the Fatigue Life Management Program. The fiscal year 2009 budget also reflects a systems sustainment and modernization budget to continue to address a multitude of mission essential efforts to replace obsolete components, integrate open architecture technology, and leverage commonality.

In addition, we are requesting funding to accelerate the introduction of the P-8A. Even with our current efforts, the remaining unknowns in the fatigue life of the P-3C airframe continue to present significant risk in our ability to sustain the force. I am confident that a combination of sustainment of the P-3Cs and acceleration of the introduction of the P-8A provides the best balance of mitigating risk, minimizing costs, and providing safe and highly effective platforms to the warfighters.

The E-2D Advanced Hawkeye program is currently in flight test and building pilot production aircraft. The Navy is planning on reaching a production milestone next year. As we procure the E-2D, we continue to maintain the Navy's E-2C capability. The Naval Aviation Enterprise, led by Commander Naval Air Forces, periodically reviews the sustainment of our aircraft using a Cost Wise Readiness model. As with any older platform, some investments in the E-2C are required to keep the weapon system performing well. As an example, these have addressed reliability of replaceable components for the APS-145 radar system—which is the key reason we are buying the E-2D and the APY-9 radar in that aircraft. These strategic investments also keep our industry base active as we ramp up the new production line. E-2Cs are also being modified to enable an Open Architecture computing environment, which will make sustaining software on this platform more affordable. I believe this strategy of modest investments for targeted sustainment, while delivering a new platform that will be effective well into this century, meets the goals of the Maritime Strategy.

In regards to Presidential Helicopter Programs, sufficient funds have been allocated to sustain both the VH-3D and VH-60 through the VH-71 Increment 2 restructure. Those gaps associated with the delayed fielding of VH-71 Increment 2 will be addressed where feasible and funds have been set aside for service life issues and essential communication requirements for support to the President. Additionally, the five Increment 1 aircraft, with an estimated initial operational capability of September 2010, will also mitigate the capability gap until fielding Increment 2. The Department will continue to ensure that the legacy Presidential fleet maintains viability throughout the transition to the VH-71.

LITTORAL COMBAT SHIP (LCS)

Question. Secretary Winter, there have been many changes in the acquisition strategy for the Littoral Combat Ship. What is your current plan for proceeding with this program? Secretary Winter, do you have confidence that the cost growth in the LCS program is under control and that the Navy can execute additional ships within the existing cost cap of \$460 million per ship?

Answer. An updated acquisition strategy for fiscal year 2008 and fiscal year 2009 procurements has been approved by the Under Secretary of Defense (Acquisition, Technology and Logistics). The Navy will award one ship in fiscal year 2008 using the funding appropriated by Congress, along with material from one of the ships terminated in CY 2007. The fiscal year 2009 President's budget requests two additional LCS.

The Navy believes that additional design maturity, production progress on LCS 1 and 2, and a competitive contract award between incumbent suppliers will enable the use of fixed price incentive terms for the fiscal year 2008 ship appropriated by Congress and the two fiscal year 2009 ships that the Navy is requesting. When these ships are delivered, the Navy will be able to better evaluate their costs and capabilities, and to make decisions regarding the best manner to procure the remainder of the class.

Acquisition strategies for fiscal year 2010 and later ships have not yet been formulated.

The Navy's restructured program contains more informed cost estimates that include: incorporation of lessons learned with each lead ship contract execution; a more refined estimate of the cost of known required changes to the designs; and a higher allowance for program management costs to provide for the government oversight expected by Congress.

The Navy has worked diligently with the industry teams to identify and evaluate program cost, schedule and technical risk.

Execution within the cost cap will be a challenge as the initial Navy estimate of \$460 million end cost was predicated on two ships being appropriated in fiscal year 2008. This would have allowed sharing of some program costs between seaframes. Moreover, the cap is based on the total limitation of the government's liability, which requires the Navy to keep the contract's ceiling value below the cap. The basis of the Navy's \$460 million estimate was contract target price, which is lower than the ceiling value.

