

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2013**

WEDNESDAY, MARCH 7, 2012

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

The subcommittee met at 10:35 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Barbara A. Mikulski (chairwoman) presiding.

Present: Senators Mikulski, Kohl, Reed, Cochran, Shelby, Collins, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

STATEMENT OF HON. RAY MABUS, SECRETARY

OPENING STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Good morning. Today, the subcommittee begins its hearings to review the fiscal year 2013 Department of the Navy budget. I want to announce that there has been no coup. To see me in the chair is, I am sure, a surprise to me as much as it is to you. Senator Inouye cannot be here this morning for an unexpected reason that arose. So he asked me to chair the subcommittee.

In the spirit of bipartisanship, I think, as characteristic of this subcommittee, it will run very smoothly.

Because we are expecting really active participation from members, we are going to stick to the 5-minute rule. Members will be recognized in the order of arrival but, of course, starting with Senator Cochran.

What I will do is wait until the very end, ask my questions then, and if there are any Inouye questions, I will ask them.

Secretary of the Navy, Mr. Mabus, it is so good to see you again. I have got some questions for you, as you could imagine.

The Chief of Naval Operations (CNO), Admiral Jonathan W. Greenert is here, as well as the Commandant of the Marine Corps, General James F. Amos. General Amos, I understand you are recovering from surgery, and you and your wife have determined that you can appear today. But anything we need to do to accommodate your situation, Sir, we will be happy to do it.

We want to thank you for being here. And I am going to just move right along. And Senator Cochran, why don't I turn to you for an opening statement, and then we can turn directly to Secretary Mabus and get on with the hearing. Does that sound like a good way to go?

OPENING STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Madam Chairman, thank you very much. It certainly does.

I am delighted to join you in welcoming this distinguished panel of witnesses, former Governor of our State of Mississippi, Secretary of the Navy, Ray Mabus, who is doing an outstanding job in his new capacity. And Admiral Greenert and General Amos, who are leaders of our military forces, Navy and Marine Corps forces, we appreciate so much your cooperation with our subcommittee in responding to our request to be here to review the budget for the Department of the Navy and our forces in the fleet and in the Marine Corps. And we look forward to our opportunity to question you about the priorities that we face.

Thank you, Madam Chairman.

Senator MIKULSKI. Mr. Secretary, fire at will.

SUMMARY STATEMENT OF THE HONORABLE RAY MABUS

Mr. MABUS. Senator Mikulski, Senator Cochran, Senator Reed, and Senator Coats, let me start by thanking you all for your support of the sailors, marines, and civilians in the Department of the Navy in ensuring that they get what they need to do their mission.

I also want to say how happy I am to have my wing-man, General Amos, back after—yes, I think he is a “winged man” now, but after his surgery last week. And the fact that he is here today shows the level of dedication and resilience that the marines have, and the pride that he, I, the CNO, Admiral Greenert, take in leading the sailors, marines, and civilians of the Department of the Navy, who selflessly serve the United States, is exceeded only by the accomplishments of these brave people.

Whatever is asked of them by the American people through their Commander in Chief, from Afghanistan to Libya, from assisting the stricken people of Japan to assuring open sea lanes around the world, from bringing Osama bin Laden to final justice to bringing hostages out of wherever they may be hidden by terrorists or pirates, they answer the call. They get the mission done.

The CNO, the Commandant, and I are confident that the United States Navy and Marine Corps are well-prepared to meet the requirements of the new defense strategy, to maintain their status as the most formidable expeditionary fighting force the world has ever known. No one—no one—should ever doubt the ability, capability, or superiority of the Navy-Marine Corps team.

As we reposition after two long ground wars, it was essential to review our basic strategic posture. The new guidance, developed under the leadership of the President and the Secretary of Defense, with the full involvement of every Service Secretary and Service Chief, responds to changes in global security. The budget presented to implement this strategy, which was also arrived at through full collaboration of all services, ensures the Navy and Marine Corps

will be able to fully execute this strategy, while meeting the constraints imposed by the Budget Control Act of 2011.

With this new strategy, which has an understandable focus on the Western Pacific and Arabian gulf region, maintains our worldwide partnerships and our global presence, using innovative, low-cost, light-footprint engagements, it requires a Navy-Marine Corps team that is built and ready for any eventuality on land, in the air, on and under the world's oceans, or in the vast cyber-seas, and operated forward to protect American interests, respond to crises, and to deter or, if necessary, win wars.

The impact of two ground wars in the last decade on our Navy fleet and its force is unmistakable. A fleet that stood at 316 ships and an end strength of more than 377,000 sailors on September 11, 2001, dropped to 283 ships and close to 49,000 fewer sailors just 8 years later when I took office.

This administration has made it a priority to rebuild our fleet. Despite the budget constraints imposed under the Budget Control Act of 2011, our plan assures that we will have no fewer ships at the end of the 5-year budget cycle than we have today, although the fleet of fiscal year 2017 will include more more-capable ships, equipped with state-of-the-art technology and manned, as always, by highly skilled people.

Although we are presenting one 5-year budget plan, one Future Years Defense Plan (FYDP), this is certainly not a one-FYDP issue. As the defense strategy states, we are building a force for 2020.

In the years beyond the current FYDP, we have a plan to grow our fleet and ensure capability and capacity continue to match missions. In fact, our plan will have us again across the threshold of 300 ships by 2019. Overall, we will fully meet the requirements of the new status—of the new strategy and protect our industrial base.

The Marine Corps will also return to its maritime roots and resume its traditional role as the Nation's expeditionary force in readiness. Our marines will retain the lessons of a decade of hard and effective fighting in Iraq and Afghanistan as they transition back to a middle-weight amphibious force, optimized for forward presence, engagement, and rapid crisis response. We will carefully manage the reduction in active duty end strength from 202,000 to 182,100 by the end of fiscal year 2016 in order to keep faith with our marines and their families to the maximum extent possible.

This restructured Marine Corps, a plan that was arrived at after a year and a half of very careful study by the marines, will be smaller. But it will be fast; it will be agile; it will be lethal. The number of marines in certain critical jobs, like special forces and cyber, will be increased, and unit manning levels, and thus readiness, will go up.

Both the Navy and Marine Corps will continue to decrease operational vulnerabilities in ways that are cost efficient. That means we will maintain our efforts to reduce our dependence on foreign oil and use energy more efficiently. These efforts have already made us better warfighters. By deploying to Afghanistan with solar blankets to charge radios and other electrical items, a marine patrol dropped 700 pounds in batteries from their packs and decreased the need for risky resupply missions.

Using less fuel in theater can mean fewer fuel convoys, which will save lives. For every 50 convoys, we lose a marine, killed or wounded. That is too high of a price to pay.

As much as we have focused on our fleet's assets of ships, aircraft, vehicles, and submarines, they don't sail, fly, drive, or dive without the men and women who wear the uniform and their families. They have taken care of us; they have kept the faith with us; and we owe them no less.

The commitment to sailors, marines, and their families is whether they serve 4 or 40 years. It begins the moment they raise their hand and take the oath to defend our country. It continues through the training and education that spans their career. It reaches out to their loved ones because it is not just an individual who serves but the entire family.

PREPARED STATEMENT

It supports our wounded warriors with recovery, rehabilitation, and reintegration. It continues with transition services for our veterans to locate new jobs and the GI bill for their continuing education or transfer for a family member's education. The list goes on and on and on, as it should. Our commitment to sailors and marines can never waver and can never end.

For 236 years, from sail to steam to nuclear, from the USS *Constitution* to the USS *Carl Vinson*, from Tripoli to Tripoli, our maritime warriors have upheld a proud heritage, protected our Nation, projected our power, and provided freedom of the seas. In the coming years, this new strategy and our plans to execute the strategy will assure that our naval heritage not only perseveres, but that our Navy and Marine Corps continue to prevail.

Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE RAY MABUS

INTRODUCTION

Chairman Inouye and Senator Cochran, I have the privilege of appearing today on behalf of the sailors, marines, and civilians who make up the Department of the Navy. This is the fourth year that I have been honored to report on the readiness, posture, progress, and budgetary requests of the Department. The pride the Commandant of the Marine Corps, General James F. Amos; the Chief of Naval Operations (CNO), Admiral Jonathan W. Greenert; and I take in leading the dedicated men and women of the Department who selflessly serve the United States in the air, on land, and at sea is exceeded only by the accomplishments of these brave and selfless individuals.

Whatever is asked of them by the American people through their commander in chief—from Afghanistan to Libya, from assisting the stricken people of Japan to assuring open sea lanes around the world, from bringing Osama bin Laden to final justice to bringing hostages out of wherever they may be hidden by terrorists or pirates—they answer the call and get the mission done.

As we pivot away from a decade of war on two fronts in two separate nations, the Commandant, CNO, and I are confident that the U.S. Navy and the Marine Corps are well-prepared to meet the requirements of the new defense strategy and maintain their status as the most formidable expeditionary fighting force the world has ever known. No one should doubt the ability, capability, or superiority of the Navy-Marine Corps team.

The administration's defense strategic guidance, with its understandable focus on the Western Pacific and Arabian gulf region; its requirement to maintain our worldwide partnerships; and its call for a global presence using innovative, low-cost, light footprint engagements requires a Navy-Marine Corps team that is built and ready

for war—on land, in the air, on and under the world’s oceans, or in the vast “cyber-space”—and operated forward to protect American interests, respond to crises, and deter and prevent war.

This new strategy, developed under the leadership of the President and the Secretary of Defense, with the full involvement of every service Secretary and service Chief, responds to the dynamic global security environment, while meeting the constraints imposed under the Budget Control Act of 2011 (BCA) passed by the Congress.

Our ability to meet the demands of this new strategy depends on the improvements we have begun and objectives we have set regarding how we design, purchase, and build new platforms, combat systems, and equipment; increase the development and deployment of unmanned systems to provide increased presence and enhanced persistence at lower cost and less danger; and how we use, produce and procure energy. Most importantly, our efforts and this new strategic guidance, and the budget that guidance informs will assure that we continue to keep faith with those who serve our country so selflessly and heroically, our sailors and marines, civilians, and their families.

FISCAL YEAR 2013 BUDGET SUBMISSION

Fleet Size

On September 11, 2001, the Navy’s battle force stood at 316 ships and 377,000 sailors. Eight years later when I took office, the battle force had fallen by 49,000 sailors, and to 283 ships. Today, 3 years into the Obama administration, the fleet increased to 285 ships of all types.

Many have noted that we have the lowest number of battle force ships since 1917. But today’s “Fleet” is best thought of as a fully integrated battle network comprised of sensors, manned and unmanned platforms, modular payload bays, open architecture combat systems, and smart, tech-savvy people. Thus, making comparisons between today’s “total force battle network” with the battle force of 1917 is like comparing a smart phone to the telegraph. Still, even though the ships coming into service today are vastly more capable than their 1917 predecessors, at some point quantity has a quality of its own. This is why building up the number of ships in our Fleet has been a priority for this administration from day-one.

The topline reductions mandated by the BCA made holding to current Fleet numbers a difficult challenge. However, I am pleased to report to you that we have developed a plan that delivers a Fleet with the same number of ships by the end of the future year’s defense plan (FYDP), as we have today—all while still meeting our fiscal obligation to support a responsible end to our ground combat mission in Afghanistan. The fiscal year 2013–2017 shipbuilding plan maintains a flexible, balanced naval battle force that will be able to prevail in any combat situation, including in the most stressing anti-access/area denial (A2/AD) environments.

While our ship count stabilizes in this FYDP, our shipbuilding plans aim to build a Fleet designed to support the new defense strategy and the joint force for 2020 and beyond. The specific requirements for this future Fleet will be determined by an ongoing force structure assessment, which should be concluded later this year. Regardless of the final battle force objective, however, you can expect to see the Fleet’s ship count to begin to rise as the littoral combat ship (LCS) and joint high-speed vessels (JHSV) built during the next 5 years begin to enter fleet service beyond this FYDP and as we sustain our major combatant and submarine building profiles. As a result, even under the fiscal constraints imposed by the BCA, the battle force is projected to reach 300 ships by 2019.

While the final ship count will be determined by the FSA, the decisions made during the recent President’s fiscal year 2013 budget (PB–13) deliberations will result in a battle force consisting of:

Nuclear-Powered Aircraft Carriers and Air Wings.—With delivery of USS *Gerald R. Ford*, the first of a new class of nuclear-powered aircraft carriers, in 2015, we will have 11 CVNs in commission and will sustain that number at least through 2040. Our future carriers will be even more powerful, with new combat capabilities resident in the F–35C Lightning II Joint Strike Fighter, F/A–18E/F Super Hornet, EA–18G Growler electronic attack aircraft, E–2D Advanced Hawkeye airborne early warning aircraft, and new unmanned air combat systems.

Nuclear-Powered Attack Submarines.—SSNs are the key to sustaining our dominant lead in undersea warfare. While the procurement of one *Virginia*-class submarine was delayed from 2014 to 2018 to help free up budget resources in the FYDP, the planned fiscal year 2014–2018 Multiyear Procurement of nine submarines remains intact. To mitigate the loss of large undersea strike capa-

bility when SSGNs retire in 2026–2028, we invested research and development for the Virginia Payload Module (VPM). VPM could provide future *Virginia*-class SSNs with an additional four SSGN-like large diameter payload tubes, increasing each SSN's Tomahawk cruise missile capability from 12 to 40. While we are committed to a long-term force goal of 48 SSNs, low submarine build rates during the 1990s will cause us to fall below that number for some time starting in the late 2020s. We continue to explore ways to limit the submarine shortfall by increasing the near-term submarine build rate, improving affordability, and maintaining the health of this critical industrial base.

Guided Missile Cruisers and Destroyers.—The *Arleigh Burke*-class DDGs remain in serial production, with funding in place for a nine-ship fiscal year 2013–2017 MYP. The next flight of DDG 51s will introduce a more powerful and capable Air and Missile Defense Radar in fiscal year 2016. We project that the new defense strategy will require slightly fewer large surface combatants so we will retire seven *Ticonderoga*-class CGs in this FYDP—all but one before a planned mid-life ballistic missile defense upgrade, and that one had serious structural issues—achieving considerable cost savings at relatively low risk. The long-term inventory of guided missile cruisers and destroyers is projected to come down as combatants built at the rate of 3–5 per year during the cold war begin to retire in the 2020s. We are exploring a variety of ways to mitigate these losses.

Littoral Combat Ships.—With their flexible payload bays, open combat systems, ability to control unmanned systems, and superb aviation and boat handling capabilities, LCSs will be an important part of a more agile future Fleet. New crew rotation plans, built on a modified version of the highly successful SSBN two-crew model, will allow for substantially more LCS forward presence than the frigates, mine counter-measures ships, and coastal patrol craft they will replace, and will free our more capable multimission destroyers for more complex missions. Although forced to shift two LCSs outside the current FYDP to achieve cost savings, we remain fully committed to our plan to ultimately purchase 55 of these warships.

Amphibious Ships.—Thirty amphibious landing ships can support a two-Marine Expeditionary Brigade (MEB) forcible entry operation with some risk. To generate 30 operationally available ships, the strategic review envisions an amphibious force consisting of 32 total ships, or 5 ships more than we have in commission today. The ultimate fleet will consist of 11 big deck amphibious ships, amphibious transport dock LPD–17s, and 10 landing ship, dock ships. To support routine forward deployments of Marine Expeditionary Units, the amphibious force will be organized into nine, three-ship Amphibious Ready Groups (ARGs) and one four-ship ARG in Japan, plus an additional big-deck amphibious ship available to support contingency operations worldwide. We will place two LSDs into reduced operations status, allowing us to reconstitute an eleventh ARG in the future, or to build up the number of ships in the active inventory, if necessary. Consistent with these changes, we have deferred procurement of a new LSD, aligning it with LSD–42s planned retirement. We also intend to disband the third maritime prepositioning force squadron that we placed in reserve last year due to fiscal restraints and reorganize the two remaining active squadrons with more capable ships, making them more effective.

New Afloat Forward Staging Bases.—Navy is proposing to procure a fourth Mobile Landing Platform (MLP) in fiscal year 2014, configured to serve as an Afloat Forward Staging Base (AFSB). This AFSB will fulfill an urgent combatant commander request for sea-based support for mine warfare, Special Operations Forces, intelligence, surveillance and reconnaissance (ISR), and other operations. To speed this capability into the fleet and to ultimately provide for continuous AFSB support anywhere in the world, we also intend to request congressional approval to convert the fiscal year 2012 MLP into the AFSB configuration, resulting in a final force of two MLPs and two AFSBs. This mix will alleviate the demands on an already stressed surface combatant and amphibious fleet while reducing our reliance on shore-based infrastructure.

Most of the ship reductions in the President's fiscal year 2013 budget submission—16 fewer than the comparable years' in the fiscal year 2012 budget—are combat logistics and Fleet support ships and reflect prudent adjustments to our new strategy and a lower defense topline. For example, 8 of the 16 ships cut from our 5-year plan were JHSV. These cuts reflect the new 10-ship JHSV requirement developed during our strategy review.

In addition, we simply delayed purchasing three new oilers, which were part of an early changeover from single-hulled to more environmentally safe and internationally accepted double-hulled ships. Our current Fleet of oilers will not start to

retire until the 2020s, so there is no impact on the number of available oilers for Fleet operations. Finally, an ocean surveillance ship was added to the Navy's plan last year to provide greater operational depth to our current Fleet of five ships; however, after careful consideration, we concluded we could meet our operational needs with five ships and could cut the sixth ship with manageable risk.

Ships are not the only platforms in our "total force battle network". Accordingly, the new defense strategic guidance also required us to review and evaluate the needs of our naval aviation community going forward into the 21st century. We plan to complete our purchases of both the F/A-18 Super Hornet and the EA-18 Growler within the next 2 years. The Department recently completed a review of our aviation requirements for the F-35 that validates our decision to purchase for the Navy and Marine Corps 680 F-35s over the life of the program. While we plan to slow procurement over the next 5 years to address program risks, especially concurrency, we remain committed to procuring 680 aircraft. The F-35B, the short-take-off-vertical-landing variant, completed successful at-sea trials onboard the USS *Wasp* and overall testing is proceeding very well. For the carrier version, the F-35C testing exceeded the plan by 30 percent last year. In light of this encouraging testing performance, we are even more confident that this multirole, cutting-edge platform will more than meet our tactical requirements in the future security environment.

The Navy and the Marine Corps continue to carefully monitor strike fighter capacity requirements as well. Changes in the Marine's force structure, accelerated transition from the legacy Hornet aircraft to the Super Hornets, and a reduction in use resulted in an appropriately sized strike fighter aircraft inventory. Based on current assumptions and plans, our strike fighter aircraft shortfall is predicted to remain below a manageable 65 aircraft through 2028 with some risk.

In the far term, the Navy will need to replace its F/A-18E/F Fleet. Pre-Milestone A activities are underway to define the follow-on F/A-XX aircraft. Options include additional F-35s, a variant of the Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS) system, a new manned/unmanned platform, or some combination of these. While we remain committed to the first-generation UCLASS, which will provide a low-observable, long-range, unmanned ISR-strike capability that will enhance the carrier's future ability to project power in anticipated A2/AD threat environments, the target date for a limited operational capability has shifted by 2 years from 2018 to 2020 to reduce schedule and technical risk, as well as to meet the savings targets mandated by the BCA.

The planned reduction in our cruiser inventory has decreased requirements for MH-60R Seahawk helicopters, allowing us to reduce procurement in this program by nine aircraft. Fiscal constraints have also led us to reduce E-2D Hawkeye and P-8 Neptune procurement over the FYDP. We still intend to procure all the aircraft originally planned but at a slower rate.

Future Force Structure Assessment and Re-Designation of Primary Mission Platforms

Given the broad refocus of the Department of Defense (DOD) program objectives reflected in the new defense strategy, the Navy has undertaken analysis of the existing force structure requirements and, in conjunction with ongoing internal DOD studies and planning efforts, is reworking an updated FSA against which future requirements will be measured. The new FSA will consider the types of ships included in the final ship count based on changes in mission, requirements, deployment status, or capabilities. For example, classes of ships previously not part of the battle force such as AFSBs developed to support SOF/nontraditional missions, patrol combatant craft forward deployed to areas requiring that capability, and *Comfort*-class hospital ships deployed to provide humanitarian assistance, an expanded core Navy mission, may be counted as primary mission platforms. Any changes in ship counting rules will be reported and publicized. Any comments on total ship numbers in this statement are based on current counting rules.

As noted earlier, in the years beyond the current FYDP, we have a plan that puts us back on track to increase our Fleet and ensure capacity matches the demands of the mission. However, with the Fleet and force we have today, we will meet the requirements of the new strategy, continue to protect our national interests, preserve our ability to deter or defeat aggressors, and maintain the industrial base needed.

Marine Corps

After a decade of hard fighting in Iraq and Afghanistan, the Marine Corps will return to its maritime roots and resume its traditional role as the Nation's naval expeditionary force-in-readiness. We will carefully manage reduction in active duty end strength from 202,000 to 182,100 by the end of fiscal year 2016. Drawing upon

its long history of aligning its training and structure with areas of operations, the Marines will continue to provide tailored security force assistance and to build partnership capacity missions with allies and other regional partners. Along these same lines, the Marine Corps will continue to leverage the experience gained over the past decade of nontraditional warfare to strengthen its ties to the special operations community. The resulting middleweight force will be optimized for forward presence, engagement, and rapid crisis response through strategic positioning at forward bases in the Western Pacific and Indian Oceans, as well as renewed participation in traditional Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) exercises. The Marine Corps shall maintain required readiness levels throughout the transition process. Most importantly, we will drawdown without breaking faith with Marines and their families.

In summary, the Department's strategy calls for a world-class Navy-Marine Corps team, and our plan delivers one that is fully ready to meet the current and emerging challenges. We will maintain a strong naval presence in the Western Pacific, Indian Ocean, and the Middle East. This will be accomplished by adjusting basing assignments for some units from the Atlantic to the Pacific, as well as by increasing the number of units operating from ports located in theaters of interest. We are still committed to strategic dispersal. The Department will, for example, operate four LCSs from Singapore. Similarly, we will continue to expand our usage of AFSB and coastal patrol boats around Africa and in the Arabian gulf to counter the growth of piracy and the growing threat of swarming small boats as well as to help partner nations build their own maritime capacity while upholding our national interests. We also received two high-speed ferries from the Maritime Administration, which will most likely operate in the Western Pacific supporting the peacetime transport of U.S. Marine Corps forces deployed to Okinawa and Australia.

Seapower and Naval Presence

Since the end of the second World War, the Navy-Marine Corps team has acted as the guarantor of the global maritime commons, upholding a sophisticated set of international rules that rest upon two inextricably linked principles: free trade and freedom of navigation. These principles have supported an era of unprecedented economic stability and growth, not just for the United States but for the world at large.

This period of growth has resulted in a truly "globalized" economy which owes much to the unique scalability and flexibility of our naval forces. We can reroute Navy ships and Marine Corps units to create appropriate responses as actions unfold. We can shift force concentrations from the Atlantic to the Pacific or from the southern oceans to northern seas with ease. From a single JHSV to a Carrier Strike Group and from a Marine Fleet Anti-terrorism Security Team to an Expeditionary Unit, combatant commanders can scale naval forces and their responses appropriately to emerging challenges across the spectrum of engagement. Our forces are flexible enough to shift from supporting combat air patrols over Afghanistan to providing humanitarian assistance and disaster relief in Japan at a moment's notice. Much of their flexibility derives from the use of the high seas as a vast, unencumbered maneuver space. This freedom of navigation allows our naval forces to gather information, perform surveillance and reconnaissance of seaborne and airborne threats, defend regional partners, interdict weapons of mass destruction, disrupt terrorist networks, deter, and, if necessary, defeat prospective adversaries.

LAW OF THE SEA

The traditional freedom of the seas for all nations developed over centuries, mostly by custom, have been encoded within the United Nations Convention on the Law of the Sea (UNCLOS). This important treaty continues to enjoy the strong support of DOD and the Department of the Navy. The UNCLOS treaty guarantees rights such as innocent passage through territorial seas; transit passage through, under and over international straits; and the laying and maintaining of submarine cables. The convention has been approved by nearly every maritime power and all the permanent members of the UN Security Council except the United States. Our notable absence as a signatory weakens our position with other nations, allowing the introduction of expansive definitions of sovereignty on the high seas that undermine our ability to defend our mineral rights along our own continental shelf and in the Arctic. The Department strongly supports the accession to UNCLOS, an action consistently recommended by my predecessors of both parties.