VH-71 PRESIDENTIAL HELICOPTER

Question. In December, the Navy issued a stop-work order on the VH-71 Presidential Helicopter as costs continued to spiral higher and schedules have failed to be met. However, the fiscal year 2009 budget request includes \$1 billion to continue development and produce four helicopters. I am told that the Navy analyzed 22 alternatives before deciding on the plan presented in the request. Secretary Winter, could you comment on why the plan reflected in the budget request was found to be the best of all those options? Secretary Winter, the Navy's budget justification contains no information on the VH-71 program beyond fiscal year 2009. When will Congress receive additional details on this program?

Answer. We have taken a very hard and deliberate look at this program reviewing over 35 options and have determined that there are no other viable alternatives for the VH-71. The options considered were both inside and outside of the VH-71 program and all came to the same conclusion: to meet the operational requirements and technical scope of the program we have the right helicopter. The VH-71 full program of record is the best option to meet the full set of White House requirements.

The fiscal year 2009 plan reflected in the President's budget request is a restructured program and allows execution to meet the full set of White House requirements. As reported recently in the media, a decision between the Department and the White House was made on March 5. Details of this decision are presently being

briefed to Professional Staff Members. Funding details beyond fiscal year 2009, however, are dependent upon the Department's Planning, Programming, Budgeting and Execution Process and will not be finalized until the President's fiscal year 2010 submission.

NUCLEAR ENGINEERS

Question. Secretary Winter, the demand for qualified nuclear engineers in the civilian sector appears to be rising as Baby Boomers begin to retire and the energy industry is taking another look at nuclear power. As is so often the case, private industry is able to lure talent from the public sector by offering better wages and benefits. What is the Navy doing to make sure that our shipyards will have access to the engineers we need to design, build, and maintain our nuclear powered ships?

Answer. The Navy has been working proactively to understand the demand for nuclear engineers and to develop strategies to retain the necessary number of nuclear engineering professionals to accomplish Navy missions. Senior nuclear engineering managers have been actively reviewing common issues and problems affecting the recruitment, development and retention of nuclear engineers. These efforts will identify best practices and long-term actions that will help to ensure a stable cadre of nuclear engineers for the Naval Nuclear Propulsion Program. The Navy continuously reviews incentives and benefits to promote a rewarding work environment that affords opportunities and challenges. Examples include: positively influencing new engineers with immediate responsibility; providing a stable work environment; providing continuous employee training and development; offering competitive pay incentives and other benefits; and encouraging engagement in the local community.

VIRGINIA CLASS SUBMARINE

Question. Admiral Roughhead, last year the appropriations conference added \$588 million above the budget request to accelerate the procurement of two submarines per year. I understand the Navy now plans to begin procuring two submarines per year in fiscal year 2011. What effects will this have on the Navy's overall shipbuilding plan? Secretary Winter, would you comment on the procurement plan for the Virginia Class?

Answer. Procuring two submarines per year one year earlier (fiscal year 2011 vice fiscal year 2012), will reduce the number of years the SSN force structure is below 48 from 14 (per fiscal year 2008 shipbuilding plan) to 12 years.

The 30 year Shipbuilding Plan is the best balance of anticipated resources to the Navy's force structure requirements. Having less than 48 attack submarines (from 2022 through 2033) is not ideal, but the long-term risk is manageable as part of a stable, properly balanced shipbuilding plan.

QUESTION SUBMITTED BY SENATOR DIANNE FEINSTEIN

T-AKE SHIP PROCUREMENT PLAN

Question. The recent Navy Long Range Report on Vessel Construction noted: "The current budget does not include the 13th or 14th T-AKEs required to meet the MPF(F) structure described above, pending completion of an ongoing MPF(F) concept of operations study." The report further confirms that "it is expected that the assessment will show that the MPF(F) will need those two T-AKEs." Can you comment on the Navy's plans for procuring the 13th and 14th T-AKEs and will this be done in a way to bring greater stability to the shipbuilding budget in order to make ship procurement more affordable?

Answer. The Joint Requirements Oversight Council (JROC) is currently reviewing requirements for the 13th and 14th T-AKE ships. Pending JROC approval, the Navy's contract with the T-AKE shipbuilder, NASSCO, includes fixed priced contract options for T-AKE 13 and T-AKE 14. These pre-priced contract options provide stability to the shipbuilding budget and make ship procurement more affordable.

QUESTIONS SUBMITTED BY SENATOR JUDD GREGG

COMPARATIVE COST OF DDG 1000

Question. In a February 27, 2008 report to Congress, the Congressional Research Service provided a comparison of the cost of procuring and maintaining a DDG 51

class destroyer to that of the new DDG 1000 class destroyer. The report indicates the Navy argues that when life cycle operation and support costs were taken into account, it would cost roughly the same amount of money to procure and maintain one DDG 51 as it would a DDG 1000. Can you elaborate on why this would be the case, to include providing comparative cost data supporting this assertion?

Answer. The Navy has not stated that it would cost roughly the same amount of money to procure and maintain one DDG 51 ship as it would a DDG 1000 ship. The unit costs for the final ships of the DDG 51 class (procured in fiscal year 2005) are lower than the projected unit costs for the follow ships of the DDG 1000 class. However, the Navy does expect that a DDG 1000 class ship will have a lower annual total operating and support (O&S) cost per ship than a DDG 51 class ship. This comparison is based on the Navy service cost estimate for DDG 1000 O&S costs compared to a composite across all ships of the DDG 51 class based on reported O&S cost data. The overall lower DDG 1000 per ship annual O&S cost is primarily due to the decreased ship manning for DDG 1000 as compared to DDG 51. This decreased manning affects both direct Mission Personnel costs and indirect support costs (such as installation and personnel support costs). The Navy is currently updating the O&S cost estimate for DDG 1000 based on the current design and life cycle support strategy.

COMPARATIVE CAPABILITY OF DDG 1000

Question. Can you address the requirement and capability differences between DDG 51 and DDG 1000? What kind of added capability will the DDG 1000 ship class deliver to the Fleet and Joint Commanders that is currently not available?

Answer. DDG 1000 is optimally designed to operate in the littoral environment where as DDG 51 was designed for an open ocean environment.

The DDG 1000 will deliver the following capabilities that are not currently available:

- Advanced Gun System and Long Range Land Attack Projectile will provide guided 155 mm Naval Surface Fires Support out to 74 nm with the capability of multiple rounds simultaneous impact versus the 13 nm range of the current 5 inch rounds of the DDG 51.
- Dual Band Radar incorporates S-Band Volume Search Radar and X-Band Multi-Function Radar (MFR), and provides better sensitivity in clutter and greater firm track range to increase AAW capability. MFR provides periscope detection in the ASW environment.
- Dual-frequency bow mounted sonar and Multi-Frequency towed array are integrated and provide significantly enhanced littoral ASW capability, and in-stride mine avoidance.
- Integrated Power System that provides 78 MW of power for use throughout the ship (propulsion and electrical). Dual power and electrical paths increase survivability and decrease probability of power loss.
- Signature Reductions:
 - Significant reduction in radar signature compared to a DDG 51, a 50 fold reduction; stealth disrupts an adversary's detect-to-engage chain and allows missions to be performed not achievable by current ships.
 - Significant improvement in infra-red signature.
 - Significant acoustic and magnetic signature reductions that enhance survivability against littoral diesel submarine and mine threats.
- Enhanced survivability and damage control capability. DDG 1000 can withstand a USS COLE-like event and keep fighting. DDG 1000 has more robust armor than DDG 51. All DDG 1000 spaces have automated fire fighting and flooding systems. Additionally, a resilient power system allows for automatic electric plant isolation and reconfiguration.

QUESTIONS SUBMITTED TO ADMIRAL GARY ROUGHEAD

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

P-3 "RED STRIPE"

Question. Admiral Roughead, last December the Navy issued a "red stripe" bulletin grounding 39 of the 123 mission-ready P-3 Orion aircraft. The problem, found by modeling and simulation, was unexpected fatigue damage leading to possible cracks in the wing. What is the operational impact of losing these aircraft? Admiral Roughead, what is the Navy's plan to get the aircraft back to mission-ready status?

Answer. The grounding of the 39 aircraft had significant operational impact. While the details of the impact are classified, ten deployed aircraft were affected. The Navy will continue to work with the Joint Staff and Combatant Commanders using Global Force Management Allocation Plan to optimize P-3 allocation as inventory constraints permit.