NAVAL OPERATIONS IN 2011

Naval presence serves as a deterrent against those who would threaten the national interests of the United States even as it assures allies and partners of our

consistent commitment. Our enduring national security interests require our continued presence to provide the President and our Nation with credible response options to deter conflict and, if necessary, defend the United States' national security interests from the sea. From counterinsurgency and security force assistance operations in Afghanistan to ballistic missile defense and humanitarian assistance missions in Europe and the Western Pacific and naval engagement in South America and Africa, our sailors and marines are making a difference around the globe every day. On any given day, more than 72,000 sailors and marines are deployed and almost one-half of our 285 ships are underway, responding to tasking where needed by the combatant commanders.

Visiting our forward-deployed forces and meeting with allies and partners, commanders and staffs, and our marines and sailors on the ground provides insights as to how we can better support all of their critical efforts. In June, September, and again in December, I travelled to Helmand province in Afghanistan on behalf of the Department and visited forward operating bases. These were my fifth, sixth, and seventh trips to theater in Afghanistan. In each area, Taliban offenses and infiltration had been forcefully rebuffed. Critical relations had been built with local Afghan leaders and significant progress has been made towards the goal of creating effective Afghan security forces that will be able to build on these efforts. I also visited Camp Leatherneck and, among other things, toured the Concussion Restoration Care Center where I met with wounded warriors. At all of my stops, I expressed the appreciation of the American people for the courage and sacrifices of our marines and sailors who serve alongside them on the field of battle.

For more than 6 decades, our Navy-Marine Corps team has been the strongest naval force afloat and we are committed to maintaining this position of influence. Our strength, versatility, and efficacy derive from our unique capacity for global reach, our focus on warfighting excellence and our commitment to maintaining naval presence in regions vital to our national interests. We cannot predict the exact nature of the challenges facing the Department in the 21st century, but a glimpse back at operations in 2011 illustrate the increasing variability of events that required a flexible naval response.

Special Operations.—United States Navy SEALs remain decisively engaged throughout the globe conducting the Nation's most sensitive and important counterterrorism operations. They served with great distinction in Iraq and continue to serve in Afghanistan with telling effect. From the killing or capturing of the most wanted terrorists to the rescue and recovery of captured American citizens abroad, we ask them to do the most daunting of missions.

Operations in Iraq, Afghanistan, and Libya.—Having completed operations in Iraq, the Department has maintained more than 23,000 marines and sailors in Afghanistan, largely associated with Regional Command-Southwest based in Helmand province. This force provides security and seeks to build the self-defense capacity of our Afghan partners. Currently, the Navy has deployed just more than 8,000 sailors on the ground, 2,920 of whom are reservists, across the Central Command supporting joint and coalition efforts. Another 10,000 sailors are in the Arabian gulf and the Indian Ocean supporting combat operations from destroyers, submarines, supply vessels, and aircraft carriers, which launch around 30 percent of the aircraft conducting combat air patrols over Afghanistan. On the first day during the opening moments of Operation Odyssey Dawn in Libya, the U.S. Navy launched 122 Tomahawk cruise missiles from two surface ships and three submarines, including the guided missile submarine USS *Florida*, the first time one of these converted ballistic missile submarines has fired ordnance in live operations. Ground-based Navy E/A-18G Growlers flying combat missions in Iraq were repositioned to support Odyssey Dawn, and within 44 hours, engaged hostile forces in Libya. When violence erupted across northern Africa and the Middle East, significant portions of the USS *Kearsage* ARG and 26th MEU, then off the coast of Pakistan, were directed to take station off the coast of Libya.

Ballistic Missile Defense.—Another newly emergent mission centers on the ballistic missile defense (BMD) capable *Ticonderoga*-class cruisers and *Arleigh Burke*-class destroyers that provide homeland defense-in-depth as well as the protection of U.S. and allied forces in distant theaters. As ballistic missile capabilities have proliferated around the globe, the demand for BMD capable ships has increased dramatically. For example, over the past year, BMD ships like the USS *Ramage*, USS *Monterey*, and USS *Stout* took up station in the Eastern Mediterranean to provide BMD for both Europe and Israel. Elsewhere, elements of Destroyer Squadron Fifteen provided similar support in the waters surrounding Japan.

Humanitarian Assistance and Disaster Relief.—Following the devastating earthquake and tsunami last year that resulted in the deaths of more than 15,000 Japanese citizens, the displacement of thousands, and the worst nuclear accident since

Chernobyl, the Ronald Reagan Strike Group, en route to support combat operations missions in Afghanistan, was diverted to Japan to provide humanitarian assistance. Upon arrival, instead of combat, the crews were employed to shuttle tons of water, food, and blankets to displaced victims ashore, while the strike group's ships simultaneously served as landing and refueling stations for Japanese self-defense force (JSDF) rescue helicopters operating in the region. The Reagan Strike Group supplemented units of the USS *Essex* ARG with its embarked 31st MEU, which is forward deployed in Japan, in what became known as Operation Tomodachi—"Friendship" in Japanese. Elements of the USS *Essex* ARG airlifted more than 300 JSDF personnel and 90 vehicles from Hokkaido to disaster areas while USNS *Safeguard* and Mobile Dive and Salvage Unit One transported relief supplies to Yokosuka for distribution throughout the affected areas. Additionally, the Navy transported the equipment and personnel of the Pearl Harbor Naval Shipyard's Radiological Control Team as well as the Marine Corps' Chemical Biological Incident Response Force to Japan to assist with nuclear monitoring efforts.

Anti-Piracy.—Throughout the year the Navy performed the critical mission of combating piracy and supporting the anti-piracy efforts of our allies and partners in the region. Ships operated in conjunction with allies and partners in the vicinity of the Horn of Africa to prevent the disruption of the free flow of trade in the Gulf of Aden. More recently elements of the *Stennis* Strike Group freed Iranian citizens who were being held hostage by pirates in the Arabian Sea. Their actions directly resulted in the capture or killing of 21 pirates and the freeing of 38 hostages.

Partnership Stations and Maritime Exercises.—The Navy remains committed to building our partner nations' capacities to provide for their own maritime security. This year we once again created "partnership stations" in the Pacific Ocean and Caribbean Sea, off the coast of South America and around the continent of Africa to work with local navies to educate their leaders, train their sailors, strengthen their material infrastructure, increase their maritime domain awareness, and raise their response capacity. USS *Cleveland*, USS *Oak Hill*, USS *Robert G. Bradley*, the hospital ship USNS *Comfort* and high-speed vessel *Swift* were strategically deployed to work with the maximum number of partner navies to provide medical care and security training while building local naval capacity to plan and conduct operations in the maritime environment.

Last, with an eye to the future of naval and maritime operations in an increasingly ice-free Arctic, the *Virginia*-class submarine USS *New Hampshire* and the *Seawolf*-class submarine USS *Connecticut* conducted Ice Exercise 2011 with Canadian and United Kingdom counterparts in the Arctic Ocean.

AIR-SEA BATTLE

The Navy and Marine Corps are working with the Air Force to implement the Air-Sea Battle concept which seeks to improve integration of air, land, maritime, space, and cyberspace forces in order to provide combatant commanders the range of military capabilities necessary to maintain operational access and deter, and if necessary defeat, an adversary employing sophisticated A2/AD capabilities and strategies.

The Air-Sea Battle concept leverages the military and technological capabilities as well as unprecedented Naval and Air Force collaboration, cooperation, integration, and resource investments within the services' purview to organize, train, and equip.

The jointly manned Air-Sea Battle Office has defined a series of initiatives to achieve the capabilities and integration required in future naval and air forces so that combatant commanders have the tools necessary to ensure U.S. freedom of action in future years.

As we work to implement and enhance the Air-Sea Battle concept, the Navy continues to invest in capabilities to counter advanced A2/AD challenges, including:

- BMD enhancements both in the Aegis Combat System and the Standard Missile, as well as myriad "soft-kill" initiatives;
- integration of advanced air and cruise missile defense capabilities;
- harpoon missile replacement, which will increase the range (and speed) at which we can engage enemy surface combatants armed with advanced anti-ship cruise missiles;
- Virginia*-class submarines and the VPM, which has the potential to mitigate the loss of the SSGN undersea strike capacity when they retire in the mid-2020s;
- improvements in Joint Force Command, Control, Communications, Computers; and intelligence, surveillance, and reconnaissance capabilities which will significantly increase our information gathering and warfighting coverage in access-challenged areas, as well as provide counters to adversary capabilities; and
- cyberspace capabilities.

DEPARTMENTAL PRIORITIES

The Department must adhere to four key priorities with strategic, tactical, operational and management elements if we are to maintain our position as the world's most formidable expeditionary fighting force while continuously evolving our Navy and Marine Corps as a strategic asset that provides our Commander-in-Chief with the broadest range of options in a highly dynamic international security environment. These priorities remain:

- taking care of our sailors, marines, civilians, and their families;
- treating energy as a strategic national security issue;
- promoting acquisition excellence and integrity; and
- continuing development and deployment of unmanned systems.

These principles guide the direction of the Department, from training our recruits at Great Lakes, Parris Island, and San Diego, to our ongoing operations in central Asia and the Western Pacific, to acquiring the Navy and Marine Corps of the future.

In the end it all comes down to stewardship; the careful management of our people, platforms, infrastructure, and energy to guarantee that your Navy and Marine Corps are ready to defend our Nation's interests.

Taking Care of Sailors, Marines, Civilians, and Their Families

As we move forward, the Department is committed to our most important asset—our sailors, marines, civilians, and their families. A large part of our commitment is the careful attention to pay and benefits. No one's pay will be cut; only the growth of pay is slowed in the later years of our 5-year plan. Specifically, we are proposing continued pay raises at 1.7 percent for military personnel in fiscal year 2013 and fiscal year 2014, in line with the private sector, recognizing the continued stress on our forces and their families, and providing time for families to adjust.

We support asking the Congress to establish a commission with authority to conduct a comprehensive review of military retirement in the context of overall compensation. The Commission should seek ways to identify improvements in the military retirement system, ensuring any proposed change to military retirement supports required force profiles of DON in a cost-effective manner. We believe that the Commission should protect, through grandfathering, the retirement benefits of those currently serving.

With so much of our defense strategy dependent upon our Navy and Marine Corps, we must ensure that our resources support the most combat effective and the most resilient force in our history. We must set high standards, but at the same time we must provide individuals with the services needed to meet those standards. The Department will soon announce the 21st century sailor and marine initiative, which is a set of objectives and policies across a spectrum of wellness that maximizes sailor and marine personal readiness. The program consists of five pillars:

- readiness;
- safety;
- physical fitness;
- inclusion; and
- the continuum of service.

Readiness will ensure sailors, marines, civilians, and their families are prepared to handle the mental and emotional rigors of military service. Both services are introducing campaigns this year to deglamorize, treat, and track alcohol use. We will also develop new means to reduce suicides and increase our family and personal preparedness programs. This includes zero tolerance for sexual assault. The DON Sexual Assault Prevention and Response Office was created and made part of the secretarial staff to keep the issue at the front of the discussion, to strengthen the lines of communication with the Navy Judge Advocate General (JAG) and Naval Criminal Investigative Service (NCIS), and to make sure the Secretariat received frequent updates about the incidents of sexual assault and our progress towards reducing the number of attacks. We are continually working to improve the reporting, investigation, and disposition of sexual assault cases ensuring commanders, investigators, and prosecutors receive sufficient training and appropriate resources. Last year, JAG finalized a complete revision of the advanced trial advocacy courses that train litigators involved in sexual assault cases as well as filled the Deputy Director of the Trial Counsel Assistance program position with a senior civilian sexual assault litigator. JAG and NCIS are working aggressively to educate lawyers and agents on the unique aspects of sexual assault cases. NCIS has hired personnel to provide assistance and support to NCIS special agents; this will enable special agents to focus on conducting investigative activities, trial preparation, and prosecutorial testimony relative to adult sexual assaults.

Our efforts to ensure the safest and most secure force in the Department's history extend to encouraging the safe use of motor vehicles and motorcycles.

Physical fitness is an important central pillar that resonates throughout the 21st century sailor and marine program. Personal fitness standards throughout the force will be emphasized. We will also improve nutrition standards at our dining facilities with the introduction of "Fueled to Fight". Fueled to Fight ensures that healthy food items will be available and emphasized at every meal.

The Department will be inclusive and consist of a force that reflects the Nation it defends in a manner consistent with military efficiency and effectiveness. The Department will also reduce restrictions to military assignments for personnel to the greatest extent possible, consistent with our mission and military requirements. We must ensure that all who want to serve have opportunities to succeed and barriers that deny success are removed. Nothing reflects our core values of honor, courage, and commitment better than having an organization characterized by fairness and dedication. Last year for the first time ever, 16 women were assigned to submarines. This will expand command-at-sea opportunities and eventually increase the chances for more women to be promoted to admiral. Additionally, we need an officer corps that is representative of the enlisted force it leads. Through increased minority applications from diverse markets, the United States Naval Academy and Naval Reserve Officers' Training Corps (NROTC) programs are achieving historical racial and ethnic diversity rates. The United States Naval Academy received nearly 7,000 minority applications for its class of 2014, nearly double that of the class of 2010. Along with recent NROTC additions at Harvard, Yale, Columbia, and Arizona State University (with the largest undergraduate population in the country), next we are establishing an NROTC unit at Rutgers University. Not only is it one of the Nation's top engineering schools, but more than one-half of its class of 2014 identify themselves as minority.

The final pillar, continuum of service, will provide the most robust transition support in the Department's history. Individuals choosing or selected for either separation or retirement will be afforded a myriad of assistance programs and benefits that are available to them as they transition to civilian life. These programs, which include education benefits, transition assistance, career management training, counseling, life-work balance programs, and morale, welfare, and recreation programs, have been recognized by human resource experts as some of the best corporate-level personnel support mechanisms in the Nation.

Because the Navy and the Marine Corps were highly successful in meeting their recruiting goals, we have been able to be very selective, accepting only the very best candidates who are morally, mentally, and physically ready to serve. Historically high-retention rates have put us below our active duty manning ceiling of 322,700 sailors and 202,100 marines. Our recruiting classes have gotten smaller, as have our "A" school classes, and promotion rates from E-4 to E-6 have fallen as well. More officers in the O-5 and O-6 pay grades are choosing to remain on active duty rather than retire, leading to smaller promotion selection groups and repeated adjustments to promotion zones.

We have attempted to deal with this challenge within the enlisted ranks by instituting the "Perform to Serve" program that used a detailed algorithm to advise personnel specialists on who should be allowed to re-enlist, but this approach did not fully address either the systemic manning challenge confronting us or the unsustainable overmanning in certain enlisted ratings. This past year, given fiscal constraints and manpower draw-downs, we decided to confront the problem head on and convened special administrative enlisted retention boards, senior enlisted continuation boards, and officer selective early retirement boards to pare back overmanned enlisted ratings and officer ranks. It was a difficult decision to use these force management tools, but the future of the Department requires us to fix the problem now rather than further delaying a decision.

Another vital support program that we remain committed to is the support we provide to our wounded warriors. Since 2001, more than 900 sailors and nearly 13,000 marines have been wounded as a result of combat operations in Iraq and Afghanistan. This year we completed the alignment of the Army's Walter Reed Medical Center with our own National Naval Medical Center in Bethesda, and we continued to invest in the doctors, techniques, and technologies to care for the injuries that have become representative of modern warfare:

- traumatic brain injury;
- amputations;
- burns; and
- post-traumatic stress disorder.

The requirements for the Purple Heart were updated to include the immediate and lasting damage associated with brain injuries.

Part of our commitment centers around the families and caregivers that support our wounded warriors as they endure the challenges of recovery, rehabilitation, and reintegration. The 2010 National Defense Authorization Act provided a Special Compensation for Assistance with Activities in Daily Living to help offset income lost by those who provide nonmedical care and support to servicemembers who have incurred a permanent catastrophic injury or illness.

Driven by the moral obligation to assist our injured heroes, the Department has set a goal of being able to offer every combat wounded sailor or marine an opportunity to continue their service as a civilian on the Navy/Marine Corps team. Our Wounded Warrior Hiring and Support Initiative aims to increase the number of veterans with a 30 percent and above service-connected disability into our workforce. Through this initiative, we have hired more than 1,000 veterans with 30 percent and above service-connected disability rating in fiscal year 2010 and fiscal year 2011. Our Naval Sea Systems Command alone hired 509 service-disabled veterans for fiscal year 2011, exceeding its goal of hiring one veteran for each day of the fiscal year. We recently held our second annual Wounded Warrior Hiring and Support Conference to provide prospective employers and human resource professionals with the tools and resources to enable them to hire, train, and retain our wounded warriors in the civilian workplace.

This past August the President announced his Veteran's Employment Initiative that extends tax credits to businesses that hire veterans. We work with the Departments of Veterans Affairs and Labor to establish programs that ease the transition of veterans into the civilian world. We are also heavily engaged through the Yellow Ribbon Program in supporting the reintegration efforts of our reserve forces.

I want to address the defense budget proposals regarding healthcare costs. The DON and DOD on the whole continue to face rapidly rising costs in healthcare. In 2001, DOD healthcare costs were approximately \$19 billion. By 2010 that amount had risen to \$51 billion and as a percentage of our budget is approaching 10 percent. This rate of rise cannot be sustained. We continue to streamline our staffs and standard operating procedures in an ongoing effort to manage costs while retaining quality patient care and overall customer satisfaction. One area where we continue to be challenged is system accessibility for our retiree community, especially in areas where bases have been closed due to the base realignment and closure process, leaving behind a large retiree population with no local access to military treatment facilities. Increasing use of the affordable Mail Order Pharmacy program and implementing modest fee increases, where appropriate, would go far toward ensuring the long-term fiscal viability of the system while preserving equity in benefits for our retirees.

I consider my obligations to the well-being of every sailor and marine, and every family member under their care to be sacrosanct. We worked carefully to develop these proposals, with all participants—the Government, the providers of healthcare, and the beneficiaries—sharing in the responsibility to better manage our healthcare costs. I have previously asserted that as a former Governor, I well know that the growth in healthcare costs is an issue for the country, not just the military. But, we all have to do our part. The TRICARE benefit remains one of the best benefits in the country. I hope you will support our proposed changes.

Also this past year the Department, along with the other military departments, worked with the U.S. Chamber of Commerce and more than 70 employers to launch a program targeted at expanding the career opportunities for military spouses. The Military Spouse Employment Partnership seeks to help the business community recognize the skills and talents that military spouses bring to the workforce but are unable to fully leverage due to frequent moves of the servicemember in the family. This partnership between the military and the business community promises to tap into the energy of one of the most hard-working, highly skilled, educated, and yet under-utilized segments of our population.

Overall, the fiscal year 2013 budget reflects a responsible request for the fiscal support and resources required to support our marines, sailors, their families, and our retirees in the face of increasing operational pressures and financial demands upon them. Thank you for your continuing support.

Energy Security and Sustained Leadership

We must reform how the Navy and the Marine Corps use, produce, and procure energy, especially in this fiscally constrained environment. We must use energy more efficiently; however, the Department must also lead on alternative energy or we will leave a critical military vulnerability unaddressed, further straining the readiness of our sailors and marines to be able to respond wherever and whenever called to defend and protect America's interests.

Fuel is a tactical and operational vulnerability in theater; guarding fuel convoys puts our sailors' and marines' lives at risk and takes them away from what we sent them there to do:

- to fight;
- to engage; and
- to rebuild.

The Department is also exposed to price shocks in the global market because too much fuel comes from volatile regions, places that are vulnerable to instability and ruled by regimes that do not support our interests. Every time the cost of a barrel of oil goes up \$1, it costs the Department \$30 million in extra fuel costs. In fiscal year 2012 alone, in large part due to political unrest in oil-producing regions, the price per barrel of oil is \$38 more than was budgeted increasing the Navy's fuel bill by more than \$1 billion. These price spikes must be paid for out of our operations funds. That means that our sailors and marines are forced to steam less, fly less, and train less. The threat of price spikes is increased by the vulnerability of choke points. Energy analysts have speculated that if Iran ever succeeded in closing the Strait of Hormuz, the price of oil could rise by 50 percent or more in global markets within days.

We would never let the countries we buy oil from build our ships or our aircraft or our ground vehicles, but we give them a say on whether those ships sail, whether those aircraft fly, whether those ground vehicles operate because we buy their oil. As a Nation we use more than 22 percent of the world's fuel, but only possess less than 2 percent of the world's oil reserves. Even if we tap every domestic resource we do not have enough to meet all of our needs over time, and as a minority producer of fuel we will never control the price.

That is why in the fall of 2009, I established five goals for the Department, the broadest of which is that by no later than 2020, 50 percent of the Department's energy will come from alternative sources. These goals drive the Navy and the Marine Corps to use energy more efficiently, to explore wider use of alternative energy, and to make energy a factor in the acquisition of our next ships, tactical vehicles, and aircraft.

As one example of our success, the Marine Corps continues to aggressively pursue technologies that will help achieve greater energy efficiency while increasing combat effectiveness in the theater. The Third Battalion, Fifth Marines, deployed to the Helmand Province in Afghanistan with solar blankets to power radios, LED lights to illuminate tents, and solar generators to provide power. One 3-week patrol was able to reduce their carrying weight by 700 pounds, reducing the number of dangerous resupply missions needed. Even in a tough fight in Sangin, the marines managed to cut fuel use and logistical support requirements by 25 percent at main operating bases and up to 90 percent at combat outposts by relying on these alternative energy technologies. The Marine Corps is committed to finding more innovative solutions to decreasing dependence on convoys by conducting two experimental forward operating bases per year (one in Twentynine Palms and one in Camp Lejeune).

Another initiative to increase alternative energy supply is using advanced, drop-in biofuel in aircraft and ships. Our criteria for this fuel are straightforward. It must be "drop in" fuel requiring no changes to our aircraft or our ship or our infrastructure; it must be derived from nonfood sources; and its production should not increase our carbon footprint as required by law. In 2011, the Department completed testing on 50/50 blends of drop in biofuel and jet fuel on all manned and unmanned aircraft, including an F/A-18 Hornet at MACH 1.7 and all six Blue Angels during an air show. The Department has also tested an experimental Riverine Command Boat, a self-defense test ship, a ridged hull inflatable boat, and a Landing Craft Air Cushion that traveled at more than 50 knots.

In March of this past year, the President directed the Departments of Agriculture, Energy, and the Navy to partner with the private sector to catalyze a domestic, geographically dispersed, advanced biofuel industry for the United States. In response to this directive, Energy Secretary Dr. Steven Chu, Agriculture Secretary Tom Vilsack, and I signed a memorandum of understanding (MOU) committing our departments to jointly partner with industry to construct or retrofit multiple domestic commercial or pre-commercial scale advanced drop-in biofuel refineries capable of producing cost competitive fuels. Under the MOU we issued a request for information in August, which drew more than 100 responses in 30 days from companies ranging from major oil companies and large defense contractors to small businesses.

In December, Defense Logistics Agency energy awarded a contract on our behalf to purchase 450,000 gallons of biofuel; the single largest purchase of biofuel in Government history. The Department will use fuel from this purchase—awarded to the most competitive bidder under full and open competition—to demonstrate the capability of a carrier Strike Group and its air wing to burn alternative fuels in a full

operational environment including underway replenishments for destroyers and refueling of helos and jets on the deck of an aircraft carrier. The demonstration will take place as part of the Rim of the Pacific naval exercise.

We are also pursuing efficiency measures in our fleet. The USS *Makin Island*, the Navy's first hybrid electric-drive ship, saved \$2 million on its maiden voyage from Pascagoula, Mississippi to its homeport in San Diego, California. It is estimated to save approximately \$250 million in fuel costs over the course of its lifetime—approximately 40 years—at current energy prices.

A hybrid electric drive system will also be installed as a retrofit proof of concept on the USS *Truxtun* (DDG 103)—an existing Navy destroyer. We estimate that successful testing will result in fuel savings of up to 8,500 barrels per year. If these tests are successful we will continue to install hybrid electric drives as a retrofit on other DDGs in the fleet. The U.S. Navy has been installing stern flaps to reduce drag and energy on amphibious ships in an effort to make them more fuel-efficient, which could save up to \$450,000 annually in fuel costs per ship.

Whether it is the procurement of new ships and aircraft or the retrofit of existing platforms, we are making energy a consideration in the acquisition process. In addition to traditional performance parameters such as speed, range, and payload, the Department is institutionalizing energy initiatives that will save lives, money, and increase warfighting capability. Analyzing energy costs during the “analysis of alternatives” phase of major defense acquisition programs will ensure warfighters get the speed, range, and power they require, as well as help the Department manage the life-cycle costs of its systems. The Marine Corps pioneered this approach last year by including system energy performance parameters in developing a new surveillance system and the Navy has included energy criteria as part of the procurement of the LSD-X.

All across our shore installations, the Navy and the Marine Corps are also undertaking energy-efficiency initiatives and installing alternative energy wherever practical. As just one example, at China Lake Naval Air Weapons Station we are a net contributor to the local power grid, creating more than 270 megawatts (MW) of clean, affordable geothermal power in partnership with the private sector.