To recover the P-3C mission-ready inventory, fiscal year 2008 and fiscal year 2009 funding is being separately requested for P-3C wing panels and outer wing box assemblies, supporting hardware and installation, and acceleration of the Fatigue Life Management Program. A dual path approach of targeted wing repairs and outer wing replacements will be implemented to ensure P-3 flight safety through P-8A transition and to maximize industrial depot capacity. The Navy's sustainment approach to P-3 operations will include the strict management of requirements and flight hour use and continued installation of Special Structural Inspection Kits to address fatigue concerns.

NAVY END STRENGTH

Question. Admiral Roughead, the Navy has reduced its end strength by nearly 40,000 Sailors since fiscal year 2005 and continues to draw down personnel. These reductions have come through military to civilian conversions and technology-based efficiencies aboard ships. Are you still comfortable with the Navy's planned end strength level? Are you concerned that these manning reductions are having a negative impact on the Navy's operational capabilities? Admiral, as the Navy introduces new technology aboard ships, extensive training will be required to operate these increasingly complex vessels. More time for training will mean more time away from ships for many Sailors. Has the Navy taken the additional training requirements into account in its manning plan?

Answer. I am comfortable with the current plan for the Navy's end strength level. The planned steady-state end strength level is based on our ability to shed non-essential functions, continue to leverage advances in platform and system design, and maintain war fighting readiness. The Navy is moving toward a capability-based workforce by refining the shape and skill-mix of the force to provide the specialized skills needed to respond to new technology and expanded missions.

Reductions are targeted to ensure that we retain the skills, pay grade, and experience mix necessary to provide mission ready forces. Our steady-state end strength target of 322,000 active and 68,000 reserve Sailors and Officers is based on analysis of current and future force structure plans. Our personnel distribution system is intended to assign the right Sailor, to the right job, at the right time. Therefore, changes to force structure, capability demands, and capacity and/or limitations on manpower and personnel systems necessitate a continual reassessment of the proper force size of the Navy.

The Navy accounts for additional training requirements and continually evaluates requirements for both initial and follow-on training for our Sailors. The alignment of our Learning Centers to the Warfare Enterprises has greatly improved the dialogue between our Fleet operators and our training organization. Navy training is fundamentally driven by the skill requirements of the jobs and positions Sailors hold. As new developments and technologies transform job requirements training is updated and adapted. Many Sailors proceed directly from their accession level basic school into advanced specialized skill training designed to prepare them for their specific assignment at sea. When they arrive at their ship with the required training the amount of additional training they will need is significantly reduced during their time assigned onboard.

Similarly, Sailors proceeding from one command to another are scheduled for any new, intensive technical training required to operate equipment within their specialty while en route to their new command. Our ultimate goal is to provide effective and meaningful job training through a continuum of learning that enables our Sailors to obtain and maintain competency, while minimizing time away from their job and their ship.

NUCLEAR SURFACE SHIPS

Question. Admiral Roughead, some have suggested that rising oil prices and the development of energy-intensive combat systems could mean that it may make sense to include nuclear propulsion on future surface combatants. Others have argued that adding nuclear power to a next-generation surface combatant would add a large up-front cost to building new ships and may present other problems for training, maintaining, and operating a ship that does not operate on conventional power. Admiral Roughead, what are your views on the question of using nuclear power for future surface combatants? Admiral Roughead, if the Navy continues to

build conventionally powered surface combatants, how will our future fleet meet the power demands of increasingly power-hungry combat systems, such as the next-generation Aegis radar or futuristic directed energy weapons?

Answer. The decision whether nuclear power propulsion will be incorporated in future surface combatants will be based on a thorough examination in compliance with statute. The ongoing analysis of alternatives (AoA) for the Maritime Air and Missile Defense of Joint Forces capability, which includes an assessment of CG(X) alternatives, examines both fuel efficient conventional power plants and nuclear power alternatives.

The AoA addresses the power architecture options for CG(X), including the expectation for increased electrical power requirements in CG(X) for both the nuclear and fossil-fueled alternatives for future technologies such as high energy weapons and radars. The ability to accommodate higher electric energy demands associated with future weapon and sensor systems is a function of electrical generation capacity, and is independent of fuel type (nuclear vs. fossil fuel). Flexibility in accommodating increased electric loads can be introduced into either nuclear or fossil fuel propulsion plant designs.