And in January, we tapped the vast renewable energy resources available at China Lake again breaking ground on a 13.8MW solar array, offsetting 30 percent of the base's electric load. The contract is a 20-year power purchase agreement (PPA) having no upfront costs to the Navy and saving the Navy \$13 million during its term.

To meet the energy goal of 50-percent alternative energy ashore, I have directed the Navy and the Marine Corps to produce or consume one gigawatt of new, renewable energy to power naval installations across the country using existing authorities such as PPAs, enhanced use leases, and joint ventures. One gigawatt of renewable energy could power 250,000 homes, or a city the size of Orlando. This will be a broad and dynamic project that, over the life of the contract, will not cost the taxpayer any additional money, and will create domestic private sector jobs. This will be our path to unlocking our Nation's clean-energy potential that leaves our military more secure, agile, flexible, and ready.

To further facilitate our partnerships with industry, the Department is trying to make our contracting opportunities more accessible. Two years ago, we introduced a Web site called Green Biz Ops which aggregates our energy and efficiency opportunities for procurement. This site helps all companies interested in doing business with the Navy—and especially small businesses—find opportunities in one place. In partnership with the Small Business Administration last year our agencies launched a “2.0” version of Green Biz Ops called the Green Procurement Portal which expands the site to include more features as well as energy opportunities across DOD and the Federal Government.

To prepare our leadership to achieve our energy goals, this fall the Naval Postgraduate School (NPS) began offering a dedicated energy graduate degree program, the first military educational institution to do so. Later this year, NPS will launch an Executive Energy Series to bring our senior leadership together to discuss specific energy challenges that confront the Navy and the Marine Corps. This energy-focused masters degree program and the executive energy series will target both the current and future civilian and military leadership of the Navy and the Marine Corps.

Further, promotion boards have been directed to specifically consider the background and experience in energy some of our men and women in uniform are gaining today. Energy is not just an issue for the future or just the young officers and policy experts that attend NPS. It is an issue for all of us.

Those who question why the Navy should be leading on energy should study their history. The Navy has always led in new forms of energy: shifting from wind to coal-

powered steam in the middle of the 19th century, from coal to oil in the early 20th century, and pioneering nuclear power in the middle of the 20th century.

Promoting Acquisition Excellence and Integrity

Especially given the fiscal reality of our budget deficit, we are fully cognizant of our responsibility to the President, the Congress, and the American people to spend this money wisely. What history shows us is that when budgets are tight we should get smarter about the way we spend our money. As noted earlier, rebuilding our fleet has been and will continue to be a top priority of this administration. Achieving this lies at the heart of the acquisition excellence initiative that has been a priority for the Department for almost 2 years now, because if we do not get smarter about how we buy, in addition to what we buy, we are not going to be able to afford the Navy and the Marine Corps that the Nation needs in the future.

Improving how we buy means that we have to take actions against fraud and shoddy contractors. The Department's General Counsel and the Assistant Secretary of the Navy for Research, Development, and Acquisition are authorized to take the swiftest and strongest action in any case where bribery or attempts to gain preferential contracting treatment are substantiated. When a violation occurs, RDA may terminate the contract and assess damages immediately, in addition to pursuing suspension and debarment. The Department's Acquisition Integrity Program was recently recognized by the Government Accountability Office as one of the more effective at using suspension and debarment practices.

The Department's role in the President's new defense strategy is clear and will drive acquisition programs underway or in development. We will carefully define program requirements and then drive affordability through aggressive "should cost" oversight and competition where possible, such as the fixed-price contracts we negotiated for the LCS or the multiyear procurements that we negotiated for *Virginia*-class submarines. Innovative funding strategies and stable industrial base workload further allow for efficiencies that provide opportunities to acquire more ships more affordably.

To keep our technological advantage, we plan to invest in science and technology and research and development to maintain the knowledge base and keep it moving forward. This is the lesson of the 1920s and 1930s when so much of the technologies that became critical to our victory in World War II were kept alive in military, academic, and industrial laboratories. Times and technologies change, and we need to preserve the capability to change with them. Proper funding of our labs and research centers is key to incubating the next "game-changing" breakthroughs that will sustain the United States military advantage over time.

The acquisition workforce was downsized over the past 15 years and, in truth, was stretched too thin. Accordingly, and with your strong support, we are increasing the number of acquisition professionals and restoring to the Government the core competencies inherent to their profession and to our responsibilities in the Department to organize, train, and equip the Navy and the Marine Corps. The Department has grown its acquisition workforce by 4,400 personnel since starting the effort 2 years ago, increasing its technical authority and business skill sets.

Additionally, the Department is keeping program managers in place longer to build up their experience, expertise, and oversight on individual programs. We are also investing in education for our program managers. As an example, we send all of our program managers to an intensive short course at the graduate business school at the University of North Carolina, specifically targeting a better understanding of our defense contractors:

- what motivates them;
- what are their financial situations; and
- how can we work with them to achieve a win-win contract award for both the taxpayer and the stockholder.

We are also changing the way in which we evaluate our program leaders to incentivize them to work with their industry counterparts to manage costs.

Over the FYDP, affordability will continue to be a central concern of this Department. As resources are tight, cost has got to be one of the primary considerations of every program, and it ought to be driven by "should cost, will cost", methods. "Should cost" scrutinizes each contributing ingredient of program cost and seeks to justify it. The "will cost" method represents an effort to budget and plan weapons acquisition programs using realistic independent cost estimates rather than relying on those supplied by the manufacturer. Make no mistake, our focus will remain on the security of our primary customer, the American people, for whom we will build the best possible Fleet for the future.

Shipbuilding / Industrial Base

A healthy industrial base is critical to supporting the Department's top priorities. The dangerous downward trend in our ship inventory has been and must stay reversed. Even though we face increased fiscal constraints, we still plan, as we noted earlier, to grow the fleet to 300 ships by 2019. We want to increase the number of our highly capable large surface combatants to meet the President's directive that we confront the growing ballistic missile threat to the United States and its allies, while strengthening our small combatant inventory to provide the presence needed to maintain freedom of navigation. We have to make significant investments in support vessels while continuing our investment in our nuclear submarine force and maintaining the viability of our last yard capable of building nuclear-powered aircraft carriers.

What all this means is that we will need to closely monitor the shipbuilding industrial base as we move forward. Much as with energy, we need to ensure diversity in supply moving forward. We need to strengthen our relationship with traditional shipbuilders, but we need to reach beyond them to small- and mid-tier shipbuilders to develop innovative designs and new construction techniques to meet emerging threats.

Developing and Deploying Unmanned Systems

When I took office in 2009, unmanned systems were already at work within the Department. To assist our troops on the ground in Iraq and in Afghanistan we had either purchased or contracted for thousands of unmanned aerial vehicles that flew hundreds of thousands of hours in support of our mission. Despite their demonstrated utility, there was no vision of where unmanned systems belonged in the Navy and the Marine Corps future force structure or coherent plan to achieve that vision. Over the past 2 years, the Services have worked hard to develop a plan and the presence and reach of our unmanned systems have expanded, including the first expeditionary deployment of a Fire Scout Vertical Takeoff and Landing unmanned aerial vehicle, and the first successful flight of the unmanned combat air system, which will begin carrier demonstrations later this year. In total, nearly 1,500 unmanned aerial systems deployed into theater.

In the fleet, unmanned systems need to be integrated into established operational communities. The Marine Corps have been out in front on this effort, having established four unmanned aerial system squadrons over the past quarter century, and the Navy is working on these capabilities as well. This past year a detachment of Helicopter AntiSubmarine Squadron 42 deployed with a SH-60B Helicopter and a MQ-8B Firescout and supported combat operations in Libya and counter piracy operations in the Gulf of Aden. In both environments, they leveraged the operational flexibility and low-signature characteristics of unmanned systems to support local commanders while keeping sailors and marines safe from danger. Additionally, our Tactical Air Control Community took possession of their first small tactical unmanned aerial system this past year and began to integrate it into the Surface Warfare community's day-to-day operations. In the future, the Maritime Patrol and Reconnaissance Aviation community, soon to take delivery of the P-8A Poseidon, will add the MQ-4C Broad Area Maritime Surveillance unmanned aerial system to their squadrons and hangars, extending the reach and persistence of maritime reconnaissance capabilities.

We will test and field mine hunting and then mine sweeping capability of the Mine Countermeasures Mission Module in LCS, employing airborne and remotely operated vehicles to reduce the risk to sailors and the cost. Current developmental testing of the Increment I Mine Warfare mission package is underway in USS *Independence*, demonstrating mine hunting capability with the AN/AQS 20A mine hunting sonar set, towed by the remote multimission vehicle. Future increments will incorporate autonomous mine sweeping and the ability to find buried mines using unmanned surface and underwater vehicles.

The UCLASS system is changing the way we plan to deliver reconnaissance and strike capabilities from our venerable aircraft carrier platforms. Designed to operate in contested airspace and conduct ISR or strike missions over extended periods of time, the UCLASS at sea will differ fundamentally from the standard operating procedures of both manned carrier aircraft or land-based unmanned aircraft. Unlike with a manned carrier aircraft that is mostly used to maintain the qualifications of its pilot, a UCLASS airframe will be employed only for operational missions and pilots will maintain qualifications in the simulator, extending its useful life expectancy considerably. Its airborne mission time will not be limited by human physiology but rather will be determined by the availability of tankers to refuel it, ordnance expenditure, or the need to change the oil after many hours of flight time. This will allow us to launch from greater distances, effectively negating emergent

A2/AD technologies. We have only just begun to understand the potential of this unmanned system and the capabilities that will spiral from it.

CONCLUSION

Our Constitution requires that the Congress “maintain a Navy.” We do so with the world’s most advanced platforms, equipped with cutting-edge weapons systems and manned by crews who receive the best training possible is a credit to our Nation. The Navy that fought and defeated a more advanced British Navy in the War of 1812 looked very different from the Navy of 2012. But our sailors and marines continue to live up to that legacy forged 200 years ago. Today, your Navy and Marine Corps are deployed across the spectrum of engagement from rendering humanitarian assistance to combat. They often seem to be everywhere except at home. They bring to these efforts skills, training, and dedication unmatched anywhere else in the world. The enduring support of this subcommittee for our key programs and our people enables us to fulfill the ancient charge of the founders that we should sail as the Shield of the Republic, and we thank you.

The goals and programs discussed today will determine our future as a global force. At the direction of the President, we have worked to streamline our processes, to eliminate programs that no longer fit in the current strategic environment, and to construct new approaches to the challenges of the modern world while retaining the ability to deter regional conflict and respond rapidly and decisively to emerging crises. Our specific requests are reflected in the President’s fiscal year 2013 budget submission.

The process by which we arrived at these requests was both deliberate and determined. We are fully aware of the economic environment and the fiscal constraints that our Government faces today. We have attempted to balance these considerations with the President’s requirement that we maintain a ready and agile force capable of conducting the full-range of military operations. We want to assure you that the Department has considered the risks and applied our available resources efficiently and carefully. This year’s request aligns with the Defense Strategic Guidance and the priorities and missions contained within it while balancing trade-offs that you and the American taxpayer expect of us.

For 236 years, from sail to steam to nuclear; from the USS *Constitution* to the USS *Carl Vinson*; from Tripoli to Tripoli; our maritime warriors have upheld a proud heritage, protected our Nation, projected our power, and provided freedom of the seas. In the coming years, this new strategy and our plans to execute that strategy will assure that our naval heritage not only perseveres, but that our Navy and Marine Corps continue to prevail.

Thank you and Godspeed.

Senator MIKULSKI. Thank you, Mr. Secretary.
Admiral.

STATEMENT OF ADMIRAL JONATHAN W. GREENERT, CHIEF OF NAVAL OPERATIONS, UNITED STATES NAVY

Admiral GREENERT. Thank you, Senator.

Senator Mikulski, Vice Chairman Cochran, and distinguished members of the subcommittee, I am honored to appear before you for the first time to discuss the Navy’s budget submission. Because of the dedication of our 625,000 active and reserve sailors and civilians, and their families, the Navy and our primary joint partner, the Marine Corps, remain a vital part of our national security. I am honored to serve and lead the Navy in these challenging times, and I thank the subcommittee for your continued support.

This morning, I would like to address three points: the Navy’s importance to the Nation’s security; some enduring tenets and priorities that guided our decisions in this budget; and how these decisions shaped our budget submission.

Today, our Navy is the world’s pre-eminent maritime force. Our global fleet operates forward from U.S. bases and partner-nation places around the world to deter aggression, respond to crisis, and, when needed and when called upon, win our Nation’s wars.

If you refer to the chartlet in front of you, you can see that on any given day we have about 50,000 sailors and 145 ships underway, with about 100 of those ships deployed overseas. These ships and sailors allow us to influence events abroad because they ensure access to what I refer to as the maritime crossroads. These are areas where shipping lanes and our security interests intersect, and they are indicated on the chartlet by little orange bow-ties.

We can remain forward in these areas because of the facilities and the support from nearby allies and partners. For example, in the Middle East, we have 30 ships and more than 22,000 sailors at sea and ashore. They are combating piracy, supporting operations in Afghanistan, assuring our allies, and maintaining a presence in the region to deter or counter destabilizing activities. These forces rely on facilities in Bahrain, a U.S. partner for six decades.

In the Asia-Pacific, we have about 50 ships supported by our base on Guam and facilities or places in Singapore, the Republic of Korea, and Japan. They will be joined next spring by our first littoral combat ship (LCS), USS *Freedom*, which will deploy to Singapore for several months to evaluate our operational concepts.

In the Indian Ocean, we depend on Diego Garcia and the fleet tender and the airfield there for ship repair and logistics support.

Around the Horn of Africa, we depend on the airfield and the port in Djibouti to support our forces conducting counterterrorism and counterpiracy operations.

In Europe, we rely on places in Spain, Italy, and Greece to sustain our forces forward in support of our North Atlantic Treaty Organization (NATO) allies.

And in our own hemisphere, our port and airfield at Guantánamo Bay will grow more important in the next several years as the Panama Canal is widened.

When I assumed the watch as Chief of Naval Operations about 6 months ago, I established three tenets, which I call “unambiguous direction”, for our Navy leadership. And they are warfighting first, operate forward, and be ready.

Warfighting first. This means the Navy must be ready to fight and prevail today while building the ability to prevail tomorrow. This is our primary mission, and all our efforts must be grounded in this fundamental responsibility.

Iran’s recent provocative rhetoric highlights the need for us to have forward-deployed warfighting capability. In our fiscal year 2013 budget submission, we redirected funding toward weapons systems, sensors, and tactical training that can be more rapidly fielded to the fleet. This includes demonstrators and prototypes that could quickly improve our force’s capability.

Operate forward. This means we will provide the Nation an off-shore option to deter, influence, and win in an era of uncertainty. Our fiscal year 2013 budget submission supports several initiatives to establish our forward posture at the maritime crossroads. These include placing forward deployed naval force destroyers in Rota, Spain, and forward stationing LCSs in Singapore, and patrol coastal ships in Bahrain. One ship that is operating from an overseas location can provide the same presence as about four ships rotationally deployed from the continental United States.

We are also collaborating with the Marine Corps to determine the support and the lift needed for marines to effectively operate forward in Darwin, Australia, in the future.

Be ready. That means we harness the teamwork, the talent, and the imagination of our diverse force to be ready to fight and to responsibly use our resources. This is more than completing required maintenance and ensuring parts and supplies are available. Being ready also means being proficient, confident, and understanding our weapons, our sensors, command-and-control communications, and our engineering systems as well.

Now, applying these tenets to meet the defense strategic guidance, we built our fiscal year 2013 budget submission to implement three main investment priorities.

Number one, we will remain ready to meet our current challenges today. Consistent with the defense strategic guidance, we will continue to prioritize readiness over capacity and focus our warfighting presence in the Asia-Pacific and the Middle East. We will also sustain the Nation's most survivable strategic deterrent in our ballistic missile submarines (SSBNs).

Priority two, we will build a relevant and capable future force. Our Navy will evolve to remain the world's pre-eminent maritime force, and our shipbuilding and aircraft construction investments will form the foundation of the future fleet.

In developing our aircraft and ship procurement plans, we really focused on three approaches: one, to sustain the serial production of today's proven platforms, including *Arleigh Burke* destroyers, *Virginia*-class submarines, and our F/A-18 Super Hornets; number two, to promptly field new platforms in development, such as the LCS, the Joint Strike Fighter, the *Ford*-class carrier, the P-8A Poseidon aircraft, and the *America*-class amphibious assault ship; and three, we wanted to improve the capability of today's platforms through new weapons, sensors, and unmanned vehicles, including advanced missile defense radar, the Fire Scout, and its follow-on, the Fire-X. New payloads like these will help ensure we project power, despite threats to access, as described in the new defense strategic guidance. They will also enable our continued dominance in the undersea environment and support our goal to operate effectively in cyberspace and fully exploit the electromagnetic spectrum.

In developing the future force, we will continue to emphasize jointness, as described in our Air-Sea Battle concept. And we will also emphasize affordability by controlling requirements creep and making cost an entering argument for new systems.

And priority three, we will enable the support of our sailors, civilians, and their families. I am extremely proud of our people. We have a professional and a moral obligation to lead, to train, to equip, and to motivate them.

Our personnel programs deliver a high return on investment in readiness. We fully funded our programs to address operational stress, to support our families, eliminate the use of synthetic drugs such as Spice, and to aggressively prevent suicides and sexual assaults.

I support the compensation reforms included in the Defense Department's fiscal year 2013 budget submission, which I believe are

appropriate changes to manage the costs of the All-Volunteer Force.

PREPARED STATEMENT

In closing, your Navy will continue to be critical to our Nation's security and prosperity by assuring access to the global commons and by being at the front line of our Nation's efforts in war and in peace. I assure the committee and the Congress and the American people that we will focus on warfighting first, we will operate forward, and we will be ready.

I want to thank you, Senator Mikulski, and the subcommittee and your staff that are behind you and around this room for helping us in preparing our submission. And I thank you and the subcommittee for your support.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL JONATHAN W. GREENERT

INTRODUCTION

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, it is my honor and pleasure to appear before you to submit my first budget as Chief of Naval Operations (CNO). Thanks to our 625,000 active and reserve sailors and civilians and your continued support, the Navy-Marine Corps team remains vital to our national security and economic prosperity. Operating globally at the front line of our Nation's efforts in war and peace, our fleet protects the interconnected systems of trade, information, and security that underpin our own economy and those of our friends and allies. Our Navy and Marine Corps are the first responders to international crises through combat operations or humanitarian assistance. And after U.S. ground forces have drawn down in the Middle East, the naval services will remain on watch with offshore options to deter aggression and, when necessary, fight and win on, over, and under the sea. Despite the economic and military challenges facing our Nation, your Navy will evolve and adapt to fight and win our Nation's wars, remain forward, and be ready. I appreciate your continued support and look forward to working together in pursuing our national security objectives.

THE NAVY HAS BEEN IMPORTANT TO OUR NATION'S SECURITY AND PROSPERITY

Today, our Navy is the world's pre-eminent maritime force but that has not always been the case. Leading up to the War of 1812, Britain's Royal Navy held that distinction. Our own fleet, lacking warfighting capability, forward posture, and readiness, was bottled up in port early in the war. It was unable to break the British blockade of the Atlantic coast or stop the Royal Navy from wreaking havoc along the mid-Atlantic seaboard and burning parts of Washington, DC in 1814. Our Nation's economy suffered as shipping costs soared and imports from Europe and the Caribbean grew scarce. Soon, however, the fleet developed a warfighting focus and engaged the British, winning victories on Lake Erie, at New Orleans, and in the Atlantic that, combined with concerns about France, brought Britain to the negotiating table. However, outside of a determined effort from privateers, the U.S. Navy still could not project power away from home, could not control the sea, and could not deter aggression against our interests. We needed these key capabilities—outlined in our Maritime Strategy—then, just as much as now. The War of 1812 offered a number of hard lessons, and for the next century our Navy focused on preventing an aggressor from restricting our trade or isolating us from the sea as our Nation expanded across the North American continent.

Our Navy operated farther forward as our Nation's economy grew and, by necessity, became more integrated with Eurasia. In the midst of the world's first wave of globalization, the Great White Fleet from 1907 to 1909 demonstrated to the world America's emerging power and capability to project it globally. These episodes of "operating forward" became sustained during World War I as our Fleet convoyed supplies and forces to Europe and combated German submarines across the Atlantic Ocean. And in World War II, our Navy established dominance in the air, sea, and undersea domains, going forward around the world to protect sea lanes and project

power to Europe and Africa, and take the fight across the Pacific to Asia. We sustained our maritime dominance and remained forward and global throughout the cold war to contain Soviet expansion and provide tangible support to allies and partners with whom we were highly interdependent diplomatically, economically, and militarily.

Our Navy today remains global, operating forward from U.S. bases and international “places” around the world. From these “places” we continue to support and operate with allies and partners who face a range of challenges, from piracy and terrorism to aggressive neighbors and natural disasters. “Places”, from Guantánamo Bay to Singapore, enable us to remain present or have access to the world’s strategic maritime crossroads—areas where shipping lanes, energy resources, information networks, and security interests intersect. On any given day over the last year, more than 50,000 sailors were underway or deployed on 145 of the Navy’s 285 ships and submarines, 100 of them deployed overseas (see Figure 1). They were joined by more than 125 land-based patrol aircraft and helicopters, 1,000 information dominance personnel, and more than 4,000 Naval Expeditionary Combat Command sailors on the ground and in the littorals, building the ability of partners to protect their people, resources, and territory.

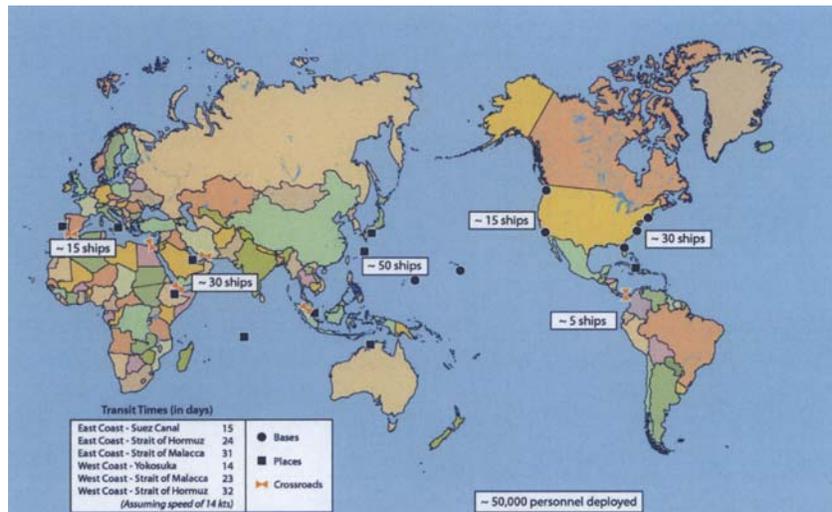


FIGURE 1.

The security and prosperity of our Nation, and that of our friends and allies, depend on the freedom of the seas, particularly at the strategic maritime crossroads. Twenty percent of the world’s oil flows through the Strait of Hormuz, the center of a region where more than 12,000 sailors on 30 ships combat piracy, smuggling, terrorism, deter Iranian aggression, and fly about 30 percent of the close air support missions in Operation Enduring Freedom. These sailors directly supported the special operations forces mission that resulted in the death of Osama Bin Laden, provided ballistic missile defense to our Arabian Gulf partners, and just last month rescued the crew of the Iranian dhow, Al Morai, from Somali pirates. Our forces there depend on facilities in Bahrain, a United States partner for more than 60 years, for supplies, communications, and repairs, while our maritime patrol and reconnaissance aircraft, patrol craft, and minesweepers in the region are based on the island. Our forces at sea are joined by another 10,000 sailors on the ground, most supporting our combat forces in Afghanistan as we continue to transition that effort to the Afghan Government.

In the Asia-Pacific, about 40 percent of the world’s trade passes through the 1.7-mile wide Strait of Malacca, while the broader region is home to 5 of our 7 treaty alliances and many of the world’s largest economies. About 50 United States ships are deployed in the Asia-Pacific region every day, supported by facilities (or “places”) in Singapore, the Republic of Korea, and Japan in addition to our bases on Guam. Our forward posture and ready-and-available capability proved invaluable to our al-

lies in Japan following the Great East Japan earthquake and tsunami last March. Twenty-four ships, 140 aircraft and more than 15,000 sailors and marines delivered more than 280 tons of relief supplies to beleaguered survivors as part of Operation Tomodachi. Working from offshore and unhindered by road and rail damage, Navy efforts helped save lives and fostered a stronger alliance.