AMPHIBIOUS SHIP BALANCE BETWEEN PACIFIC AND ATLANTIC

Question. Admiral Roughead, we are all aware of the growing importance of the Asia-Pacific region to the security of the United States. In fact, the 2006 Quadrennial Defense Review recommended a shift of a number of submarines from the Atlantic to the Pacific. Currently, about 55 percent of Marines are stationed within Marine Forces Pacific. Considering this and the renewed emphasis on maintaining a stable balance of power in the Pacific, are there plans to shift more amphibious ships to the region to support the Marines?

Answer. The present laydown of amphibious ships in San Diego and Japan is sufficient to meet current response times for Department of Defense contingency and steady state presence requirements. However, with the impending move of Marines from Okinawa to Guam and Hawaii, and in conjunction with the planned growth in Marine end strength, the Navy is assessing laydown possibilities that support alignment with the Marines.

QUESTION SUBMITTED BY SENATOR DIANNE FEINSTEIN

T-AKE SHIP REQUIREMENTS

Question. The Navy fiscal year 2009 Unfunded Priorities identified as your 4th highest unfunded priority requirement \$941 million to “fund procurement of final 2 T-AKEs (13 and 14) to accelerate and support Maritime Prepositioning Force Requirements and leverage hot production line at NASSCO shipbuilding and allow Navy to maintain support of existing production contract without renegotiation.” Do you believe there remains a strong military requirement for completing the planned and already contracted buy of all 14 T-AKE ships?

Answer. The Navy has committed to procuring 12 T-AKEs, the minimum necessary to meet the Combat Logistic Force requirement.

The Joint Requirements Oversight Council is currently reviewing requirements for the 13th and 14th T-AKE ships. The T-AKE contract includes a latest option exercise date for the 13th T-AKE Long Lead Time Material of January 2010 and the 14th T-AKE Long Lead Time Material of January 2011.

QUESTIONS SUBMITTED TO GENERAL JAMES T. CONWAY

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

UP-ARMORED HMMWVS AND MRAP VEHICLES

Question. General Conway, in response to urgent theater needs, we are rapidly procuring Mine Resistant Ambush Protected Vehicles, known as M-RAPs, which provide superior protection against IEDs. At the same time, you are requesting funds to procure modernized up-armored Humvees. Can you please explain to the Committee the need to continue the procurement of up-armored Humvees when the M-RAP requirement has been fully funded?

Answer. The MRAP Vehicle was never intended as a replacement for the HMMWV. MRAP vehicles were procured and fielded to meet a special in-theater requirement. While the MRAP has performed well, it is too large to conduct missions

in tight built-up areas and too heavy to conduct missions in rough offroad terrain. The Marine Corps requires a light tactical vehicle to perform these missions.

JOINT LIGHT TACTICAL VEHICLE AND UP-ARMORED HMMWVS

Question. General Conway, the Joint Light Tactical Vehicle is designed to replace the Humvee. If you go ahead with your planned purchase of new up-armored Humvees, do you still need the Joint Light Tactical Vehicle?

Answer. The HMMWV/ECVs future replacement, the Joint Light Tactical Vehicle (JLTV) will not achieve Initial Operational Capability (IOC) until fiscal year 2014. In order to bridge the gap until JLTV is in full production and counteract the degraded useful life of current HMMWVs (due to weight and usage) the Marine Corps will need to buy more ECVs.

MINE RESISTANT AMBUSH PROTECTED VEHICLE STRATEGY

Question. General Conway, the M-RAP has been characterized as a “niche” capability. What will we do with these vehicles when we pull out of Iraq?

Answer. We have identified an enduring requirement for some of these vehicles from the 2,225 total number required. Explosive Ordnance Disposal units, combat engineers, and other units responsible for route clearance will use these vehicles. We are considering several options for the remaining vehicles such as placing them forward in stores, embarked aboard Maritime Prepositioning Ships or a mix of both options. The Combat Tactical Wheeled Vehicle strategy, that will be completed this summer, will provide additional details.

TACTICAL WHEELED VEHICLE STRATEGY UPDATE

Question. General Conway, when will you be able to provide the Committee an update on your Tactical Wheeled Vehicle Strategy?