Our combined readiness with our Pacific allies and partners is a result of the nearly 170 exercises and training events we conduct in the region each year. Our Talisman Sabre exercise with Australia last year brought together 18 ships and more than 22,500 sailors and marines to practice operations from maritime security to amphibious assault. Our Malabar series of exercises continues to expand our interoperability with India, a key partner in an important part of the world. From simple maneuvers and replenishment-at-sea in 2002, Malabar has gone on to include dual carrier flight operations, gunnery practice, anti-submarine warfare (ASW) training, and maritime interdiction exercises. And this year, the U.S. Navy will host Rim of the Pacific (RIMPAC), the world's largest maritime exercise, bringing together more than 20,000 sailors from 14 nations to practice the entire range of maritime missions from counterpiracy to missile defense and ASW.

Africa is adjacent to several key strategic crossroads:

—Bab El Mandeb on the southern end of the Red Sea;

—the Suez Canal at its northern end; and

—the Strait of Gibraltar at the western edge of the Mediterranean.

Events at each of these crossroads can significantly impact the global economy and regional security. Supported by our air and port facilities in Djibouti (Camp Lemonier), our ships form the backbone of multinational forces from more than 20 nations that combat pirates and terrorists around East Africa and the Arabian Peninsula. In the Mediterranean and Northern Africa our forward forces enabled a rapid response to the Libyan civil war. During North Atlantic Treaty Organization (NATO) Operations Odyssey Dawn and Unified Protector, our ships and submarines fired 221 Tomahawk land attack missiles and Growler electronic attack aircraft (EA-18G) redeployed from Iraq in less than 48 hours to suppress and destroy Libya's air defense network. The Navy-Marine Corps team aboard USS *Kearsarge* supported NATO forces with air strikes and personnel recovery, while on USS *Mount Whitney*, NATO leaders managed and coordinated the fight.

We continue our commitment to our NATO allies in the Mediterranean and other waters around Europe. Supported by facilities in Rota, Spain; Souda Bay, Greece; and Naples, Italy, our destroyers and cruisers conducted, among other critical U.S. and NATO missions, continuous ballistic missile defense patrols in the Mediterranean to counter the growing Iranian ballistic missile threat. Europe also continues to be a source of security. Our fleet trains routinely with allied navies from the Mediterranean to the Baltic in security cooperation exercises such as Proud Manta, NATO's largest ASW exercise. Outside the continent, we operate with our European allies and partners to address our shared concerns around the world, such as maintaining freedom of navigation through the Strait of Hormuz, countering piracy around the Horn of Africa, supporting our African partners with training and assistance, and responding to crises such as the conflict in Libya.

In Latin America, the ongoing expansion of the Panama Canal will increase the importance of that strategic maritime crossroad. Today, the waters around Central America already experience a high level of illegal trafficking, which could adversely affect the increasing volume of shipping through an expanded canal. Our first littoral combat ship (LCS), USS *Freedom*, made its first operational deployment to the region in 2011, preventing more than 3 tons of cocaine from entering the United States as part of Joint Interagency Task Force—South. We leveraged our port and airfield in Guantánamo Bay, Cuba, to continue supporting operations in the Gulf of Mexico and Caribbean. And as the capability of our Latin American partners has grown, so has the sophistication of our cooperation. In 2011, we conducted ASW training with Brazil, Peru, Colombia, and Chile, where their diesel submarines helped to train our surface and submarine crews and our crews, exchanged lessons learned on effective undersea operations.

ESTABLISHING FIRST PRINCIPLES

These are challenging and dynamic times for the U.S. military services and the U.S. national security enterprise. We need to remain focused on our enduring principles and contributions that hold true regardless of funding, force structure size or day-to-day world events. Upon taking office as the CNO, I established these first principles for Navy leaders to follow in my "Sailing Directions".

I believe historical and current events demonstrate that the Navy is most effective and best able to support our national security objectives when fleet leaders and sailors are focused on three tenets:

- warfighting first;
- operate forward; and
- be ready.

I incorporated these tenets into “Sailing Directions”. Similar to their nautical counterpart, my directions describe in general terms where the Navy needs to go in the next 10–15 years, and the approach we will take to get there. We applied “Sailing Directions” to the final decisions we made in building our fiscal year 2013 budget submission, and I believe they are consistent with the Defense Strategic Guidance that emerged from our collaborative efforts with the Chairman of the Joint Chiefs of Staff, the Secretary of Defense, and the President. I am in the process of drafting a “Navigation Plan” to define our course and speed now that our defense strategy is established and our budget request submitted.

MY GUIDANCE FOR THE NAVY AND WHAT WE BELIEVE

We use these three tenets—warfighting first, operate forward, and be ready—as “lenses” through which we view each decision as we organize, train, and equip the Navy.

Warfighting First.—The Navy must be ready to fight and win today while building the ability to win tomorrow. This is our primary mission and all our efforts from the “wardroom to the boardroom” must be grounded in this fundamental responsibility. The recent posturing and rhetoric from Iran highlight the importance of our ability to deter aggression, promptly respond to crisis, and deny any aggressors’ objectives. This requires getting relevant and effective warfighting capability to the fleet today, not waiting for perfect solutions on paper that may not arrive for 10 years. We can no longer afford, strategically or fiscally, to let the perfect be the enemy of the good—or the good enough—when it comes to critical warfighting capability. Our history and the contemporary cases of Iran, North Korea, violent extremists, and pirates show that conflict is unlikely to appear in the form of the scenarios for which we traditionally plan. Therefore, our ships, aircraft, and sailors that operate forward must be able to decisively act and defeat an adversary’s actions in situ to deter continued aggression and preclude escalation. To that end, in our fiscal year 2013 budget submission we shifted procurement, research and development, and readiness funds toward weapons, systems, sensors, and tactical training that can be rapidly fielded to the fleet, including demonstrators and prototypes that can quickly improve our forces’ capability. I request that you support those investments.

Operate Forward.—The Navy-Marine Corps team provides the Nation offshore options to deter, influence, and win in an era of uncertainty. Our naval forces are at their best when they are forward, assuring allies and building partnerships, deterring aggression without escalation, defusing threats without fanfare, and containing conflict without regional disruption. We keep the fleet forward through a combination of rotational deployments from the United States, Forward Deployed Naval Forces (FDNF) in Japan, Guam, and Italy, and forward stationing ships in places such as Bahrain or Diego Garcia. Our ability to operate forward depends on our U.S. bases and strategic partnerships overseas that provide “places” where the Navy-Marine Corps team can rest, repair, refuel, and resupply.

Our fiscal year 2013 budget submission supports several initiatives to establish our forward posture including placing FDNF destroyers in Rota, Spain, and forward stationing LCS in Singapore and patrol coastal (PC) ships in Bahrain. We are also now collaborating with Headquarters Marine Corps to determine the support and lift needed for marines to effectively operate forward in Darwin, Australia. In the FDNF construct, the ships, crews, and families all reside in the host nation. This is in contrast to forward stationing, where the ship’s families reside in the United States and the crew rotates to the ship’s overseas location for deployment. We will rely on both of these basing constructs and the “places” that support them to remain forward without increases to the fleet’s size. I request your support funding for these initiatives so our Navy-Marine Corps team can continue delivering the rapid response our Nation requires of us. We will continue to pursue innovative concepts for operating forward such as rotational crewing and employing new classes of ships such as joint high speed vessels (JHSV), mobile landing platforms (MLP), and afloat forward staging bases (AFSB).

Be Ready.—We will harness the teamwork, talent, and imagination of our diverse force to be ready to fight and responsibly use our resources. This is more than simply completing required maintenance and ensuring parts and supplies are available. Those things are essential, but “being ready” also means being proficient and con-

fidant in our ability to use our weapons, employ and rely on our sensors, and operate our command and control, communication, and engineering systems. This requires practice, so in our fiscal year 2013 budget submission we increased readiness and procurement funding for training deploying personnel and for exercise ordnance—funding that I request you support. Further, we are employing simulation and adjusting our Fleet Readiness and Training Plan (FRTP) to afford more time to train prior to deployment. Our fiscal year 2013 budget submission provides the opportunity to build on events such as this year’s Bold Alligator, our largest amphibious assault exercise in more than a decade, which brought together more than 20,000 sailors and marines and 25 ships from five nations. Fundamentally, being ready depends on our ability to train, lead, and motivate our sailors and marines through events such as Bold Alligator. As we continue to move through challenging times strategically and fiscally, we will increasingly depend on their resolve and imagination.

PRESIDENT’S BUDGET FOR FISCAL YEAR 2013 SHAPED BY THREE MAIN PRIORITIES OF THE CHIEF OF NAVAL OPERATIONS

The Budget Control Act of 2011 placed new constraints on our budget, which required hard choices and prioritization to address. I applied our tenets to my three main investment priorities as we built our fiscal year 2013 budget submission to support the new Defense Strategic Guidance.

Priority 1: Remain Ready To Meet Current Challenges, Today

Readiness means operational capability where it needs to be to deter aggression, respond to crises, and win our Nation’s wars. I will continue to prioritize readiness over capacity and focus our warfighting presence on the Asia Pacific and Middle East. Our fiscal year 2013 decision to decommission seven *Ticonderoga*-class guided missile cruisers (CG) and two dock landing ships (LSD) exemplify our resolve to provide a more ready and sustainable fleet within our budget constraints. The resources made available by these retirements will allow increased funding for training and maintenance. To ensure these investments improve readiness, we adjusted the FRTP to be more sustainable and provide units adequate time to train, maintain, and achieve the needed “fit” and “fill” in their manning between deployments. The FRTP is aligned to and supports the fiscal year 2013 Global Force Management Allocation Plan (GFMAP), which is the authoritative, Secretary of Defense-approved plan for supporting combatant commander presence requirements.

A ready fleet requires proper maintenance of our ships and aircraft, and our long-term force structure inventory plans require each of them to affordably reach expected service life. Our fiscal year 2013 budget submission fully funds ship maintenance and midlife modernization periods. We are also continuing a series of actions to address surface ship material condition. We increased the number of sailors in select surface ships and established Integrated Material Assistance Teams to ensure adequate personnel for preventive maintenance and at-sea repairs. To improve maintenance planning and budgeting, the new surface ship life-cycle engineering and support organization develops comprehensive plans for maintenance and modernization of non-nuclear ships. These plans will allow us to refine our assessments of ship material condition, improve our ability to estimate maintenance costs, and identify actions needed to achieve expected service life. These initiatives, supported in this budget submission, have tangibly improved ship readiness and enable more efficient maintenance periods. Our fiscal year 2013 budget submission also funds aircraft depot maintenance requirements to 94 percent, meeting our goal for available airframes and engines.

Readiness involves more than material condition. Our capabilities must also be “whole”, meaning our weapons, combat systems, and sensors must be able to interface with one another, are available in adequate numbers, and our sailors are proficient and confident in their use. We emphasized training in our fiscal year 2013 budget submission—allocating time, ordnance, and targets for increased live-fire training as well as funds to improve the fidelity, capacity, and interoperability of our fleet simulators. Our fiscal year 2013 budget submission also funds improved data links and radar reliability to enhance the interoperability and availability of weapons and sensors. In aviation, we fully funded the Flying Hour Program and invested in F/A-18 A-F life-cycle sustainment and system capability upgrades to ensure these “workhorses” of the carrier air wing remain ready and relevant. F/A-18 A-F sustainment helps ensure our strike fighters reach their expected service lives and our strike fighter inventory remains sufficient to meet anticipated needs. Ashore, we fully funded air and port operations and nuclear weapons infrastructure and security. Our fiscal year 2013 budget submission accepts some risk in facilities sustainment and recapitalization, but we anticipate minimal impact on fleet readi-

ness. We will continue to closely monitor our shore infrastructure to ensure it remains capable of supporting the needed level of fleet operations. Our fiscal year 2013 budget submission maintains funding for Homeport Ashore to provide quality housing for our single sailors and increases funding for family readiness programs such as child development centers.

We must continue improving our fuel efficiency to sustain a ready and relevant fleet and our goal remains to reduce our tactical energy use 15 percent by 2020. We will combine modernization, research and development, acquisition, and efficient behavior by operators at sea and on the waterfront to achieve that goal. Our fiscal year 2013 budget submission continues to incorporate technological advances incrementally, but steadily. Our *Lewis and Clark*-class supply ships now employ all-electric propulsion, as will our new *Zumwalt*-class destroyers (DDG). Our new hybrid-electric powered amphibious assault ship USS *Makin Island* saved more than \$2 million in fuel costs on its maiden voyage from the gulf coast to its San Diego homeport. The insights we gain from these efforts will be applied in developing requirements for future ships, where energy usage was established last year as a key performance parameter.

Priority 2: Build a Relevant and Capable Future Force

Our Navy will evolve to remain the world's pre-eminent maritime force in the face of emerging threats and our shipbuilding and aircraft construction investments form the foundation of the future fleet. In developing our aircraft and ship procurement plans, we focused on three approaches:

- sustaining serial production of today's proven platforms;
- rapidly fielding new platforms in development; and
- improving the capability of today's platforms through new payloads of weapons, sensors, and unmanned vehicles.

First, sustained production of today's platforms maintains the fleet's capacity, improves the affordability of ships and aircraft, and fosters the health of the industrial base. Examples of this serial investment in our fiscal year 2013 budget submission include *Arleigh Burke* DDG, MH-60R/S Seahawk helicopters, F/A-18 E/F Super Hornet and *Virginia*-class submarines (SSN). These proven ships and aircraft represent a known quantity to both the Government and contractor and provide opportunities for cost savings through multiyear procurement. Our fiscal year 2013 budget submission requests multiyear procurement of nine *Arleigh Burke* DDGs and nine *Virginia* SSNs. Your support for continued block purchases of DDGs and SSNs is essential to our fleet's capacity over the next decade when decommissionings and the procurement of the new ballistic missile submarine (SSBN) combine to reduce the number of these fleet workhorses. In addition to the capacity they bring, our experience with proven platforms also allows us to incrementally improve their capabilities with new weapons, sensors, and unmanned vehicles, such as we are doing with *Arleigh Burke* DDG by adding the Surface Electronic Warfare Improvement Program (SEWIP), SM-6 missile, Advanced Missile Defense Radar (AMDR), and MQ-8 Fire Scout unmanned air vehicles.

Second, we will rapidly field the classes of ships and aircraft in development which are needed to recapitalize the fleet and pace emerging threats. Each of these platforms are nearing completion or are in initial production and offer a significant return on our research and development investment over the past 2 decades. We will harvest this return and focus on capability improvement via new weapons, sensors, and unmanned systems before we begin our next generation of platforms. Our fiscal year 2013 budget submission prudently moves into sustained production of *Freedom* and *Independence*-class LCS, MQ-4C broad area maritime surveillance (BAMS) unmanned air system (UAS), Poseidon maritime patrol and reconnaissance aircraft (P-8A) and Lightning II strike fighter (F-35C). We slowed production of the F-35C to allow lessons from testing to be better incorporated into the aircraft, and it will be a key element of the future carrier air wing. The fiscal year 2013 budget submission continues funding for *Gerald R. Ford* aircraft carriers (CVN), although the delivery of CVN-79 was delayed to most cost effectively maintain our fleet of 11 CVNs by not delivering the ship ahead of need. Our budget submission continues funding for the *Zumwalt*-class DDG, which will provide an exceptional improvement in littoral and land-attack capability while also proving several new technologies to be incorporated into future ships. To sustain our capacity for amphibious operations, our fiscal year 2013 budget submission funds continued production of the *America*-class amphibious assault ships (LHA), the first of which (LHA-6) is nearing completion. Each of these new platforms is designed to be adaptable and allow future capability evolution through new payloads. The physical and electronic open architecture of LCS, for example, will allow it to change missions in a short refit, but will also allow it to be widely adaptable over its lifetime. The P-8A has a similar reserve

capacity for adaptation, as well as an operating profile which will allow it to do a wide range of missions, depending on the weapons and sensors placed aboard.

And third, we will evolve the force to maintain our warfighting edge by exploiting the ability of new payloads to dramatically change what our existing ships and aircraft can do. A focus on what our platforms carry will be increasingly important as anti-access/area-denial (A2/AD) threats including new radars and more sophisticated surface-to-air and anti-ship missiles limit the ability of manned platforms to get close to an adversary in wartime. Our Air-Sea Battle concept, developed with the Marine Corps and the Air Force, describes our response to these growing A2/AD threats. This concept emphasizes the ability of new weapons, sensors, and unmanned systems to expand the reach, capability, and persistence of our current manned ships and aircraft. Our focus on payloads also allows more rapid evolution of our capabilities compared to changing the platform itself. This approach is exemplified by our fiscal year 2013 investment in LCS, which will carry an adaptable portfolio of unmanned vehicles, weapons, manned helicopters, and personnel. In aviation, new weapons such as the small diameter bomb, joint standoff weapon and Mark-54 torpedo will give our legacy aircraft the stand-off range, penetration, and lethality to defeat adversaries even if they employ advanced A2/AD capabilities.

Our focus on payloads includes unmanned systems such as the Firescout UAS (MQ-8B), which already demonstrated in Libya and the Middle East how it can add significant capability to our legacy frigates (FFG) and amphibious transport dock (LPD) ships. Our fiscal year 2013 budget submission continues production of the MQ-8B and adds the longer-range, higher-payload MQ-8C. The submission also continues our investment in the unmanned combat air system (UCAS) demonstrator and the follow-on unmanned carrier launched air surveillance and strike (UCLASS) system, which will expand the reach and persistence of our current carrier-based air wings.

Improved sensors and new unmanned systems are essential to our continued domination of the undersea environment. Our fiscal year 2013 budget submission funds the development of *Virginia* SSN payload modules that will be able to carry a mix of missiles, sensors, and unmanned undersea vehicles (UUV) such as the new Large Displacement UUV. These undersea systems are joined by investments in the P-8A and *Arleigh Burke* DDG to improve cueing and close-in ASW operations. Our undersea superiority provides U.S. forces an asymmetric advantage in being able to project power or impose unacceptable costs on adversaries. Our fiscal year 2013 budget submission funds continued development of a new SSBN to begin replacing the *Ohio*-class late in the next decade and sustain the most survivable element of the Nation's nuclear triad. Our fiscal year 2013 budget submission also includes funding to study the possible use of *Ohio*-class guided missile submarine (SSGN) and *Virginia*-class SSN as platforms for a future conventional prompt strike capability.

While we currently dominate the undersea domain, cyberspace, and the electromagnetic spectrum present a different set of challenges and a lower barrier to entry for our potential adversaries. Our fiscal year 2013 budget submission furthers our goal to operate effectively in cyberspace and fully exploit the electromagnetic spectrum. Investments including SEWIP, EA-18G, Consolidated Afloat Network Enterprise System (CANES), Hawkeye (E-2D) early-warning aircraft, Next-Generation Enterprise Network and Mobile User Objective System (MUOS) support development of a common operational picture of cyberspace and the electromagnetic spectrum. They also support robust defense of our networks and improve our ability to use nonkinetic effects to defend our ships from attack, conduct offensive operations, and conduct superior command and control.

It is imperative as we pursue these three approaches to the future force that we consider both affordability and "jointness." Our fiscal situation makes affordability essential to sustaining the fleet's capacity and improving its capability. Working with the Secretary of the Navy's staff, we are ensuring cost is considered as an entering assumption in developing requirements for new systems, while controlling the "requirements creep" that impacts the cost of our programs already in development. Joint capabilities may also be a way to improve affordability, although we are primarily concerned with how they can improve our warfighting effectiveness. Our Air-Sea Battle concept describes how naval and air forces will develop and field capabilities in a more integrated manner to allow them to defeat improving A2/AD threats through tightly coordinated operations across warfighting domains. Using the Air-Sea Battle concept and Joint Operational Access Concept (JOAC) as the starting point, the Navy-Marine Corps team will continue to expand our integration with the Air Force and Army in doctrine, systems, training, and exercises to sustain the ability of U.S. forces to project power.

Priority 3: Enable and Support our Sailors, Navy Civilians, and Their Families

Today's active and reserve sailors and Navy civilians are the most highly trained, motivated, and educated force we have ever employed. Our people are the source of our warfighting capability, and our fiscal year 2013 budget submission continues the investments needed to ably lead, equip, train, and motivate them.

Our personnel programs deliver a high return on investment in the readiness of our sailors and civilians. We fully funded our programs to address operational stress, support families, prevent suicides, eliminate the use of synthetic drugs like Spice, and aggressively reduce the number of sexual assaults. I view each of these challenges as safety and readiness concerns that can be just as damaging to our warfighting capability as operational accidents and mishaps. To ensure sailors and their families have a quality environment in which to live, we sustained our support for quality housing, including Homeport Ashore for Sailors, and expanded our child development and youth programs.

Our wounded warriors are a top priority. Our fiscal year 2013 budget submission fully funds programs that support the mental, emotional, and financial well-being of our returning warriors and their families.

The Navy continues to face a unique manpower challenge. Retention is high, attrition remains steady at a very low level, and highly qualified people continue to want to join the service. To continue bringing in new sailors with new and diverse backgrounds and ideas, we must have turnover in the force. To manage our end strength, sustain upward mobility, and address overmanning in some specialties, we selected 2,947 sailors for separation in 2012 by conducting an Enlisted Retention Board (ERB). These sailors served honorably and we are now focused on providing the best transition possible for them, including early retirement for sailors selected for ERB who will have completed at least 15 years of active service as of September 1, 2012. Thank you for providing this Temporary Early Retirement Authority in the fiscal year 2012 National Defense Authorization Act. We do not plan another ERB for fiscal year 2013. Nor do we plan to offer early retirement more broadly, but we will evaluate this option if overmanning in individual specialty ratings/warfare communities again becomes a concern.

We will continue to use a range of force shaping tools to ensure we keep our best performers and align our people with needed skills and specialties. Perform-to-Serve (PTS), our centralized re-enlistment program, will remain the principal method to shape the force. While in some cases we will be unable to offer re-enlistment for sailors due to high retention and overmanning, PTS also offers sailors the opportunity to change specialties or enter the reserves when they come up for re-enlistment if their current specialty is overmanned. We will continue to offer and regularly adjust selective re-enlistment bonuses and incentive pays for critical specialties to ensure we properly sustain the skills required in the force.

By managing the size and composition of the force, we are able to bring in new sailors and civilians. Our fiscal year 2013 budget submission continues to invest in recruiting quality people, including diversity outreach and programs to develop science, technology, engineering, and mathematics candidates for the service. Our future depends on the innovation and creativity that people with diverse backgrounds, experience, and ideas can bring to the Navy.

DEPARTMENT OF DEFENSE AND NAVY'S TURNING POINT—AND THE NEED FOR A NEW STRATEGY

We built our fiscal year 2013 budget submission by applying the tenets of warfighting first, operate forward, and be ready to our three enduring priorities. This approach focused our resources on investments that are most important to the Navy's ability to be relevant to the challenges we face as a Nation. Today, three main trends place America and our Navy at a turning point. First, the Federal Government has to get its fiscal house in order by reducing deficits and putting the Federal budget on a path toward balance. Second, the security environment around the world is becoming more dynamic as exemplified by the "Arab Awakening," ongoing piracy and terrorism, and the continued threat of aggression from countries including Iran and North Korea. Third, after a decade of war in the Middle East, we are completing ground operations and stabilization efforts in Iraq and Afghanistan.

This confluence of factors was emerging when I wrote my sailing directions and, as they clarified, were the drivers behind the "Defense Strategic Guidance Sustaining U.S. Global Leadership: Priorities for 21st Century Defense" issued by the President and Secretary of Defense. The Defense Strategic Guidance was developed in a collaborative and transparent process, and I believe it is aligned with sailing directions. The guidance calls for a more agile, lethal, and flexible force to address

the challenges and opportunities facing our Nation and has clear implications for the Navy as a force provider, including:

Emphasize Readiness Over Capacity

We will not let the force become “hollow” by having more force structure than we can afford to maintain, equip, and man. Our fiscal year 2013 budget submission inactivates seven *Ticonderoga* CGs and two LSDs. These ships were in need of significant maintenance investment and 6 of the 7 cruisers required further investment to install ballistic missile defense capability. Inactivating these ships allowed almost \$2 billion in readiness funding to be shifted to other portions of the fleet. This reduction in capacity and our shift to a more sustainable deployment model will result in some reductions to the amount of presence we provide overseas in some select areas, or a change in the nature of that presence to favor innovative and lower-cost approaches.

Invest in Current Warfighting Capability

Our ability to deter aggression rests on our current warfighting capability. During the final stages of developing our fiscal year 2013 budget submission, we worked closely with the Office of the Secretary of Defense to shift more than \$700 million into procurement, operations and maintenance, and research and development to rapidly improve the readiness of warfighting capabilities being deployed to the Middle East and Asia-Pacific. These changes focused on countering A2/AD threats through mine warfare (MIW), integrated air and missile defense, antisurface warfare (ASuW) against fast attack craft and ASW. Our investments included training targets and ordnance, mine warfare maintenance and prototype systems, antisurface and ASW sensors and weapons, and kinetic and nonkinetic systems for self-defense against torpedoes, cruise missiles, and ballistic missiles.

Maintain Middle East Presence and Rebalance our Focus Toward Asia-Pacific

The Asia-Pacific and Middle East are the most consequential regions for our future security and prosperity. Two factors drive the Navy’s ability to provide presence: The size of the fleet and the amount of time ships can remain deployed. Our fiscal year 2013 budget submission reduces the size of the fleet in the next year by decommissioning some ships, but the fleet returns to its current size by 2017 and grows to about 300 ships by 2019. We will work with the Joint Staff and Secretary of Defense’s office to focus our presence on the Middle East and Asia-Pacific as part of the GFMAP. The mix of ships in the fleet between now and 2020 will evolve to include more small combatants and support vessels that can provide innovative, low-cost platforms for security cooperation and partnership building activities in Latin America and Africa. This will enable our carriers, large surface combatants, submarines, and amphibious ships to focus on the Middle East, Asia-Pacific, and Europe.

As described above, we are fostering a series of bases and “places” with our allies and partners around the world to provide access and support forward operations at the strategic maritime crossroads. Some of these facilities will host FDNF or forward stationed ships and aircraft, while others will extend the range and duration of deployments by providing places to rest, repair, refuel, and resupply. Our fiscal year 2013 budget submission includes funding to support these facilities, while we are studying options for rotational crewing which may allow overseas “places” to host crew exchanges for additional classes of ships such as we plan to do for LCSs and currently conduct for PCs, SSGNs, and mine countermeasures ships (MCMs).

Develop Innovative, Low-Cost, and Small Footprint Approaches to Partnerships

The United States will continue to be the security partner of choice, and the Navy will tailor our partnership efforts to be both affordable and appropriate. The evolution of the Fleet’s mix over the next 8 years will provide ships suited to cooperative operations such as maritime security; building partner capacity; countering terrorism, illegal trafficking and proliferation; and providing humanitarian assistance/disaster response (HA/DR). Ships including LCS (with ASuW mission packages), JHSV, MLP, AFSB, hospital ships (T-AH) and combat logistics force ships will provide platforms to conduct the low-cost, small footprint missions called for in the Defense Strategic Guidance. These ships will free up higher-end combatants for other missions and will employ innovative crewing concepts such as civilian mariners and rotational military crews that will provide more time forward per ship.

OUR FISCAL YEAR 2013 INVESTMENTS SUPPORT THE DEPARTMENT'S MOST IMPORTANT MISSIONS

Within the fiscal constraints of the Budget Control Act of 2011, we applied our priorities and tenets to develop our fiscal year 2013 budget submission, which strongly supports the missions described in the new Defense Strategic Guidance.

Counterterrorism and Irregular Warfare

We will support the joint force in an active approach to countering terrorist and extremist threats. With the drawdown in Afghanistan and sensitivity to U.S. forces ashore, these efforts will increasingly be conducted from the sea. The Navy's fiscal year 2013 budget submission increases our ability to support these operations through investments including the sea-based MQ-8B and longer-range, higher-payload MQ-8C UAS, MLP, AFSB, LCS, BAMS, tailored language and culture training, and increases in SEAL manning. Places including Djibouti, Singapore, Bahrain, and Guantánamo Bay, Cuba will continue to support small-footprint, long-duration operations to counter illegal activities—including terrorism, piracy, and trafficking—from the Horn of Africa and Arabian Gulf to the South China Sea and the Caribbean.

Deter and Defeat Aggression

The Navy-Marine Corps team is the Nation's front line to deny an aggressor's objectives or promptly impose costs on the aggressor. Naval forces bring two essential qualities to this mission: Presence or prompt access forward where conflict occurs, and credible warfighting capability to counter the aggressor. Our fiscal year 2013 budget submission supports forward operations at the places where conflict is most likely or consequential—the strategic maritime crossroads. In addition to the readiness and operations funding that allow our forces to operate forward, our fiscal year 2013 budget submission also invests in establishing FDNF DDGs in Rota, Spain, forward-stationed LCSs in Singapore, additional forward-stationed PCs in Bahrain and a sustainable tempo of rotational deployments.

Our fiscal year 2013 budget submission improves the warfighting capability of the forces we send forward. The centerpieces of naval capability remain the Carrier Strike Group and Amphibious Ready Group. Our fiscal year 2013 budget submission sustains funding for CVNs and the strike fighters (F-35C and F/A-18 E/F), E-2Ds, and EA-18Gs they deliver to the fight, as well as the unmanned NUCAS and UCLASS aircraft that will expand the reach and persistence of the future air wing. To complement our aviation capabilities, our fiscal year 2013 submission funds a "big deck" LHA in fiscal year 2017 to support power projection by Marine Air-Ground Task Forces. These ships, aircraft, sailors, and marines have deterred and defeated aggression since World War II and will continue to do so well into the future.

Our fiscal year 2013 budget submission invests in capabilities to counter specific types of aggression, such as Iranian threats to deny access to the Strait of Hormuz through mine warfare. While we develop the LCS as the future host of MIW capabilities, our fiscal year 2013 budget submission invests in sonar upgrades and maintenance for our current MCMs, new mine detection and neutralization UUVs, establishment of an AFSB in the Arabian Gulf to support air and surface MIW operations, and sea-based intelligence, surveillance, and reconnaissance. Our fiscal year 2013 budget submission also funds ASW improvements geared toward the Iranian threat such as air-launched Mark-54 torpedoes and torpedo defense systems, as well as ASuW weapons to counter fast attack craft such as Griffin and Spike missiles for PCs and rockets for helicopters.

Project Power Despite A2/AD Challenges

Potential adversaries are mounting strategies to prevent U.S. forces from entering their theater (anti-access) or operating effectively once within the theater (area-denial). These adversaries intend to prevent U.S. forces from defeating their aggression or coming to the aid of allies and partners. Both state and nonstate actors are undertaking these strategies using capabilities including mines, submarines, anti-ship cruise and ballistic missiles, anti-satellite weapons, cyber attack, and communications jamming. The Navy fiscal year 2013 budget submission addresses these threats through a wide range of investments that support the multiservice Air-Sea Battle concept and the Joint Operational Access Concept (JOAC). In addition to the MIW, ASuW and ASW investments identified above, our fiscal year 2013 budget submission funds upgrades in electronic warfare (EW), integrated fire control, cyber operations, networks, Virginia SSN and payload modules, and the F-35C.

The Navy's ability to retain access to international waters and airspace as well as critical chokepoints throughout the world would be enhanced by accession to

UNCLOS. As the world's pre-eminent maritime power, the United States has much to gain from the legal certainty and global order brought by UNCLOS. The United States should not rely on customs and traditions for the legal basis of our military and commercial activity when we can instead use a formal mechanism such as UNCLOS. As a party to UNCLOS, we will be in a better position to counter the efforts of coastal nations to restrict freedom of the seas.

Counter Weapons of Mass Destruction

The Navy's primary contribution to countering weapons of mass destruction (WMD) is interdicting WMD and their precursors through the international Proliferation Security Initiative (PSI). Our fiscal year 2013 budget submission funds the readiness and force structure necessary to maintain forces forward at the strategic maritime crossroads where these interdictions are most common, while continuing to enable PSI by sustaining the command and control and sensors needed to find and track WMD transporters.

Operate Effectively in Space and Cyberspace

As a forward-deployed force, our fleet is highly dependent upon space-based systems, cyberspace, and the electromagnetic spectrum. Naval forces rely on long-haul communications for command and control, positioning, navigation and timing, and administration. Given the growing A2/AD threat from communications jamming and anti-satellite weapons, our fiscal year 2013 budget submission includes investment in the maritime portion of the Joint Airborne Layer Network, a UAV-based system to assure our ability to communicate and conduct command and control.

Cyberspace and the electromagnetic spectrum are a key area of emphasis for our future force development. In the past 2 years, we made significant investments in personnel for Navy Cyber Command/Tenth Fleet as well as U.S. Cyber Command, which continue in our fiscal year 2013 budget submission. These highly skilled operators are developing a "common operational picture" (COP) of cyberspace and the tools to effectively defend our interests within it. Cyberspace and the electromagnetic spectrum are inextricably linked, and in our fiscal year 2013 budget submission, we fund a range of EW and electronic support systems including EA-18G, SEWIP, Next-Generation Jammer, shipboard prototype and demonstrator systems, Ship Signal Exploitation Equipment (SSEE), and the E-2D. These systems sustain our ability to exploit the electromagnetic spectrum for sensing and communication, while denying our adversaries accurate or effective information. We are also developing the conceptual and doctrinal framework to fully exploit the electromagnetic spectrum as a warfighting domain.

Maintain a Safe, Secure, and Effective Nuclear Deterrent

The Navy provides the most survivable leg of the U.S. nuclear triad with the SSBN and associated nuclear command and control, maintenance, and support infrastructure. Our fiscal year 2013 program continues to fund the recapitalization of our *Ohio*-class submarines and the safe handling of Trident D-5 missiles through investment in an additional explosive handling wharf at Naval Base Kitsap. Consistent with the Defense Strategic Guidance, we delayed the *Ohio* replacement program by 2 years. This delay will result in an SSBN force of 10 ships in the 2030s and will require a high state of readiness to meet the Nation's strategic deterrence needs. Our fiscal year 2013 budget submission fully funds the maintenance and support to today's *Ohio*-class SSBNs to help maximize their operational availability throughout their service lives.

Homeland Defense and Support to Civil Authorities

We maintain approximately 45 ships underway around the United States and another 50 available within days to meet U.S. Northern Command's homeland defense requirements through our FRTP. The Navy's fiscal year 2013 budget submission also funds DDG modernization that can support homeland ballistic and cruise missile defense missions.

Provide a Stabilizing Presence; Conduct Counterinsurgency, Humanitarian Assistance/Disaster Relief and Other Operations

Although our warfighting capability will be focused on the Middle East and Asia-Pacific, other regions will retain naval presence. The nature of that presence, however, will change over the next several years. While today DDGs and amphibious ships conduct security cooperation operations with partners in Latin America and Africa, our fiscal year 2013 budget submission funds procurement of JHSV, AFSB, MLP, and LCS and sustainment of PCs and T-AHs to take on these missions in the future. To support an expanding range of partnership missions, they will in-

creasingly carry tailored force packages of marines to conduct security cooperation activities with partner armies and marines.

These same ships will support humanitarian assistance operations and rapid response by U.S. forces to crisis or disaster. They can embark a wide range of inter-agency and nongovernmental personnel, allowing them to support the whole range of development, defense and diplomacy activities, and contribute to nonmilitary efforts to counter insurgencies and conduct stabilization operations. As naval forces, they can be backed up by the robust multimission capability and transportation capacity of amphibious ships and embarked marines.

EVALUATING IMPACTS OF THE NEW DEFENSE STRATEGIC GUIDANCE

The new Defense Strategic Guidance is not without risk. In particular, we will need to assess the impacts of capacity reductions on the force's ability to address highly likely or highly consequential security challenges. Senior defense leaders are conducting this assessment in a series of seminars over the next several months. Within the Navy, we are also re-evaluating our force structure requirements in light of the Defense Strategic Guidance. We are assessing the capabilities needed to implement the strategy, what force structure could deliver those capabilities, and the resulting inventory of ships and aircraft that will be required. The results of this assessment will indicate the risk in the ability of the Navy's investment plans to implement the Defense Strategic Guidance. The force structure assessment will also indicate what ships should be counted as part of the battle force, and the extent to which the Navy will need to implement innovative concepts such as rotational crewing to deliver the needed level of forward presence.

We will also evaluate the impact of our investment plans on our industrial base, including ship and aircraft builders, depot maintenance facilities, equipment and weapons manufacturers, and science and technology researchers. Some of our suppliers, especially in specialized areas such as nuclear power, have the government as their only customer. Our fiscal year 2013 budget submission addresses the health of the industrial base, and we will work closely with our industry partners to manage the risk of any further budget reductions.

Ship inactivations in the fiscal year 2013 budget submission, when combined with those of previous budgets, may cause an imbalance in the Fleet's overall distribution. We are assessing what will be affordable and appropriate in homeporting new ships or moving existing ships to ensure we efficiently employ our shore infrastructure, balance our port loading, and take advantage of collocating ships with common configurations and equipment.

The healthcare proposals in the President's budget are consistent with our efforts over the last several years to pursue a multipronged strategy to control the rate of growth in defense health costs:

- identifying more efficient processes internally;
- incentivizing healthy behaviors and wellness; and
- keeping our sailors and marines fit and ready to deploy.

This budget maintains our commitment to those who serve and have served, and responsibly meets the demands dictated by Federal budget constraints. I hope you will agree, and support our efforts. I also support the establishment of a commission to study changes to the structure and benefits of our retirement program for those who have not yet entered the service. That assessment must include an evaluation of the combined impact to our future recruiting and retention of changes to retirement benefits, pay, and healthcare.

CONCLUSION

I believe the risks of the new Defense Strategic Guidance are manageable and can be mitigated with good management of the joint force. Our Navy will continue to be critical to our Nation's security and prosperity by assuring access to the global commons and being at the front line of our Nation's efforts in war and peace. I assure the Congress, the American people, and those who would seek to do our Nation harm, that we will be focused on warfighting, operating forward, and being ready.

Senator MIKULSKI. Thank you.
General Amos.

STATEMENT OF GENERAL JAMES F. AMOS, COMMANDANT, UNITED STATES MARINE CORPS

General AMOS. Madam Chairman, Vice Chairman Cochran, and members of the subcommittee, I am pleased to speak today on behalf of your United States Marine Corps.

As we sit today in this chamber, 30,000 marines are forward deployed around the world defending our Nation's liberty, shaping strategic environments, engaging our partners and allies, and ensuring freedom of the seas while they deter aggression.

Over the past year alone, the forward presence and crisis response of America's marines, working in concert with our most important joint partner, the United States Navy, has created opportunities and provided decision space for our Nation's leaders.

Your marines were first on the scene to provide humanitarian assistance and disaster relief in Japan in the aftermath of last year's monumental natural disasters and the first to fly air strikes over Libya. They evacuated noncombatants from Tunisia and reinforced our embassies in Egypt, Yemen, and Bahrain. While accomplishing all of that, your Corps continued to conduct sustained combat and counterinsurgency operations in Afghanistan.

Having just returned a little more than 3 weeks ago from visiting many of the nearly 20,000 marines and sailors currently deployed there, I can tell you firsthand that their professionalism and morale remain notably strong. There is an indomitable spirit displayed in all that they do. Their best interests and the needs of all our joint forces in combat remain my number-one priority.

History has shown that it is impossible to predict where, when, and how America's interests will be threatened. Regardless of the global economic strain placed on governments and their military forces today, crises requiring military intervention will undoubtedly continue tomorrow and in the years to come.

As a maritime Nation dependent on the sea for the free exchange of ideas and trade, America requires security both at home and abroad. To maintain a strong economy, to access overseas markets, and to assure our allies, in an era of fiscal constraint, the United States Marine Corps is our Nation's risk mitigator, a certain force during uncertain times, one that will be the most ready when the Nation is the least ready.

There is a cost to maintaining this capability, but it is nominal in the context of the total defense budget and provides true value to the American taxpayer. This fiscal year, I am asking the Congress for \$30.8 billion, a combination of both base and overseas contingency operations (OCO) funding.

Your continued support will fund ongoing operations around the world, provide quality resources for our marines, our sailors, and their families. It will reset the equipment that is worn out from more than 10 years at war, and lastly, it will posture our forces for the future.

When the Nation pays the sticker price for its marines, it buys the ability to respond to crises anywhere in the world through forward deployed and forward engaged forces. This same force can be reinforced quickly to project power and contribute to joint assured access anywhere in the world in the event of a major contingency.

No other force possesses the flexibility and organic sustainment to provide these capabilities.

As our Nation begins to direct its attention to the challenges and opportunities of a post-Afghanistan world, a world where the Middle East and the Pacific take center stage, the United States Marine Corps will be ever mindful of the traditional friction points in other regions and prepared to respond accordingly as needed.

The strategic guidance directs that we rebalance and reset for the future. We have a solid plan to do so, and we have begun execution already. As we execute a strategic pivot, I have made it a priority to keep faith with those who have served during the past 10 years of war.

Through judicious choices and forward planning, ever mindful of the economy in which we live, we have built a quality force that meets the needs of our Nation. By the end of fiscal year 2016, your United States Marine Corps will be streamlined down to 182,100 marines. This active-duty force will be complemented by the diverse depth of our operational reserve component that will remain at 39,600 strong.

Our emerging United States Marine Corps will be optimized for forward presence, engagement, and rapid crisis response. It will be enhanced by critical enablers, special operators, and cyber warfare marines, all necessary on the modern battlefield.

To build down the United States Marine Corps from its current end strength of 202,000, I will need the assistance of the Congress for the fiscal resources necessary to execute the drawdown at a measured and responsible pace of approximately 5,000 marines a year, a rate that guards against a precipitous reduction that would be harmful to our force.

PREPARED STATEMENT

As we continue to work with our Nation's leadership and my fellow joint partners, you have my assurance that your United States Marine Corps will be ever faithful in meeting our Nation's need for an expeditionary force in readiness, a force that can respond to today's crises with today's force today.

Thank you for the opportunity to appear before you today. Madam Chairwoman and fellow members, I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES F. AMOS

THE INDOMITABLE SPIRIT OF THE U.S. MARINE

Your Marines are Ready Today

We remain a Nation at war. Currently, nearly 20,000 marines are conducting combat operations in Afghanistan. Operation Enduring Freedom (OEF) remains our top priority. Having recently returned from visiting marines and sailors currently deployed throughout Central Command, I am pleased to report their professionalism and morale remains notably strong. Whether patrolling in Afghanistan or planning at the Pentagon, serving on Navy amphibious warships or engaging our partners around the world, the indomitable spirit of our greatest asset, the individual marine, stands ready—ready to safeguard our Nation's liberty, to ensure freedom of the seas, and to protect our Nation's interests abroad. With your assistance, we will continue to resource this National Treasure . . . the U.S. marine.

2011 Operational Highlights

During the past year, marines have conducted counterinsurgency operations in Afghanistan and have responded to a rapid succession of unpredicted political upheavals, natural disasters, social unrest, piracy, and emerging threats in various unstable areas of the world's littoral regions.

Operation Enduring Freedom

We are seeing measurable progress along all lines of operation in the Helmand Province:

- security;
- reintegration;
- rule of law;
- governance;
- development;
- education; and
- health.

Over the past year, violence and the level of collateral damage have decreased significantly. Throughout 2012, marines in Regional Command-Southwest (RC(SW)) will continue transitioning to partnership training missions as we transfer even greater security responsibility to the maturing Afghan national security forces; police and army forces in Helmand Province have progressed in training and capability. There is a strong sense of optimism among our forces in Helmand Province.

Operation Tomodachi

Following a devastating earthquake and tsunami in Japan last spring, 3,600 marines and sailors from our amphibious forces in the Pacific responded within 24-hour notice. They served as the lead element of the joint force, delivered humanitarian aid (i.e. 500 tons of food and supplies; 2,150,000 gallons of water; and 51,000 gallons of fuel), rescued those in danger, provided consequence management, and facilitated the evacuation of almost 8,000 American citizens. For weeks following this disaster, Marine aircrews flew through a radioactive environment to save lives, deliver aid, and assist the afflicted.

Operation Unified Protector/Odyssey Dawn

Amidst a wave of civil turmoil spreading across Northern Africa, two amphibious warships with embarked marines sped to the Mediterranean and took up station off the coast of Libya. The 26th Marine Expeditionary Unit (MEU), an air-ground-logistics task force, provided our Nation's leaders invaluable decision time that allowed the determination of a way ahead and later integration with the joint force with the North Atlantic Treaty Organization to enforce a no-fly zone. Marine aviation assets were an important component of the joint force. Short take-off and vertical landing (STOVL) Harriers, operating from USS *Kearsarge*, conducted the first precision airstrikes and provided airborne command and control. Our KC-130Js evacuated non-combatant foreign nationals repatriating them to their homeland, and our MV-22B Ospreys rescued a downed American aviator using unprecedented operational reach.¹

Security Cooperation

In 2011, we supported all six geographic combatant commands with task-organized forces of marines who conducted hundreds of security cooperation (SC) activities with the Armed Forces of more than 75 countries. Aligned with Defense Strategic Guidance to "develop innovative, low-cost, and small-footprint approaches to achieve our security objectives, relying on exercises, rotational presence and advisory capabilities", our SC missions focus on internal defense and participation in coalition operations.²

Embassy Reinforcement

We continue providing security for 154 U.S. Embassies and consulates in 137 countries around the world through the Marine Corps Embassy Security Group. To augment this mission, marines from our Fleet Anti-Terrorism Security Teams rapidly deployed to reinforce Embassies. This past year they deployed to protect American lives and property in Bahrain, Egypt, and Yemen as crisis events unfolded across the Middle East.

¹The MV-22B Osprey rescue of an American combat aviator on March 22, 2011, was conducted within 95 minutes over a distance of 300 nautical miles (from launch aboard amphibious shipping to recovery of pilot and then back to shipping).

²Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, January 2012, p. 3.

The New Strategic Guidance; How Your Marine Corps is Changing

New strategic guidance issued by the President and the Secretary of Defense provides the framework by which the Marine Corps will balance the demands of the future security environment with the realities of our current budget. The guidance calls for a future force that will “remain capable across the spectrum of missions, fully prepared to deter and defeat aggression, and to defend the homeland and our allies in a complex security environment”.³

We have built a quality force that is fully capable of executing its assigned missions. Our strategic guidance rightfully focuses our attention on the Pacific and Central Command regions. Navy-Marine Corps forward basing, response capabilities, and plans are already positioned to support that strategy, yet we will remain vigilant and capable to respond on short notice in other areas of the world as the Nation requires. Marines continually stand ready to contribute decisively to a joint force, and can help provide access for that force wherever needed.

Though the fiscal choices made over the past year were difficult, we are confident that we are managing risk by balancing capacity and capabilities across our forces while maintaining the high levels of readiness for which the Nation relies on its marines. The Corps of today and tomorrow will maintain its high standards of training, education, leadership and discipline, while contributing vital capabilities to the joint force across the spectrum of military operations. The emerging strategy revalidates our role as America’s expeditionary force in readiness. Our partnership with the Navy enables a forward-deployed and engaged force that shapes, deters, responds, and projects power well into the future.

During our force structure assessment, we cross-checked recommendations against approved Department of Defense (DOD) Operations and Contingency Plans, and incorporated lessons learned from 10 years of combat. The resulting force structure decisions to support the new strategy are:

- reduced the end strength of the active component of the Marine Corps from 202,100 beginning this fiscal year to 182,100 by the end of fiscal year 2016;
- designed a force with capabilities optimized for forward-presence, engagement, and rapid crisis response;
- funded readiness levels required for immediate deployment and crisis response;
- properly re-shaped organizations, capabilities, and capacities to increase aggregate utility and flexibility across the range of military operations; also enhancing support provided to U.S. Special Operations and Cyber Commands;
- properly balanced critical capabilities and enablers across our air-ground-logistics task forces, ensuring that identified low-density/high-demand assets became right-density/high-demand assets;
- incorporated the lessons learned from 10 years of war—in particular, the requirements to field a force that is manned, trained, and equipped to conduct distributed operations;
- created an operational reserve component capability without any reductions in reserve force structure; and
- designed the force for more closely integrated operations with our Navy, special operations, and inter-agency partners.

Throughout this period of adjustment, we will “keep faith with our marines, sailors, and their families”. Our approach to caring for them is based on our recognition and appreciation for their unwavering loyalty and unflinching service through a decade of combat operations. This strong commitment will not change.

Maintaining a High State of Readiness

The Navy and Marine Corps team is the Nation’s resource for mitigating risk. Given likely future operations set forth in the Defense Strategic Guidance ranging from defeating rogue actors to responding to natural disasters, the Nation can afford and should invest in the small premium it pays for high-readiness levels within its naval amphibious forces. Because our Nation cannot afford to hold the entire joint force at such high rates of readiness, it has historically ensured that marines remain ready; and has used us often to plug gaps, buy time for decisionmakers, ensure access or respond when and where needed.

In order for the Marine Corps to achieve institutional readiness for crisis and contingency response, we must maintain balance in the following five pillars:

High-Quality People (Recruiting and Retaining High-Quality People Plays a Key Role in Maintaining our High State of Readiness).—Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention, and improved readiness for the operating forces. By retaining

³Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, Fact Sheet, January 5, 2012 p. 2.

the highest-quality people, the Marine Corps will continue to achieve success in today's dynamic environment and meet the challenges posed to our Nation. We will not lower our standards.

Unit Readiness (Maintaining Readiness of the Operating Forces, Including Appropriate Operations and Maintenance Funding to Train to Core Missions and Maintain Equipment).—The Marine Corps deploys units at high levels of readiness for assigned missions. We source our best-trained, most-ready forces to meet Geographic Combatant Commander requirements. One hundred percent of deployed units report the highest levels of readiness for their assigned mission. We will be ready to deploy on a moment's notice.