Answer. The Marine Corps will provide a comprehensive Combat Tactical Wheeled Vehicle (CTWV) strategy that will include a detailed “way ahead” for the current and future Marine Corps tactical wheeled vehicles to the President’s Office of Management and Budget (OMB) and the Secretary of Defense (SECDEF) in July 2008.

Prior to the final briefing to OMB and SECDEF, the Joint Requirements Oversight Council and the Deputy’s Advisory Working Group will review our strategy. Additionally, an internal progress review with OMB and Office of the Undersecretary of Defense Comptroller is scheduled for April 18, 2008.

EXPEDITIONARY FIGHTING VEHICLE—PROGRAM IMPROVEMENT

Question. General Conway, the Expeditionary Fighting Vehicle has encountered reliability problems which have delayed the program by four years, reduced by nearly half the number of vehicles the Marine Corps intends to buy, and added significant costs to the program. Given that this program is a high priority for the Marine Corps, how is the program going to be turned around while containing further cost growth?

Answer. The Expeditionary Fighting Vehicle (EFV) program was certified by the Secretary of Defense to Congress as vital to national security in June 2007. The program was restructured to provide the necessary engineering support to achieve the reliability requirement and to provide the procurement funding necessary for the approved acquisition objective of 573. The restructured program is utilizing a rigorous systems engineering approach to execute a Design for Reliability effort aimed at the redesign of mission essential components of the EFV. During the certification process the Cost Analysis Improvement Group developed an independent cost estimate for the restructured program. In order to minimize the risk of cost growth the Marine Corps funded the program to that estimate even though it was higher than the program’s estimate.

The Marine Corps is actively working to manage cost using multiple approaches. The current contract’s award fee structure was renegotiated to utilize objective criteria for cost, schedule and performance. The three cost criteria are aimed at managing vehicle, development, and operations and support costs. Through the conduct of a thorough Integrated Baseline Review by the Program Office and a compliance review by DCMA, the earned value system is on a path to become a vital management tool to help manage cost and schedule. The Marine Corps will continue to assess available trade-space in the engineering design and requirements through yearly reviews with the requirements owners in order to achieve the necessary EFV performance characteristics while maintaining cost and schedule.

Finally, the Acquisition Decision Memorandum (ADM) issued after certification established a significant increase in government oversight. The increased oversight includes a Quarterly Program Review with USD (AT&L). Senior acquisition leadership from the Department of the Navy (DON) and Department of Defense (DOD) and top management from General Dynamics participate in the reviews. Additionally, the ADM established three additional DAB reviews for the program prior to Milestone C. These provide off-ramps for the government if necessary.

EXPEDITIONARY FIGHTING VEHICLE—KEY PERFORMANCE PARAMETERS

Question. General Conway, has the Marine Corps given consideration to revisiting the key performance parameters of the Expeditionary Fighting Vehicle?

Answer. Requirements are reviewed on a recurring basis by the Marine Corps Combat Development Command (MCCDC). In addition to Key Performance Parameters (KPP), Operational Requirements, Specification Requirements, and Derived Requirements are looked at on a regular basis whenever trade space is needed.

After a thorough review of all requirements, the Marine Corps recently reduced the Wave Height requirement associated with the High Water Speed KPP with minimal operational impact. The USMC also recently reduced the follow-on land range requirement and removed the smoke grenades providing weight saving trade space resulting in cost control.

Some additional requirement changes such as removal of the NBC system and repackaging of the Auxiliary Power Unit have been identified as potential future changes to preserve cost and schedule if deemed necessary.

EXPEDITIONARY FIGHTING VEHICLE—AMPHIBIOUS ASSAULT VEHICLE PLANS

Question. General Conway, the original plan for the EFV was to replace the Amphibious Assault Vehicle on a one-for-one basis. But now the planned purchases of EFVs has been reduced by nearly half. Does the budget include adequate funds for sustaining the AAV into the future? What is the impact on the Marine Corps' amphibious assault capability due to the reduction of the planned purchases of EFVs?

Answer. The present level of funding is sufficient to sustain Amphibious Assault Vehicles (AAV) at the current capability level. If necessary, the Marine Corps is positioned to apply vehicle upgrades and enhance current capabilities as required. Additionally, the AAV is subjected to a regular cycle of depot level maintenance via the Inspect and Repaired Only As Necessary program with funding provided to the Marine Corps Logistics Command.

We are balancing our two missions of amphibious assault and participation in long-term, irregular warfare by shifting from an emphasis on amphibious forcible entry to a mix of platforms that have application across the range of military operations. We have tailored our EFV investment to be consistent with strategic guidance and have offset EFV reductions with investments in the Marine Personnel Carrier and the Joint Light Tactical Vehicle. In the near term, our investment in Mine Resistant Ambush Protected vehicles will afford Marines operating in Iraq and Afghanistan with significantly enhanced protection tailored specifically for Central Command operations.

The reduction of the EFV requirement will not limit our ability to conduct surface-borne ship-to-objective forcible entry from a distant sea-base nor constrain our ability to conduct amphibious operations and subsequent maneuver ashore in support of national objectives. We will continue to pursue a balance of vehicles that will enable our Navy-Marine Corps team to increasingly provide a persistent and flexible forward presence, both afloat and ashore, to meet combatant commanders' growing requirements for general purpose forces. Our future mobility systems will enable us to more effectively engage in low-end shaping, deterrence, and security missions while also positioning us to respond to high-end combat and forcible entry amphibious operations.

GUAM RELOCATION—IMPACT OF MISCONDUCT INCIDENTS

Question. General Conway, tensions are high in Okinawa in the wake of the alleged rape of a 14 year-old girl by a Marine. Unfortunately, this is not the first time U.S. military personnel have been accused of violence and misconduct in this area, and these incidents have added to the resentment of the United States military presence there. I understand that the charges have been dropped, but what, if any, impact will this incident have on the relocation of Marines from Okinawa to Guam?

Answer. The Marine Corps does not anticipate a major impact on the relocation of Marines from Okinawa to Guam as a result of the alleged incident. We are working with leaders in both locations to improve relationships between the military and local civilians.

All units and installations in Japan have recently conducted education and training that reinforces and encourages the high standards of professionalism and conduct expected of U.S. forces living in Japan. We also implemented a "Period of Reflection" after the alleged incident to remind Marines that we are guests and must represent our country in a professional manner.

GUAM RELOCATION—PERSONNEL MEASURES FOR POSITIVE RELATIONSHIP

Question. General Conway, what measures will the Marine Corps institute in order to assure the people of Guam that every effort is being taken to have a positive relationship with the local people?

Answer. We continue to review the procedures and orders that govern the discipline and conduct of all U.S. service members serving overseas. Concurrent with our reviews, we are meeting with local officials to discuss ways to work together toward the common goal of reducing off-base misconduct incidents, and to address their concerns in our relocation plans.

MV-22—PERFORMANCE IN THEATER

Question. General Conway, at the end of last year, the MV-22 Osprey faced one of its biggest tests ever by flying combat missions for the first time in Iraq. This was a major milestone in the Osprey's long history of triumphs and challenges. How is this aircraft performing in theater?

Answer. The successful combat deployment represented a significant milestone for the MV-22. The aircraft and the Marines and Sailors who deployed with it have exceeded expectations. Aircraft development continues as well as refinement of Tactics, Techniques, and Procedures employed by Marine aircrews that are flying MV-22s. The first combat deployment of the aircraft has been a success.

MV-22—LACK OF MOUNTED WEAPONS SYSTEMS

Question. General Conway, recent media criticism of the MV-22 included the concern that it has no side- or front-mounted weapons systems, leaving it vulnerable to attack. How much of a limitation has this proven to be during the Osprey's deployment?

Answer. Marine Corps assault support aircraft do not have forward firing weapons. The weapons on assault support platforms are designed for defensive suppressive fires only, thus the lack of side- or front-mounted weapons systems has not limited MV-22 operations to date. The Ramp Mounted Weapon System (RMWS) provides the MV-22 aircrew a defensive capability sufficient for its current operations. A defensive weapons system that provides 360 degree coverage is currently in development.

SUBCOMMITTEE RECESS

Senator INOUE. This subcommittee will reconvene on Wednesday, March 12, at 10:30 a.m., when we will receive testimony on the fiscal year 2009 budget request from the Department of the Air Force.

We will stand in recess.

[Whereupon, at 11:57 a.m., Wednesday, March 5, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, March 12.]