Capacity Versus Requirements (Force-Sizing To Meet Geographic Combatant Commander Requirements With the Right Mix of Capacity and Capability).—The Marine Corps must maintain a force that meets our ongoing operational requirements to include our commitment to OEF, our rotational presence abroad, our many security cooperation and engagement activities, along with anticipated missions as we reorient to the Pacific.

Infrastructure Sustainment (Investing in Real Property, Maintenance, and Infrastructure).—We must adequately resource the sustainment of our bases and stations to maintain our physical infrastructure and the means to train and deploy our forces. As resources become more constrained, we will become even better stewards of our installations to maintain our facilities for the next generation of marines.

Equipment Modernization (Ensuring Ground and Aviation Equipment Matches the Needs of the Emerging Security Environment).—As we explore options to adjust to changing fiscal realities, there is a clear imperative for our Corps to reset portions of our legacy equipment used in OEF and Operation Iraqi Freedom while we modernize what we must to guarantee our dominance and relevance against future threats.

FISCAL YEAR 2013 BUDGET HIGHLIGHTS

The Frugal Force

The Marine Corps is fully aware of the fiscal challenges facing our Nation and has critically examined and streamlined our force needs for the future. We continually strive to be good stewards of the public trust by maintaining the very best financial management practices. The Marine Corps has undergone an independent audit in fiscal year 2010, and our fiscal year 2011 audit is still ongoing. We plan to pursue an independent audit again for fiscal year 2012 and fully expect an audit opinion for fiscal year 2011 and fiscal year 2012. To date, we are the only service to undertake such independent scrutiny. By the end of 2012, we will complete initial Service-wide implementation of our Enterprise Resource Planning System—Global Combat Support System—Marine Corps (GCSS-MC). GCSS-MC will significantly improve our inventory accountability and contribute to clean audit requirements. We are proud of our reputation for frugality and remain one of the best values for the defense dollar.

We have four major accounts governing our operations:

- investment;
- operations and maintenance;
- military construction (MILCON) and family housing; and
- manpower.

These are our priorities:

Investment

- Enhancing programs vital to our ground combat elements.
 - Light armored vehicles (LAV), high-mobility artillery rocket system (HIMARS), small tactical unmanned aerial system (STUAS).
- Maintaining the same investment levels in other enabling programs.
 - Ground/Aviation Task Oriented Radar (G/ATOR), Next Generation Enterprise Network (NGEN), Command and Control Situational Awareness (C2/SA).
- Fully funding critical research and development efforts.
 - Joint light tactical vehicle (JLTV), amphibious combat vehicle (ACV).
- Sustaining other ground and tactical vehicles until their replacements can be procured.
 - High-mobility multi-purpose wheeled vehicle (HMMWV) and amphibious assault vehicle (AAV).
- Procuring full programs of record critical to aviation modernization.
 - F-35B, H-1 Upgrades, MV-22B, KC-130J, CH-53K.

Operations and Maintenance

- Fully funding our education, training, and readiness accounts.
- Resourcing civilian work force at fiscal year 2010 end-of-year levels.
- Enhancing support of Marine Special Operations Command (MARSOC) and Marine Forces Cyber Command (MARFORCYBER).
- Providing continued support to family readiness and Wounded Warrior programs.
- Supporting transition from the Navy/Marine Corps Intranet (NMCI) to NGEN.
- Maintaining energy mandates.

Military Construction and Family Housing

- Maintaining facility sustainment at 90 percent of required funding.
- Increasing facilities demolition funds.
- Preserving essential MILCON funding.

Aviation.—Joint Strike Fighter, MV-22B Osprey.*Ground.*—Marine Corps Security Forces, Marine Corps University.

- Preserving environmental restoration funding, family housing operations and construction.

Manpower

- Reducing end strength from 202,100 marines to 182,100 marines by the end of fiscal year 2016 in a responsible and measured way to keep faith with all who have served.
- Realigning force structure across the entire Marine Corps.
- Maintaining our reserve component at 39,600 marines.

During these times of constrained resources, we remain committed to refining operations, identifying efficiencies, and reinvesting savings to conserve scarce public funds. We have met or exceeded all DOD efficiency measures to date. This fiscal year, we are seeking \$30.8 billion (\$23.9 billion baseline + \$6.9 billion in overseas contingency operations) to fund our operations, provide quality resources for our marines, sailors, and their families, conduct reset of equipment worn from more than 10 years at war and posture our forces for the future. Marines account for only 8.2 percent⁴ of the total DOD budget. With that, our Nation gains the ability to respond to unexpected crises, from humanitarian assistance and disaster relief efforts to noncombatant evacuation operations, to counterpiracy operations, to full-scale combat. When the Nation pays the “sticker price” for its marines, it buys the ability to remain forward deployed and forward engaged, to reinforce alliances and build partner capacity.

THE ROLE OF MARINES IN THE FUTURE SECURITY ENVIRONMENT

The Future Security Environment

The rapidly evolving events of the past year alone indicate a new constant. Competition for resources; natural disasters; social unrest; hostile cyber activity, violent extremism (criminal, terrorist, and religious); regional conflict; proliferation of weapons of mass destruction; and advanced weaponry in the hands of the irresponsible are becoming all too common. Marine Corps intelligence estimates rightfully point out that “more than half of the world’s population lives in fragile states, vulnerable to ruinous economic, ideological, and environmental stresses. In these unstable regions, ever-present local instability and crises will erupt, prompting U.S. responses in the form of humanitarian assistance and disaster relief operations, actions to curtail piracy, stability operations, and the rescue and evacuation of U.S. citizens and diplomats.”⁵ These and other sources of stress are challenging industrialized nations just as they do emerging and failed ones. Further increased fragility of the global systems impacts both international markets and our Nation’s economic stability. These challenges are harbingers of potential crisis around the world and more specifically for naval forces in the littoral regions.

History has shown that crises usually come with little or no warning; stemming from the same conditions of uncertainty, complexity, and chaos we observe across the world today. Regardless of the financial pressures placed on governments and markets today, crises requiring military intervention undoubtedly will continue to-

⁴This percentage is based on the enacted fiscal year 2012 DOD budget authorization and is slightly larger than the 7.8-percent sum cited in the past. This percentage includes \$3 billion in fiscal year 2012 funding for amphibious warship new construction as well as Navy funding for chaplains, medical personnel, amphibious warships (operations and maintenance), and Marine Corps aircraft.

⁵*Five Year Forecast: 2012–2017 Assessment of International Challenges and Opportunities That May Affect Marine Expeditionary Forces*, January 2012, p. 1.

morrow. In this environment, physical presence and readiness matter significantly. Since the 1990s, America has been reducing its foreign basing and presence, bringing forces back home. This trend is not likely to change in the face of the strategic and budget realities we currently face. There remains an enduring requirement to balance presence with cost. In the past, the Nation has chosen to depend on the Navy and Marine Corps to provide a lean and economical force of an expeditionary nature, operating forward and in close proximity to potential trouble spots. Investing in naval forces that can respond to a wide-range of crisis situations, creates options and decision space for our Nation's leaders, and protects our citizens and interests is a prudent measure in today's world.

The Navy and Marine Corps Team

Partnered with the United States Navy in a state of persistent forward presence aboard amphibious warships, your United States Navy and Marine Corps team remains the most economical, agile, and ready force immediately available to deter aggression and respond to crises. Such a flexible and multicapable force that maintains high-readiness levels can mitigate risk, satisfy the standing strategic need for crisis response, and when necessary, spearhead entry and access for the joint force. More than 60 years ago and arising out of the lessons learned from the Korean War, the 82nd Congress envisioned the need for a force that "is highly mobile, always at a high state of combat readiness . . . in a position to hold a full-scale aggression at bay while the American Nation mobilizes its vast defense machinery".⁶ This statement continues to describe your Navy and Marine Corps team today. It is these qualities that allow your Marine Corps to protect our Nation's interests, reassure our allies, and demonstrate America's resolve.

Reorienting to the Pacific

As our security strategy looks increasingly toward the Pacific, forward-deployed naval forces will become increasingly vital. The "geographic realities" of the Pacific theater demand naval responsiveness. The genesis of the amphibious and power projection capabilities of the Navy and Marine Corps traces back more than 70 years to operations in the Pacific—where today key terrain and strategic chokepoints are separated by large expanses of ocean. The Pacific theater is where 30 percent of the world's population and the same percentage of our primary trading partners reside; where five major defense treaties are focused;⁷ where 50 percent of the world's megacities are situated; and where natural disasters over the past decade have required the greatest attention from the international community.⁸ The geography of the Pacific has not changed, though our tactics and operations continually evolve with the changing character and lethality of modern warfare. Approximately 24,000 marines already in the Pacific conduct an ambitious, annual training cycle of more than 80 exercises, engagements and initiatives, in addition to the crises we respond to such as Operation Tomodachi in Japan last year.

Forward presence involves a combination of land- and sea-based naval forces. Our enduring bases and presence have served U.S. national security interests well for decades. Our rotational presence in locations such as Japan, Korea, Australia, the Philippines, Thailand, and Singapore reassures our allies and partners. Sea-basing, the act of using amphibious warships with support from maritime prepositioned ships with various types of connectors, is uniquely suited to provide the geographic combatant commander with the flexibility to deploy forces anywhere in the Pacific region without having to rely on multiple bases ashore or imposing our presence on a sovereign nation. Sea-basing enables forward deployed presence at an affordable cost. Forward-deployed naval forces serve as a deterrent and provide a flexible, agile response capability for crises or contingencies. Maritime prepositioning offers the ability to rapidly support and sustain Marine forces in the Pacific during training, exercises, or emerging crises, and delivers the full-range of logistical support those forces require.

⁶ Committee report accompanying S. 677 and H.R. 666 of June 30, 1951.

⁷ Philippines-U.S. Mutual Defense Treaty (1951); Australia, New Zealand, U.S. (ANZUS) Treaty; U.S. Alliance with South Korea (1954); Thailand (Manila Pact of 1954); U.S. Japan Security Treaty (1960).

⁸ According to the United Nations Economic and Social Commission for Asia and the Pacific, during the period 2001 to 2010 in the Asia-Pacific region more than 200 million people per year were affected by natural disasters. This total amounts to 95 percent of the total people affected by natural disasters annually. Approximately 70,000 people per year were killed due to natural disasters (65 percent of the world's total that died of such causes). An average of \$35 billion of economic damage occurred per year to the region due to natural disasters.

A Middleweight Force From the Sea

As a “middleweight force”, Marines do not seek to supplant any service or “own” any domain. Rather, Marine forces operate in a “lane” that passes through all domains—land, sea, air, space, and cyber—operating capably and freely throughout the spectrum of threats, whether they be conventional, hybrid, irregular, or the uncertain areas where they overlap. Whereas other forces are optimized for a particular mission and domain, the Marine Corps is optimized for rapid deployment, versatile employment, and self-sustainment via Marine Air-Ground Task Forces (MAGTF), which are balanced, combined-arms formations under a single commander. All MAGTFs consist of four core elements:

- a command element;
- ground combat element;
- aviation combat element; and
- logistics combat element.

MAGTFs are scalable in size and capability.

Bridging a seam in our Nation’s defense between heavy conventional and special operations forces (SOF), the United States Marine Corps is light enough to arrive rapidly at the scene of a crisis, but heavy enough to carry the day and sustain itself upon arrival. The Marine Corps is not designed to be a second-land army. That said, throughout the history of our Nation, its Marines have been called to support sustained operations from time to time. We are proud of our ability to contribute to land campaigns when required by leveraging and rapidly aggregating our capabilities and capacities. Primarily though, the Corps is a critical portion of our integrated naval forces and designed to project power ashore from the sea. This capability does not currently reside in any other service; a capability that has been called upon time and again to deter aggression and to respond quickly to threatening situations with appropriate military action.

Marine Corps and SOF roles are complementary, not redundant. Special forces contribute to the counterinsurgency and counterterrorism demands of the geographic combatant commanders in numerous and specialized ways, but they are not a substitute for conventional forces, and they do not have a broader range of capabilities and sustainability. SOF lack the organic logistic capability and capacity to execute a noncombatant operation, serve as a “fire brigade” in a crisis or conduct combined amphibious and airborne assaults against a competent enemy. Middleweight naval forces, trained in combined arms warfare and knowledgeable in the art of maneuver warfare from the sea, are ideally trained and prepared for these types of operations.

The Littorals

The United States remains a maritime Nation that relies heavily on the oceans and waterways of the world for the free exchange of ideas and trade. The maritime commons are where 95 percent of the world’s commerce flows, where more than 42,000 commercial ships are under way daily, where most of the world’s digital information flows via undersea cables, and where one-half the world’s oil travels through seven strategic chokepoints. To secure our way of life and ensure uninterrupted freedom of navigation, we must retain the ability to operate simultaneously and seamlessly while at sea, ashore, from the sea, in the air, and perhaps most importantly, where these domains converge—the littorals. These littoral areas exist not only in the Pacific but throughout the world. Operating in the littoral environment demands the close integration of air, sea, and land power. By using the sea as maneuver space, flexible naval forces can quickly respond to crises in the bordering environment of the littorals.

In the context of the new strategy, the Navy and Marine Corps team is increasingly relevant in meeting the exigent military needs of our Nation. Together, we provide the capability for massing potent forces close to a foreign shore, while maintaining a diplomatically sensitive profile. Additionally, when necessary, we are able to project this power ashore across the range of military operations at a time of our Nation’s choosing. Amphibious capabilities provide the means to conduct littoral maneuver—the ability to maneuver combat-ready forces from the sea to the shore and inland in order to achieve a positional advantage over the enemy. Working seamlessly as a single naval force, your Navy and Marine Corps team provides the essential elements of access and forcible entry capabilities that are necessary components of a joint campaign.

Engagement

In order to keep large crises from breaking out or spilling over to destabilize an entire region, 21st century security challenges also require expansion of global engagement with partner and allied nations—facilitated through persistent forward

naval presence—to promote collective approaches to common security concerns. Our engagement contributions in support of the geographic combatant commanders minimize conditions for conflict and enable host nation forces to effectively address instability on their own as it occurs. They promote regional stability and the growth of democracy while also deterring regional aggression. History has shown that it is often far cheaper to prevent a conflict than to respond to one. This thrust will necessitate amphibious forces that are not only fighters, but who can also serve as trainers, mentors, and advisers to host nation military forces.

Integration with the Joint Force

In our new defense strategy, the Marine Corps will fill a unique lane in the capability range of America's Armed Forces. Whether first-on-the scene, part of, or leading a joint force, marines instinctively understand the logic and synergy behind joint operations. Our ability to deploy rapidly and globally allows us to set the stage and enable the transition to follow-on joint forces in a timely manner. Our MAGTF structure—with organic logistics, aviation, intelligence, fires, and other assets—enables us to seamlessly team with others and provides options for the joint force commander to:

- provide a visible deterrent to would-be threats without requiring a vulnerable presence ashore at fixed bases or airfields;
- swiftly respond to small-scale crises with a range of options beyond precision strike, potentially containing crises before they erupt into major contingencies;
- partner with the Navy and United States Special Operations Command (SOCOM) to shape the operational environment;
- use the sea as maneuver space, avoiding enemy strengths, and striking his weaknesses;
- directly seize or obtain operational objectives from the sea, without the requirement for large force build-ups or sustained presence ashore;
- extend the operational reach of the Joint Force hundreds of miles inland to achieve effects from the sea through organic MAGTF assets; and
- overcome anti-access and area denial threats in a single-naval battle approach through the use of landing forces aboard amphibious warships integrated with other capabilities to include mine countermeasures and naval surface fires.

Day-to-Day Crisis Response

Engagement and crisis response are the most frequent reasons to employ our amphibious forces. The same capabilities and flexibility that allow an amphibious task force to deliver and support a landing force on a hostile shore enable it to support forward engagement and crisis response. The geographic combatant commanders have increased their demand for forward-postured amphibious forces capable of conducting security cooperation, regional deterrence, and crisis response.

Marines have conducted amphibious operations and responded to crises throughout the world more than 100 times in the past two decades. The vast majority of our expeditionary service has involved crisis response and limited contingency operations, usually conducted in periods when the Nation has otherwise been at peace. Some of these were relatively short-term rescue or raid expeditions, while others evolved into contingencies that were limited in force size but not limited in duration, complexity and level of integration with the other elements of national power. We will contribute to the missions of our Nation's security strategy in the same way.⁹ On a day-to-day basis, marines will be forward-deployed and engaged, working closely with our joint and allied partners. When crises or contingencies arise, these same marines will respond—locally, regionally, or globally if necessary—to accomplish whatever mission the Nation requires.

America's Expeditionary Force in Readiness

The new strategic guidance underscores the Marine Corps role as America's expeditionary force in readiness. Reliant on a strategically relevant and appropriately

⁹The Marine Corps is capable of performing 9 of the 10 stated missions in the Defense Strategic Guidance to include:

- Counterterrorism and irregular warfare;
- Deter and defeat aggression;
- Project power despite anti-access/area denial challenges;
- Counter weapons of mass destruction;
- Operate effectively in cyberspace and space;
- Defend the Homeland and provide support to civil authorities;
- Provide a stabilizing presence;
- Conduct stability and counterinsurgency operations; and
- Conduct humanitarian, disaster relief, and other operations.

resourced Navy fleet of amphibious warships and maritime prepositioning force (MPF) vessels, we are forward deployed and forward engaged: shaping strategic environments; training partner nation and allied forces; deterring adversaries; and responding to all manner of crises contingencies.¹⁰ Alert and ready, we respond to today's crisis with today's force . . . today. Marines are ready to respond whenever the Nation calls and wherever and however the President may direct.

WE HAVE WORKED DILIGENTLY TO PREPARE FOR THE FUTURE

Force Structure Review

In an effort to ensure the Marine Corps is organized for the challenges of the emerging security environment, we conducted a capabilities-based force structure review beginning in the fall of 2010 to identify ways we could rebalance and posture for the future. The force structure review incorporated the lessons learned from 10 years of combat and addressed 21st century challenges confronting our Nation and its Marine Corps. The review sought to provide the "best value" in terms of capability, cost, and readiness relative to the operational requirements of our forward-engaged geographic combatant commanders. The results of that effort have been shared with the Congress over the past year. While affirming this strategy-driven effort, we have aligned our force based on the realities of constrained spending levels and strategic guidance.

End Strength

During our comprehensive force structure review, we tailored a force structure to ensure a sufficient type and quantity of force available to meet the forward presence, engagement, and crisis response requirements of the geographic combatant commanders. The resulting force structure is intended to meet title 10 responsibilities, broaden capabilities, enhance speed and response options, and foster the partnerships necessary to execute the range of military operations while providing the "best value" to the Nation. This force structure also accounted for the addition of enabling assets (e.g. combat engineers, information operations specialists, civil affairs personnel, specialized intelligence marines, cyber operators, special operators, etc.) necessary to meet the demands of the battlefields of today and tomorrow.

As directed, we will draw-down our force in a measured way beginning in fiscal year 2013. Our fiscal year 2013 programmed end strength is 197,300 marines. In accordance with Defense Strategic Guidance, we are resisting the "temptation to sacrifice readiness in order to retain force structure".¹¹ Personnel costs account for about 60 cents of every marine \$1; through our force structure efforts we balanced the requisite capabilities across a smaller force, in effect trading capacity for modernization and readiness.

The resulting 182,100 marine active-duty force, supported by our operational reserve component, retains the capacity and capability to support steady state and crisis response operations through rotational deployments, and to rapidly surge in support of major contingency operations. Although reshaping the Marine Corps from 202,100 marines to a force of approximately 182,100 marines entails some risk to our ability to simultaneously respond to multiple large-scale contingencies, it is manageable. We intend to leverage the diverse depth and range of assets within our reserve component both to mitigate risk and maximize opportunities where available.

As we reduce end strength, we must manage the rate carefully so we reduce the force responsibly. We will draw-down our end strength by approximately 5,000 marines per year. The continued resourcing of this gradual ramp-down is vital to keeping faith with those who have already served in combat and for those with families who have experienced resulting extended separations. The pace of active component draw-down will account for completion of our mission in Afghanistan, ensuring proper resiliency in the force relative to dwell times. As our Nation continues to draw-down its Armed Forces, we must guard against the tendency to focus on pre-9/11 end strength levels that neither account for the lessons learned of 10 years at war

¹⁰As of January 2012, approximately 30,000 marines were forward deployed in operations supporting our Nation's defense. This number includes approximately 19,500 marines in Afghanistan including those serving in external billets (transition teams, joint/interagency support, etc.), approximately 5,000 marines at sea on Marine Expeditionary Units (MEU), and approximately 6,000 marines engaged in various other missions, operations, and exercises. The 30,000 marine statistic does not include more than 18,000 marines permanently assigned to garrison locations outside the continental United States such as in Europe, the Middle East, the Pacific, etc.

¹¹"Sustaining U.S. Global Leadership: Priorities for 21st Century Defense", January 2012, p. 7.

nor address the irregular warfare needs of the modern battlefield. Our 182,100 Marine Corps represents fewer infantry battalions, artillery battalions, fixed-wing aviation squadrons, and general support combat logistics battalions than we had prior to 9/11. However, it adds cyber operations capability, Marine special operators, wartime enablers, and higher unit manning levels—all lessons gleaned from 10 years of combat operations; it is a very capable force.

My promise to the Congress is that at the end of the day, I will build and maintain the best Marine Corps our Nation can afford with the resources it is willing to invest. We are also committed to keeping faith with marines, sailors, and their families who have sacrificed so much over the past decade at war. Personnel reductions that become precipitous are among the worst measures that can be employed to save money. Our All-Volunteer Force is built upon a reasonable opportunity for retention and advancement; unplanned and unexpected wholesale cuts undermine the faith and confidence in service leadership, and create long-term experience deficits with negative operational impacts. Such an approach would no doubt do significant long-term damage to our ability to recruit and maintain a quality force.

Civilian Marines

Our civilian marines support the mission and daily functions of the Marine Corps and are an integral part of our total force. In recognition of the need to study and clearly define our civilian work force requirements to ensure we had the right workforce in the right location, at a cost that aligned with our budget, I directed a full review of the total force in late 2010. This measure necessitated a hiring freeze but resulted in prioritized requirements within affordable levels and the alignment of resources with capabilities. It also ensured the civilian labor force was shaped to support the mission of the Corps today and that projected for the future.

During the fiscal year 2012 budget cycle, there was no growth in our fiscal year 2011 civilian work force levels due to necessary efficiency measures. Consequently, our civilian work force went from a planned level of 21,000 personnel in direct funded full-time equivalent (FTE) personnel to 17,501 personnel. This number of FTE personnel will remain constant in each year of the current future year's defense plan (FYDP)—there is no growth planned. The end result is a 17-percent reduction in planned growth between fiscal year 2011 and fiscal year 2012 budget requests.

Our fiscal year 2013 civilian personnel budget reflects efforts to restrain growth in direct funded personnel. By establishing budgetary targets consistent with current fiscal realities, we will be able to hold our civilian labor force at fiscal year 2010 end-of-year levels, except for limited growth in critical areas such as the acquisition workforce, the intelligence community, the information technology community (i.e. conversion from NMCI to NGEN), in-sourcing of security personnel (i.e. Marine Corps civilian law enforcement personnel), and personnel in our cyber community. Our civilian marine work force remains the leanest among DOD with only 1 civilian for every 10 marines.

OUR PRIORITIES

Commandant's Four Priorities

To best meet the demands of the future and the many types of missions marines will be expected to perform now and beyond the post-OEF security environment, I established four enduring priorities in 2010. To that end, we will:

- provide the best trained and equipped marine units to Afghanistan. This will not change and remains our top priority;
- rebalance our Corps, posture it for the future and aggressively experiment with and implement new capabilities and organizations;
- better educate and train our marines to succeed in distributed operations and increasingly complex environments; and
- keep faith with our marines, our sailors, and our families.

We are making significant progress within each of these four critical areas; however, there are pressing issues facing our Corps today that require the special attention and assistance of the Congress. These include specific programs and initiatives within the command, ground, logistics, and aviation portfolios of the MAGTF.

Reset

The Marine Corps is conducting a comprehensive review of its equipment inventory to validate reset strategies, future acquisition plans, and depot maintenance programming and modernization initiatives. As already stated, after 10 years of constant combat operations, the Marine Corps must reset the force coming out of Afghanistan. The reset of equipment retrograded to home station from Iraq (approximately 64,000 principal items) is complete. However, the equipment density list currently supporting combat operations in Afghanistan totals approximately 95,000

principal items, of which approximately 42 percent was retransferred directly from Iraq to support the surge of 2009. The bulk of this transferred equipment included high-demand items such as communications equipment and vehicles to include the majority of our mine-resistant ambush-protected vehicles and 100 percent of our medium tactical vehicle fleet.

Sustaining current combat operations has reduced the aggregate readiness of the nondeployed force. Nondeployed unit readiness is degraded and has been the “bill payer” for deployed unit readiness. We sacrificed readiness levels of our home station units to ensure marines in combat had the very best equipment. Through the support of the Congress over the past few years, we have received a good portion of the required funding for reset and have made significant progress at our depots in restoring and procuring required materiel. But there is more to do at our home stations. Thirty-three percent of nondeployed units report the highest-readiness levels for their designed mission, which leaves 67 percent of nondeployed units in a degraded state of readiness. The largest contributing factor to degraded readiness within nondeployed units is equipment supply. The nondeployed force provides the Nation depth in responsiveness and options when confronted with the unexpected. Our marines at home must be “geared up” and ready to be called at a moment’s notice. Low levels of readiness within the nondeployed force increases risk in the timely and successful execution of a military response to crises or contingencies. Therefore, it is critical that the Marine Corps continues to receive congressional assistance on required funding to reset our equipment from the conflicts of the past decade.

In January 2012, I signed the “Marine Corps OEF Ground Equipment Reset Strategy”, rooted in the lessons learned from our successful redeployment and retrograde from Iraq. This strategy is helping to identify what equipment we will reset and what we will divest. It prioritizes investment and modernization decisions in accordance with the capabilities of our middleweight force construct, defining unit-level mission essential tasks and equipment requirements to support the range of military operations, and equips to core capabilities for immediate crisis response deployment and building strategic depth. We have issued disposition instructions on 8,400 principal items associated with the initial draw-down of forces that will occur this fall. In Afghanistan, 35 percent of that equipment has entered the redeployment and retrograde pipeline. Initial shipments of equipment have arrived at home stations and depots, and are being entered into the maintenance cycle. We currently expect divestment of approximately 21 percent of the total Afghanistan equipment density list as obsolete, combat loss, or otherwise beyond economical repair. These are combat capability items that must be replaced.

The reset of our equipment after more than a decade of combat requires an unprecedented level of effort. Our Marine Corps depots will be asked to do more once again; they stand ready to do so. As our Nation looks to efficiencies in its Armed Forces, we must maintain a keen awareness of the role that depots play in keeping our country strong. The continued availability of our depot capacity both at Barstow, California and Albany, Georgia is essential to our ability to self-generate readiness and to respond when we must surge in response to wartime demand. Acknowledging fiscal realities, I directed, with the Secretary of the Navy’s approval, the consolidation of the two Marine Corps depots under a single command with two operating plant locations. Consolidating our depots under a single commander is the right balance between fiscal efficiency and meeting the unique requirements of the Marine Corps. This consolidation will reduce costs, standardize processes between industrial plants, and increase efficiency.

Modernization

In conjunction with our reset efforts, we are undertaking several initiatives to conduct only essential modernization of the Marine Corps Total Force. This will place us on a sustainable course to achieve institutional balance. We are doing so by judiciously developing and procuring the right equipment needed for success in the conflicts of tomorrow, especially in those areas that underpin our core competencies. As such, I ask for continued congressional support to modernize equipment and maintain a high state of readiness that will place us on solid footing in a post-Afghanistan security environment. While budgetary pressures will likely constrain modernization initiatives, we will mitigate pressure by continuing to prioritize and sequence both our modernization and sustainment programs to ensure that our equipment is always ready and that we are proceeding in a fiscally responsible manner. Modernization programs that require significant additional funding above current levels will be evaluated for continued operational requirement and capability/capacity modification.

We recognize that our planned, force structure reduction following our commitment in Afghanistan will accommodate a level of decreased modernization investment due to a requirement for a smaller quantity of modernized equipment. However, any qualitative modernization reductions will impact our ability to respond to future adversaries and threats. The current baseline budget allows for equipment modernization on a reasonable timeline across the FYDP. Possible future reductions in the baseline budget will result in delays, modification or elimination of key modernization programs. Modernization in the following areas is critical to maintaining operational capabilities and readiness:

- ground combat tactical vehicles;
- aviation;
- preparing for future battlefields;
- amphibious and prepositioning ships;
- expeditionary energy; and
- intelligence, surveillance, and reconnaissance.

Ground Combat Tactical Vehicle Strategy

The programmatic priority for our ground forces is the seamless maneuver of marines from the sea to conduct operations ashore whether for training, humanitarian assistance, or combat. Our ground combat tactical vehicle (GCTV) strategy is focused on achieving the right mix of assets, while balancing performance, payload, survivability, fuel efficiency, transportability, and cost. Vehicles comprising our GCTV strategy include our entire inventory of wheeled and tracked vehicles and planned future capabilities including the JLTV, amphibious combat vehicle (ACV) and the marine personnel carrier (MPC). Throughout 2011 and informed by cost, we conducted a comprehensive systems engineering review of amphibious vehicle operational requirements. The review evaluated the requirements for water mobility, land mobility, lethality, and force protection of the future environment. The identification of essential requirements helped to drive down both the production and the sustainment costs for the amphibious vehicles of the future.

We are conducting an analysis of alternatives on six ACV options, the results of which will help to inform the direction and scope of the ACV program. The MPC program is maturing as a wheeled armored personnel carrier and complements the ACV as a possible solution to the general support lift capacity requirements of Marine forces operating in the littorals.

We are firmly partnered with the U.S. Army in fielding a JLTV to replace a portion of our legacy medium lift utility vehicles. Our long-term participation in this program remains predicated on development of a cost-effective vehicle, whose payload integrates seamlessly with our expeditionary operations and likely amphibious and strategic lift profiles.¹² The Joint Requirements Oversight Council has approved the JLTV Capability Development Document, and our combat development command in Quantico is leading the Army and Marine Corps effort to establish a program of record at Milestone B in the third quarter of fiscal year 2012. Our approach to JLTV is as an incremental acquisition, and our objective for Increment I currently stands at more than 5,000 vehicles. Factoring all the above considerations, the current pathway for our GCTV strategy includes the following actions:

- develop a modern ACV;
- develop and procure JLTV;
- sustain HMMWVs through 2030 by utilizing an Inspect and Repair Only As Necessary Depot Maintenance Program and a HMMWV Modification Line;¹³
- initiate a legacy amphibious assault vehicle upgrade as a bridge to ACV;
- continue research and development in MPC through fiscal year 2014 to identify the most effective portfolio mix of vehicles; and
- limit procurement of vehicles to reduced approved acquisition objective estimates as identified.

Marine Corps Aviation

Marine Corps Aviation is proud to celebrate its centennial of service to our Nation this year. Our priority for aviation is support of marines in Afghanistan and wherever marines are deployed. On average, more than 40 percent of our aviation force is deployed at any time with an additional 25 percent preparing to deploy. All told,

¹²For two-axle combat vehicles, this equates to combat weights in the 18,000 to 19,000 lbs range, translating to empty vehicle weights in the range of 12,000 to 13,000 lbs.

¹³HMMWV recapitalization does not meet Marine Corps requirements for those light vehicles with the most demanding missions. They cannot deliver reliability, payload, service life, mobility, the ability to fit on MPF shipping, and growth potential. The JLTV is the most cost-effective program to meet capability gaps for those light combat vehicles with the most demanding missions.

this equates to two-thirds of Marine Aviation forces currently deployed or preparing to deploy. We are continuing a modernization effort that began more than a decade ago. Today, the Marine Corps is challenged to replace aging platforms that have reached the end of their service lives or suffered accelerated wear in harsh operating environments, thus reducing service life and resulting in the loss of critical war-fighting capabilities. Our aviation plan is a phased multiyear approach to modernization that encompasses aircraft transitions, readiness, aircraft inventory shortfalls, manpower challenges, safety, and fiscal requirements.

In an era of budgetary constraint and amidst calls for reductions in the collective aviation assets within DOD, it is important to understand that Marine air is not redundant with other services' capabilities. The U.S. Air Force is not designed to operate from the sea, nor are most of its aircraft suited for operations in the types of austere environments often associated with expeditionary missions. The Navy currently does not possess sufficient capability to operate their aircraft ashore once deployed forward on carriers—and yet history has shown that our Nation often needs an expeditionary aviation capability in support of both naval and land campaigns. The following programs form the backbone of our aviation modernization effort:

F-35B.—As we modernize Marine fixed-wing aviation assets for the future, the continued development and fielding of the short take-off and vertical landing (STOVL) F-35B Joint Strike Fighter remains the centerpiece of this effort. The capability inherent in a STOVL jet allows the Marine Corps to operate in harsh conditions and from remote locations where few airfields are available for conventional aircraft. It is also specifically designed to operate from amphibious ships—a capability that no other tactical aircraft possesses. The ability to employ a fifth-generation aircraft from amphibious ships doubles the number of “carriers”—11 CVN and 11 LHD/LHAs—from which the United States can employ fixed wing aviation. Once fully fielded, the F-35B will replace three legacy aircraft—F/A-18, EA-6B, and AV-8B—saving DOD approximately \$1 billion in legacy operations and maintenance costs.

The F-35B program has been a success story over the past year. Due to the performance of F-35B prototypes in 2011, the program was recently removed 12 months early from a fixed period of scrutiny. The F-35B completed all planned test points, made a total of 260 vertical landings (versus 10 total in 2010) and successfully completed initial ship trials on USS *Wasp*. Delivery is still on track; the first three F-35Bs arrived at Eglin Air Force Base in January of this year. Continued funding and support from the Congress for this program is of utmost importance for the Marine Corps as we continue with a plan to “sundown” three different legacy platforms.

MV-22B.—The MV-22B Osprey has performed exceedingly well for the Corps and the joint force. To date, this revolutionary tiltrotor aircraft has changed the way Marines operate on the battlefield, giving American and Coalition forces the maneuver advantage and operational reach unmatched by any other tactical aircraft. Since achieving initial operating capability (IOC) in 2008, the MV-22B has flown more than 18,000 hours in combat and carried more than 129,000 personnel and 5.7 million pounds of cargo. The MV-22B has made multiple combat deployments to Iraq, four deployments with MEUs at sea, and it is currently on its fifth deployment to Afghanistan. Our squadron fielding plan is well under way as we continue to replace our 44-year-old, Vietnam-era CH-46 helicopters. We must procure all required quantities of the MV-22B in accordance with the program of record. Continued calls for cancellation of this program are ill-informed and rooted in anachronisms when measured against the proven record of performance and safety this force multiplier brings to today's battlefields in support of marines and the joint force.

CH-53K.—We are transitioning our rotary-wing assets for the future. The CH-53K is a new build heavy-lift helicopter that evolves the legacy CH-53E design to improve operational capability, reliability, maintainability, survivability, and cost. The CH-53K will be capable of transporting 27,000 pounds of external cargo under high altitude/hot conditions out to 110 nautical miles, nearly three times the lift capacity of the legacy CH-53E. It is the only maritized rotorcraft¹⁴ able to lift 100 percent of Marine Corps air-transportable equipment from amphibious shipping (MPF included). Our force structure review validated the need for a CH-53K program of record of nine CH-53K squadrons.

¹⁴The term “maritized” indicates that an aircraft meets naval aviation requirements for use and storage in a maritime environment. Aviation platforms used by the Navy and Marine Corps require special outfitting unique for use on and from naval vessels.

UH-1/AH-1.—The H-1 program, comprised of the UH-1Y utility helicopter and the AH-1Z attack helicopter, is a single acquisition program that leverages 84-percent commonality of major components, thereby enhancing deployability and maintainability while reducing training requirements and logistical footprints. Both aircraft are in full-rate production. The H-1 procurement objective is 160 UH-1Ys and 189 AH-1Zs for a total of 349 aircraft. Currently, 131 H-1 aircraft are on contract, with 51 UH-1Ys and 21 AH-1Zs delivered to date. The UH-1Y has already deployed with the 13th MEU and has supported sustained combat operations in OEF since November 2009. The AH-1Z achieved IOC in February 2011 and saw its first deployment alongside the UH-1Y in November 2011 as part of the 11th MEU. The continued procurement and rapid transition to these two platforms from legacy UH-1N and AH-1W assets in our rotary-wing squadrons remains a priority.

KC-130J.—The new KC-130J Hercules has been fielded throughout our active component, bringing increased capability, performance and survivability with lower operating and sustainment costs to the Marine air ground task force. Using the Harvest HAWK weapon mission kit, the KC-130J is providing extended endurance close air support to our marines in harm's way. Currently, we have procured 47 KC-130Js of the stated program of record requirement totaling 79 aircraft. Continued procurement of the program of record will allow us to fully integrate our active and reserve force with this unique, multimission assault support platform.

Preparing for Tomorrow's Fight

The irregular battlefields of today, and those of tomorrow, dictate that operations be more distributed, command and control be decentralized, and forces be more dispersed. Using our force structure review as a guide, we are continuing to build the right capacity and capability to enable marines operate rapidly as befits the tempo of our role as a crisis response force. Several important areas to enable our operations are:

Cyber.—The Defense Strategic Guidance rightly informs that “modern armed forces cannot conduct high-tempo, effective operations without reliable information and communications networks and assured access to cyberspace and space”.¹⁵ Marines have been conducting cyber operations for more than a decade, and we are in a multiyear effort to expand our capacity via U.S. Marine Corps Forces Cyber Command as we increase our cyber force by approximately 700 marines through fiscal year 2016. Given the fiscally constrained environment and complexity of cyberspace, our approach is strategically focused on ensuring efficiency in operations and quality of service. The Marine Corps will aggressively operate and defend its networks in order to enable critical command and control systems for marines forward deployed around the world. Recent cyber accreditations and readiness inspections validate our network operations command and control processes and procedures. As we transition to a Government-owned/operated network environment, the Marine Corps will pursue efficiencies through automation, consolidation, and standardization to ensure availability, reliability, and security of cyber assets.

Special Operation Forces.—As the Marine Corps contribution to SOCOM, Marine Special Operations Command (MARSOC) maintains a shared heritage and correspondingly strong bond with its parent service as “soldiers from the sea”. MARSOC will provide a total of 32 employable Marine special operations teams in fiscal year 2013 while establishing the staff of the Marine special operations school, maintaining a targeted dwell ratio and continuing creation of a robust language capability. Based on our force structure review of last year and a programmed end strength of 182,100 marines, I have authorized an increase of 821 marines in MARSOC.

Command and Control.—Technology and network-based forces are an essential part of modern operations. Our command and control (C2) modernization efforts for the future build upon lessons learned during combat operations in Afghanistan and Iraq. Recent operations have shown that moving data to lower levels (i.e. the digital divide) increases operational effectiveness. We are mitigating the decision to cancel the ground mobile radio by building on investments already made in tactical communications modernization. We will continue efforts to ensure C2 Situational Awareness convergence and interoperability with the joint force.

Advisers and Trainers.—In recognition that preventing conflict may be easier than responding to it and that we can prevent it through selective engagement

¹⁵*Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, January 2012, p. 5.

and employment of advisers/trainers, we have invested in a new organization called Marine Corps Security Cooperation Group that consolidates advisers skills, training and assessment expertise focused on building partnership capacity. We are investigating how we can regionally focus the expertise of this organization.

Amphibious Warships and Maritime Prepositioning Shipping

Our Service-level requirement to deploy globally, respond regionally, and train locally necessitates a combination of tactical airlift, high-speed vessels, amphibious warships, maritime prepositioning shipping, organic tactical aviation, and strategic airlift. Significant contributions to U.S. security are made by our rotational forces embarked aboard amphibious warships. These forces combine the advantages of an immediate, yet temporary presence, graduated visibility, and tailored, scalable force packages structured around the MAGTF. Rotational amphibious ready groups and Marine expeditionary units form together to provide forward-deployed naval forces in four geographic combatant command areas of responsibility. Not only do they provide the capability for crisis response, but they also present a means for day-to-day engagement with partner nations and a deterrent to conflict in key trouble spots.

We maintain the requirement for an amphibious warship fleet for contingencies requiring our role in joint operational access. One Marine Expeditionary Brigade (MEB) assault echelon requires 17 operationally available amphibious warships. The Nation's forcible entry requirement includes two simultaneously employed MEBs supported by one or more MPF-MEB to fight as a Marine expeditionary force from a sea base.

Amphibious warships and the requisite number of ship-to-shore connectors provides the base-line needed for steady state operations and represents the minimum number of ships needed to provide the Nation with a sea-based power projection capability for full spectrum amphibious operations. As of January 2012, there were 29 ships in the Navy's amphibious fleet, with three scheduled for decommissioning and four new ships under construction in the yards. Within the coming FYDP, the inventory will decline in fiscal year 2014 before rising to an average of 30 amphibious warships over the next 30 years. The lack of amphibious warship lift capacity translates to risk for the Nation, particularly as it reorients to the Pacific.

The continued procurement of scheduled amphibious warships and planning for MPF shipping is essential to ensure greater levels of risk are not incurred in coming years.

San Antonio Class Amphibious Transport Dock.—The San Antonio class landing platform/docks (LPDs) continue to gain stability with overall warship performance improving. Through the generosity of the Congress, the final two warships in this program are fully funded, and we expect delivery of all 11 planned warships by fiscal year 2017.

America Class Amphibious Assault Ship Replacement.—A growing maritime threat coupled with aircraft/ground combat equipment modernization dictates the need for continued optimization of the *America*-class amphibious assault ship (LHA-6) hull form, which is now 60-percent complete. As stated last year, delivery of this amphibious assault warship is scheduled for fiscal year 2014. The earliest reasonable deployment after allowing time for sea trials, crew training and other factors would be in fiscal year 2017. Construction of LHA-7 is scheduled to commence in early fiscal year 2013 but is not yet under contract. The Marine Corps is grateful for and firmly supports the Navy's plan to reintroduce a well deck in our large deck amphibious assault ships, beginning with LHA-8 in fiscal year 2017 and fiscal year 2018 timeframe.

2 x Maritime Prepositioned Squadrons.—Providing a significant contribution to global coverage, forward presence and crisis response, the MPF program exists to enable the rapid deployment and engagement of a MAGTF anywhere in the world in support of our National Military Strategy. This strategic capability combines the capacity and endurance of sealift with the speed of airlift. The current MPF program is comprised of 15 ships divided into three Maritime Prepositioned Squadrons (MPSRONs) located in the Mediterranean Sea, Indian Ocean (Diego Garcia) and Pacific Ocean (Guam and Saipan). In fiscal year 2013, the Department of the Navy (DON) plans to eliminate one of these squadrons as an efficiency measure. We are currently reviewing options to develop a balanced MPF posture and MPSRON composition that supports geographic combatant commander requirements, achieves approximately \$125 million in savings across the FYDP, attains a higher lift capacity of the MEB requirement per MPSRON, and retains critical sea-basing enabling capabilities. The continued support of the Congress for the vital capabilities inherent in our MPF program is essential to the overall warfighting readiness of the Corps.

Expeditionary Energy

For marines, the term “expeditionary” is a mindset that determines how we man, train, and equip our force. We know that resource efficiency aids in combat effectiveness, and that our investments in reset and modernization will provide a force that operates lighter, faster, and at reduced risk. Likewise, our force will be more energy-efficient to support the type of operations expected of us in the future. To do this, we are changing the way we think about and use energy.

Over the last 10 years of near continuous combat operations, our need for fuel and batteries on the battlefield has grown exponentially. Since 2001, we have increased the number of radios our infantry battalions use by 250 percent, and the number of computers/information technology equipment by 300 percent. The number of vehicles has risen by 200 percent with their associated weight increasing more than 75 percent as a result of force protection requirements. In the end, our force today is more lethal, but we have become critically dependent on fuel and batteries, which has increased the risk to our logistics trains. Moreover, a 2010 study found that one marine is wounded for every 50 fuel and water convoys.

To reduce our risk and increase our combat effectiveness, in March 2011, I issued the “Marine Corps Expeditionary Energy Strategy and Implementation Plan” to change the way we think about and value energy. This is a “bases-to-battlefield” strategy, which means all marines will be trained to understand the relationship between resource efficiency and combat effectiveness. We will consider energy performance in all our requirements and acquisitions decisions. We are creating the tools to provide commanders the information necessary to understand their energy consumption in real-time.

Over the FYDP, I have directed \$350 million to “Expeditionary Energy” initiatives. Fifty-eight percent of this investment is directed toward procuring renewable and energy efficient equipment. Some of this gear has already demonstrated effectiveness on the battlefield in Helmand Province. Twenty-one percent of this investment is directed toward research and development of new capabilities, and the remaining investment is to support operations and maintenance. We expect this investment to improve the energy efficiency of our MEBs by 9 percent. As such, we will enable ourselves to sustain longer and go further, incurring less risk. The MEB of 2017 will be able to operate 1 month longer on the same amount of fuel that we plan to use today, and it will need 208 fewer fuel trucks, thereby saving 7 million gallons of fuel per year. This translates to a lighter, more agile, and more capable Marine Corps.

PROVIDING CAPABLE BASES, STATIONS, AND SUPPORT FACILITIES

Fiscal Year 2013 Military Construction

The Marine Corps maintains a commitment to facilities and infrastructure supporting both operations and quality of life. Our military construction and family programs are important to sustain our force structure and maintaining readiness. This fiscal year we are proposing a \$761 million MILCON program to support warfighting, family housing, and infrastructure improvements. The focus of our efforts this fiscal year is the construction of Joint Strike Fighter and MV-22B support facilities, infrastructure improvements, and training and education facility improvements. Additionally, this budget request includes replacement of inadequate and obsolete facilities at various locations.

Through the support of the Congress, between fiscal year 2008–fiscal year 2012 we programmed 70 bachelor enlisted quarters (BEQ) projects resulting in 149 barracks buildings primarily located at Camp Lejeune, North Carolina; Camp Pendleton and Twentynine Palms, California; and Marine Corps Base, Hawaii. These BEQ projects were typically completed in 2 years, with most at or below cost. These facilities, that incorporated energy efficiency measures, have significantly improved the quality of life of our single marines, who for many years, lived in substandard, World War II-era barracks. Our fiscal year 2013 MILCON program includes a \$49 million request for barracks, a motor pool, and other facilities to support the consolidation of Marine Corps Security Force Regiment assets at Naval Weapons Station, Yorktown, Virginia. This project was not a part of our original BEQ initiative but is necessary as the current facilities used by the Regiment at Naval Station Norfolk have been condemned.

Infrastructure Sustainment

As resources and MILCON funds become more constrained, the Marine Corps will continue to rely on the sound stewardship of existing facilities and infrastructure to support our needs. In fiscal year 2013, the Marine Corps will again program fa-

ilities sustainment funding at 90 percent of the DOD Facilities Sustainment Model, resulting in a facilities sustainment budget of \$653 million.

Installation Energy Initiatives

The fiscal year 2013 budget provides \$164 million in operations and maintenance funding to continue progress in achieving mandated energy goals by 2015. This funding will target energy efficiency goals established by the Energy Independence and Security Act of 2007 aimed at reducing energy intensity by 30 percent from a 2003 baseline. This progress will be made by replacing older heating, cooling, lighting, and other energy-consuming building components with more efficient technologies. We will use this funding to achieve renewable energy goals established by the National Defense Authorization Act of 2007. Overall, the planned investments are intended to increase energy security on our installations while reducing the cost of purchased utilities.

INVESTING IN THE EDUCATION AND TRAINING OF OUR MARINES

Courses and Facilities

A broadly-capable middleweight force will meet future requirements through the integration of newly acquired and traditional operational competencies. To remain America's expeditionary force in readiness, the Marine Corps requires balanced, high-quality training and education at all levels. As history has repeatedly shown, wars are won by the better-trained force, not necessarily the larger one. In the midst of ongoing combat operations, we are realigning our education and training efforts to enable our marines and sailors to succeed in conducting distributed operations in increasingly complex environments against any threat. Training and education, with an emphasis on experimentation and innovation, will help our Nation maintain global relevance by developing solutions that continue to outpace emerging threats. These efforts include continued emphasis on our core values of honor, courage and commitment, and on building principled warriors who understand the value of being an ethical warrior. Moreover, in the post-Afghanistan security environment of reduced defense dollars, we will need to offset reductions in end strength with better educated and more capable marines and marine units. The current and future fiscal environment requires a selective, strategic investment in training and education . . . put another way, "When you're low on money, it's a good time to think".

Training

Our current training is focused on preparing marine units for combat, counter-insurgency and stability operations in support of OEF. If anything, the past 10 years of combat have demonstrated that there is a positive correlation between quality training and education and individual/unit readiness; both directly translate to operational success. Therefore, as we draw-down from Afghanistan, our training will rebalance to support the execution of a wider range of operational capabilities. We will achieve this balance by leveraging competencies in entry-level and skills progression training and by re-emphasizing core competencies in combined arms and amphibious operations to include MEB level core capabilities. Training will also feature significant attention to irregular warfare, humanitarian assistance, and inter-agency coordination. All our training programs will provide standardized, mission-essential, task-based training that directly supports unit readiness in a cost-effective manner.

Specifically, future training will center on the MAGTF training program. Through a standardized training approach, the MAGTF training program will develop the essential unit capabilities necessary to conduct integrated MAGTF operations. Building on lessons learned over the past 10 years, this approach includes focused battle staff training and a service assessment exercise modeled on the current exercise, Enhanced Mojave Viper. Additionally, we will continue conducting large-scale exercises that integrate training and assessment of the MAGTF as a whole. The MAGTF Training Program facilitates the Marine Corps' ability to provide multicable MAGTFs prepared for operations in complex, joint, and multinational environments against hybrid threats.

Education

We are making steady progress in implementing the recommendations of the 2006 Officer Professional Military Education (PME) Study (The Wilhelm Report) to transform the Marine Corps University (MCU) into a "World Class Institution". There are two primary resource components in doing so—funding for military construction and for faculty and staff. These two components are not mutually exclusive. New facilities coupled with increases in resident student through-put require additional

faculty and staff. We will remain engaged with the Congress over the coming years on the approximately \$330 million in necessary funding for facilities, faculty, and staff as we continue the transformation of the MCU. This is a high priority for me. This year, I committed \$125 million to get this initiative moving.

We are widening opportunities for resident professional education by doubling available school seats in courses such as the Marine Corps Command and Staff College beginning in the academic year 2014. We are making adjustments to triple through-put at the Expeditionary Warfare School for our company grade officers. We are increasing enlisted resident PME courses as well and are adding more distance education learning opportunities and requirements, especially at the junior enlisted and noncommissioned officer level.

As we look to “whole of government approaches” and the goal of improved integration in joint and combined operations, we are adding fellowships to allow more marines the opportunity to benefit from nontraditional education outside DOD institutions. In the past year, we have increased our number of marines assigned to the Department of State and the United States Agency for International Development through fellowships and the State-Defense Exchange Memorandum of Understanding. Later this year, we are adding fellowships at the Departments of Justice, Homeland Security, and the Treasury, as well as at Yale University. We are expanding the scope of training at existing institutions like the Marine Corps Center for Advanced Operational Culture Learning and the Center for Irregular Warfare Integration Division that focus on readying marines for engagement, security cooperation and partner capacity building missions. Our goal is to develop a corps of marines that have the skills needed to operate and engage effectively in culturally complex environments.

Our education and training programs benefit from our relationships with allies and partners in the international community. Each year, hundreds of international military students attend Marine Corps training and education venues ranging from Marine Corps Command and Staff College to military occupation specialty producing schools. The International Military Education and Training (IMET) program and similar security assistance opportunities promote regional stability, maintain U.S. defense partnerships, and promote civilian control of the military in student home countries. Many military leaders from around the world have benefited from the IMET program. To better support DOD’s goal of providing PME to international military students, we have created a blended seminar program where foreign officers participate in Marine Corps PME through a mix of nonresident online courses and resident instruction in the United States.

Training Enablers

In order to fully realize these training and education enhancements, we will keep investing in the resources, technologies, and innovations that enable them. This investment includes modernizing our training ranges, training devices, and infrastructure to ensure quality resources are available to support the training of marines, individual to MAGTF. We will also leverage advanced technologies and simulation systems to create realistic, fully immersive training environments.

KEEPING FAITH WITH MARINES, SAILORS, AND THEIR FAMILIES

Mission First, Marines Always

We expect and require extraordinary loyalty from our marines and sailors—loyalty to country, family, and Corps. Our Nation has been at war more than a decade, placing unprecedented burdens on marines, sailors, families, wounded warriors, and the families of the fallen. They have all made tremendous sacrifices, many in the face of danger; we owe our complete loyalty back to them all.

We will work to ensure the critical needs of our families are met during times of deployment and in garrison by providing the services, facilities, and programs to develop the strength and skills needed to thrive while facing the challenges of operational tempo. If wounded, injured or ill (WII), we will seek out every available resource to restore marines to health. We will enable the return to active duty for those seeking it. For those unable to do so, we will responsibly transition them to civilian life. We will support and protect the spouses and families of our wounded and those of our fallen marines. There are several areas and programs central to our tenet of “keeping faith with marines, sailors and their families”.

Recruiting and Retention

As first stated, the individual marine is our greatest asset; we will continue to recruit and retain the best and brightest of America’s sons and daughters. Recruiting is the lifeblood of our Corps, and is our bedrock to “Make Marines, Win Battles, and Return Quality Citizens”; citizens who, once transformed, will be marines for

life. To operate and succeed in potentially volatile times, marines must be physically fit, morally strong, intelligent, and capable of operating advanced weapon systems using the latest technology. We will not compromise on these standards. Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention, and improved readiness for the operating forces. We need your continued support in maintaining quality accessions.

Our officer accessions mission has continued to decline over the past 2 years in light of a planned draw-down of forces. Our fiscal year 2013 accession officer mission is 1,500 active duty and 125 reserve officers. For enlisted marines, the accession figures include 28,500 regular (active component) and 5,700 reservists. We traditionally achieve 100–103 percent of our total accession goals, and expect to do so again in fiscal year 2013. We have continued to achieve unprecedented levels of enlisted and officer retention. This effort is critical to the proper grade shaping of the Marine Corps, regardless of force size. Combined officer, enlisted, and reserve retention efforts ensure the Marine Corps maintains essential operational experience and leadership. Although overall retention is excellent, shortages do exist in certain grades and skills within the officer and enlisted ranks, requiring careful management and innovative solutions. At a minimum, sustained congressional funding to incentivize retention is necessary to maintaining quality personnel in these critical skill sets.

Diversity

Diversity, in both representation and assignment of marines, remains a strategic issue. The Marine Corps diversity effort is structured with the understanding that the objective of diversity is not merely to strive for a force that reflects a representational connectedness with the rich fabric of all the American people but to raise total capability through leveraging the strengths and talents of all marines. We are near completion of a new comprehensive campaign plan to focus our diversity effort in areas where improvement is most needed and anticipate release of this roadmap this year. The accession and retention of minority officers is an enduring challenge for our Corps. Mentoring and career development of all minority officers has become increasingly important in order to change officer profile projections. Since 2010, we have conducted leadership seminars, introducing diverse college undergraduates to Marine leadership traits and leadership opportunities in the Marine Corps, at various locations throughout our country, and are actively seeking out new communities within which to continue this effort. Overall, we seek to communicate the Marine Corps diversity mission through community outreach and recruit marketing; to ensure continued opportunities for merit-based development and advancement; and to optimize training and education to increase the understanding for all marines of the value that diversity brings to the total force.

Wounded Warrior Outreach Programs

Through the wounded warrior regiment (WWR) and our ever-expanding outreach programs, the Marine Corps keeps faith with WII marines and their families. This enduring commitment includes full-spectrum care and support for WII marines from point of injury or illness through return to duty or reintegration to the civilian community. The WWR continues to enhance its capabilities to provide added care and support to WII marines. Whether WII marines are joined to the WWR or remain with their parent commands, they are provided nonmedical support through the recovery phases. Congressional funding for our WII marines allows us to provide robust, interconnected support in the following areas:

- administrative support;
- recovery care coordination;
- transition assistance;
- warrior athlete reconditioning programs;
- integrated disability evaluation system support;
- the Sergeant Merlin German Wounded Warrior 24/7 Call Center; and
- our Hope and Care Centers.

The challenging nature of the terrain in Afghanistan requires a greater level of dismounted operations than was the case in Iraq. This fact coupled with the prevalence of improvised explosive devices has caused a growing class of marines and soldiers to suffer catastrophic injuries—injuries involving multiple amputations that present significant quality-of-life challenges. Our Corps, the DON, DOD, the Department of Veterans Affairs (VA) and the Congress are concerned about this special group of wounded warriors must remain committed to supporting this special group of wounded warriors. To help the catastrophically injured (those who will likely transition to veteran status) and their families successfully meet these challenges, we must continue engaging in a high level of care coordination between our WWR

advocates, the VA's Federal Recovery Coordinators, VA Liaisons for Healthcare stationed at DOD Military Treatment Facilities (MTFs), Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn Case Managers and medical providers to ensure all of our wounded marines' needs are met. This includes arranging for assistive technologies, adaptive housing, and all available healthcare and benefits (DOD and VA) they have earned. Additionally, WWR's Marine Corp Liaison assigned at the VA collaborates closely with VA Care Management team to resolve Marine Corp issues or care management needs.

Combat Health and Resiliency of the Force

Marines, sailors, and their families have experienced significant stress from multiple deployment cycles, the rigors of combat, high operational tempos, the anxieties of separation, and countless other sources from a decade at war. We remain engaged in developing ways to reduce the traditional stigmas associated with seeking mental healthcare, but perhaps more importantly, we continue to add resources and access to care to meet the mental health needs of marines, sailors, and their families.

Post-traumatic stress (PTS) will be a long-term issue for all DOD leadership, requiring close attention and early identification of those affected in every service. PTS is diagnosed as a disorder (PTSD) once the symptoms become distressful to a marine and his or her ability to function in the military environment is impacted.¹⁶ Although most marines with PTS symptoms will not develop PTSD, our leaders require the skills and training to identify and intervene earlier for those at the highest risk of developing PTSD, especially given that often there are long delays in the development of this condition. As such, we are empowering leaders to identify and intervene earlier through increased training and awareness using programs like our Marine Corps Combat Operational Stress Control program and embedded Operational Stress Control and Readiness teams in our ground units. We are employing better screening practices in our standard health assessments, establishing deployment health clinics (i.e., facilities not labeled as mental health clinics nor associated with a Military Treatment Facility in an overall effort to reduce stigma) and tracking those with significant injuries often leading to PTSD via our wounded warrior regiment.

We are engaged on multiple fronts to diagnose and treat those with a traumatic brain injury (TBI) including prevention, education, early identification, treatment, rehabilitation, and reintegration. We are actively implementing the requirements of DOD Directive Type Memorandum 09-033 regarding mild TBI/concussion. Moreover, the Marine Corps, with Navy support, has established a Concussion and Musculoskeletal Restoration Care Center in-theater. This center provides front-line care to patients with mild TBI/concussion and has dramatically improved identification, diagnosis, treatment, outcomes, and return to duty rates. In concert with Navy Medicine, we are fielding a TBI module within the Medical Readiness Reporting System to track TBI exposures and diagnoses.

Suicide Prevention in the Force

We continue to report a positive, steady decrease in the number of suicides within the Corps from high levels seen in 2009. While we cannot yet draw a conclusion between our prevention efforts and the reduced suicide rate, we are cautiously optimistic our programs are having a positive effect. However, reported suicide attempts have continued to increase. We suspect this increase in attempts may be due to improved surveillance—fellow marines recognizing the signs of suicide and intervening to stop attempts, and more marines reporting past attempts when coming forward for help.¹⁷ Regardless, we still need to do better because one suicide completed is one too many.

Suicide is a preventable loss of life that diminishes readiness and deeply affects our Marine Corps family. We believe that suicide is preventable through engaged leadership, focused on efforts aimed at the total fitness of each marine to include physical, social, spiritual, and psychological dimensions. The marine corps is involved with five major studies to better understand suicide risk among servicemembers, contributing factors, and ways at prevention. This past year, we expanded our "Never Leave a Marine Behind" suicide prevention program for non-commissioned officers (NCO) and junior marines to the staff noncommissioned officer and commissioned officer ranks. Our DSTRESS hotline and Web site, imple-

¹⁶The current yearly rate of PTS diagnosis in active duty marines is less than 2 percent as compared to 3.5 percent in the civilian population. The percentage of marines who will be diagnosed over their lifetime with PTS is estimated to be 10–18 percent while the civilian population lifetime diagnosis is estimated to be 6.8 percent.

¹⁷There were 33 confirmed suicides and 175 attempts in the Marine Corps during calendar year 2011.

mented last year on the west coast as a pilot program, will be expanded to serve those across the Corps. We will remain engaged on multiple fronts to combat suicide in our ranks.

Sexual Assault Prevention and Response

The key to preventing sexual assault is ensuring everyone understands his or her role and responsibilities in preventing it. A consistent, vigorous training and education element are crucial. Bystander intervention has been identified as a best practice for engaging marines in their role to prevent sexual assault and is being incorporated into our Sexual Assault Prevention and Response (SAPR) training. In January 2012, we launched the video-based NCO Bystander Intervention course, called "Take A Stand". This course was modeled after our successful, award-winning Suicide Prevention Program awareness campaign entitled "Never Leave a Marine Behind".

We have initiated aggressive actions to elevate and highlight the importance of our SAPR program. Our victim-centric SAPR program focuses on:

- preventing sexual assault;
- improving a victim's access to services; and
- increasing the frequency and quality of information provided to the victim regarding all aspects of his or her case and expediting the proper handling and resolution of a sexual assault case.

We are credentialing our Sexual Assault Response Coordinators and Victim Advocates on victim advocacy. We have standardized training protocols for our 24/7 hotline, in use at all major bases and stations to provide information, resources, and advocacy of sexual assault. We have increased SAPR training at all levels for our judge advocates (JA). This year, mobile training teams from our Trial Counsel Assistance Program will continue to instruct Navy Criminal Investigative Service agents and JAs on sexual assault investigation and best practices at bases and stations in Japan, Hawaii, and on the east and west coasts.

Veteran Marines

The concept of keeping faith also applies to our veteran marines. In 2011, the Marine Corps launched a comprehensive effort to anchor the legacy of our Montford Point Marines—20,000 African-American men who underwent segregated training from 1942–1949 and ultimately integrated the Corps—into our training and education curricula. The Montford Point Marine legacy will be used to educate and inspire all men and women who enter the Marine Corps today regardless of race, religion, or creed. We will teach the importance of varying perspectives, compassion, courage, perseverance, and self-sacrifice through the Montford Point Marine history. We are thankful to the Congress for recently conferring the Congressional Gold Medal on the Montford Point Marines, a fitting tribute to a pioneering group of marines who fought valiantly in some of the bloodiest battles of the Pacific and later went on to serve in Korea and Vietnam.

Family Readiness Programs

As directed in my Planning Guidance issued to the Corps in October 2010, we are in the final stages of a review of all family readiness programs to identify ways we can better assist and provide services to our families. Over the past year, Marine Corps Community Services conducted dozens of focus groups at bases and stations throughout the Marine Corps with active and reserve component marines, commanders, senior enlisted advisers and spouses. The focus groups, survey and prioritization results found that the top-rated programs conformed to the Commandant's Planning Guidance priorities or congressional mandates. These assessments revealed opportunities to increase program success in three areas:

- defining future capabilities and sustainability standards that correlate to the Commandant's Planning Guidance priorities, but also recognized unique installation or command missions, locations, or market conditions;
- balancing available resources to support priorities and defined capabilities; and
- developing accountability and inspection processes to support capability sustainment.

Efforts are currently under way to apply these results and develop actionable program plans and supporting resource requirements to provide and maintain capabilities at the appropriate level for the right duration.

With at least 50 percent of our Corps composed of unmarried men and women, this year we mandated that every battalion and squadron have a representative from the Single Marine Program serving on its unit family readiness command team. This will provide an advocate on behalf of single marines to ensure information, normally communicated solely from leadership to marine spouses and families, is shared with their parents and siblings.

Transition Assistance

There are three things the Marine Corps does for our Nation:

- make marines;
- win our Nation’s battles; and
- return quality citizens.

We are conducting a wholesale revision of our Transition Assistance Management Program (TAMP) to better meet the needs of our transitioning marines in support of returning quality citizens. We are integrating TAMP, as part of the Professional and Personal Development Program, into the lifecycle of a marine from recruitment, through separation or retirement, and through veteran marine status.

We have transformed our Transition Readiness Seminar from a mass training event, in need of great improvement, into an individualized and practical learning experience with specific transition readiness standards that are effective and beneficial to marines. In January 2012, we began holding a revised and improved Transition Readiness Seminar Pilot Program at four separate installations with full implementation scheduled for March 2012; early feedback on our pilot program has been very favorable. The revised 5-day Transition Readiness Seminar includes 2 days of mandatory standardized core curriculum with four well-defined military-civilian pathways:

- university/college;
- vocational/technical training;
- employment; and
- entrepreneurial endeavors.

In this new system, a marine will choose the pathway that best meets his or her future goals and will have access to individual counseling services related to each pathway. The enhanced TAMP program will support improved reach-back and out-reach support for those who may require more localized support in their hometowns with information, opportunities, or other specific needs. We are determined to make the Marine Corps TAMP program more value added for our departing marines.

Compensation

The President’s budget acknowledges the reality that military pay, allowances, and healthcare consume roughly one-third of the Defense budget. These costs cannot be ignored in a comprehensive effort to achieve savings. In my judgment, this budget achieves the appropriate balance in compensation, force structure, and modernization. It sustains the recruitment, retention, and readiness of the talented personnel that defend our Nation.

The proposed compensation reforms are sensible. Basic pay raises in fiscal years 2013 and 2014 will match increases in the private sector. We propose more modest raises in later years—but no reductions, no freezes. TRICARE enrollment fees and deductibles increase for retirees, but they are tiered based on retired pay and remain significantly below market rates. Pharmacy co-pays will trend towards market rates for retail purchases but will be substantially lower for generic drugs and mail-order delivery.

These changes are not intended to alter care services currently provided to our active-duty personnel and their families. Those who have been medically retired as a result of their service, particularly our wounded warriors, are also exempted. So are our Gold Star families. It is the right thing to do for those who have given so much.

Finally, I endorse creating a commission to recommend reforms in retired pay. Any changes should grandfather benefits for those currently serving. We cannot break faith.

SUMMARY

History has shown that it is impossible to predict where, when, and how America’s interests will be threatened. What is known, however, is America cannot maintain a strong economy, cannot have a strong industrial base, cannot have access to overseas markets, and cannot assure its allies without security . . . at home and abroad. Looking ahead at the fiscal challenges we face as a Nation, our country will still need to respond to crisis and project power abroad, wherever and whenever needed. The optimum and most economical means to do so is through a multi-capable force afloat that can also come ashore rapidly.

The Navy and Marine Corps team is the Nation’s risk mitigator for an unknown future and the crisis response force that will be “the most ready when the nation is least ready”. There is a cost to maintaining this capability. But, with that cost, our Nation gains the ability to respond to unexpected crises, from humanitarian assistance and disaster relief efforts, to noncombatant evacuation operations, to the

conduct of counterpiracy operations, raids, or strikes. This same force can be reinforced quickly to contribute to assured access anywhere in the world in the event of a major contingency. It can be “dialed up or dialed down” like a rheostat to be relevant across the range of military operations. No other force possesses the flexibility to provide these capabilities but yet can sustain itself logistically for significant periods of time, at a time and place of its choosing.

Through the fidelity and support of the Congress, our marines and sailors in the fight have received everything necessary to ensure success over the past decade of near constant combat operations. Our combat forces’ best interests and needs remain my number one focus until our national objectives in the long war have been achieved. However, as we rightfully begin to transition to the challenges and opportunities of the post-OEF world and reorient to the Pacific under our new Defense Strategic Guidance, the Marine Corps must begin to rebalance and modernize for the future.

Through judicious choices, forward planning, and wise investments—ever mindful of the economy in which we live—we have worked diligently to determine the right size our Corps needs to be and to identify the resources we will require to respond to crises around the world, regardless of clime or place. As we continue to work with the Congress, the Navy, and the DOD in maintaining the institutional pillars of our high state of readiness, you have my assurance that your Corps will be “ever faithful” in meeting our Nation’s need for military crisis response.

Senator MIKULSKI. Thank you for your testimony and, of course, for your service.

With Senator Inouye’s absence, the way we are going to do this is we are going to turn to Senator Cochran first. I am going to call upon members in their order of arrival, and we are going to ask that we stick to the 5-minute rule because there are others, and we know there are multiple hearings going on.

So, Senator Cochran, as the ranking member and a naval officer yourself, as I believe—weren’t you a naval officer?

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. I certainly was—one of the proudest periods of my life, on our heavy cruiser operating out of Boston, Massachusetts.

Thank you. Let me join you, Madam Chairman, in welcoming this distinguished panel.

We appreciate your service. We appreciate your leadership. We want to be sure that we understand the needs that are of highest priority to all of you as we endeavor to help assure that our Navy and Marine Corps are the strongest as any in the world, stronger than any in the world—and are fully prepared to protect our interests around the world and our safety and security here at home.

NAVAL FORCE NEEDS

I know that one of the challenges that we face is keeping an up-to-date naval force with ships and equipment ready to be used in an emergency. And I wanted to ask Secretary Mabus, who is fully familiar with shipbuilding in our State of Mississippi, but in this new responsibility, all of the needs of the U.S. Navy, could you comment about how well we are or are not meeting the needs for an up-to-date, modern naval force?

Mr. MABUS. Yes, Sir. And thank you, Senator Cochran. There is something about political figures from Mississippi serving on cruisers out of New England, since both Senator Cochran and I did that several years ago now.

As I said in my opening statement, Senator, the Navy that was here in 2009 when I took office was 30 ships smaller, down from 316 ships on September 11, 2001, to 283 ships in 2009. We were down almost 47,000 sailors in that time. So, during one of the great military build-ups in America, the United States Navy actually got smaller.

One of the primary focuses has been to rebuild the fleet and increase the size of the fleet. Today, we have 36 ships under contract to come into the naval fleet. And I do want to point out that they are all firm fixed-price contracts, that was one of the challenges that we faced was making sure we got the right price for our naval vessels.

Going forward, we will—we have 285 ships in the battle fleet today. At the end of the FYDP, the end of the 5 years, we will again have at least 285 ships. And by 2019, we will again pass the 300-ship mark. We have done this by working with industry. We think that we owe industry certain things—a stable design, a mature technology, and some transparency into what ships we hope to build and when.

In response, we think industry owes us some things—to invest in the infrastructure and the training that will be necessary; to have a learning curve so that every ship of a class, of the same type ship that the design does not change, that the number of man-hours and, thus, the cost goes down. And in all our shipyards today, in virtually all of our shipyards today, that this is the case.

Your colleague sitting to your left, Senator Shelby, working with Austal in Mobile, we have a fixed-price contract for 10 LCSs from Austal, and the last one will be—the 10th ship will be significantly cheaper than the first ship.

So I think that your fleet is positioned to do everything that the new defense strategy requires it to do. The CNO may want to comment because we are going to have to use our ships a little differently, forward deploy them so that one ship will do the job of many more that were—if they were kept in the United States. But the CNO, Commandant, and I have no doubt that this fleet that we have today and the one that we are taking forward will meet all the requirements of the new defense strategy and everything that we need to do to keep the United States safe and secure.

Senator COCHRAN. Admiral Greenert.

NAVAL FORCE CAPABILITIES/NEEDS

Admiral GREENERT. Thank you. Thank you, Senator.

What I would add, I am on the capabilities end of this, and I am very satisfied with the capabilities delivered.

The *Virginia*-class submarine is the finest submarine in the world, and I have empirical data to attest to that. The DDG-51 remains a multimission, very relevant ship. The LPD-17 class and the *Makin Island* are on deployment now, and they are doing fabulous. The LPD-17 is a quantum leap over its predecessor.

As we bring in LCSs and the joint high speed vessels (JHSV), these are relevant ships for a relevant future, and they resonate with the need out there. We will operate them forward, and I am very high on them getting the job done. Volume, speed, and modularity, that is the wave of the future.

Thank you for the opportunity.
 Senator COCHRAN. Thank you very much.
 I will reserve my time and ask General Amos a question later,
 but yield to other members of the subcommittee.
 Senator MIKULSKI. Thank you.
 Senator Reed.

STATEMENT OF SENATOR JACK REED

Senator REED. Thank you very much, Madam Chairman.
 Senator MIKULSKI. Now, he is a West Point guy.
 Senator REED. Senator Cochran, Secretary Mabus, and I have
 something in common. One of my predecessors at West Point was
 a Senator from Mississippi, Jefferson Davis. So it is a small, small
 world.
 Mr. Secretary, thank you, General Amos, thank you, Admiral
 Greenert, thank you for your service and your dedication to the
 sailors and the marines that you lead so well.

I want to take off where you left off, Admiral, by saying that the
Virginia-class submarine is the finest submarine in the world. I
 agree with that, and I am glad you do, too.

I think it also has operational capabilities, particularly in the Pa-
 cific, where access is a critical issue. In regards to some of our sur-
 face systems, the submarine is far more capable of access and de-
 livering fires and delivering personnel and getting intelligence, et
 cetera. And in that regard, your colleague, Admiral Willard, said
 essentially the same thing. And I just, for the record, I presume
 you agree with that. It has a special role in terms of access-denial
 situations.

Admiral GREENERT. Yes, Sir, I do.

VIRGINIA-CLASS SUBMARINE PROCUREMENT

Senator REED. For the *Virginia*-class submarine, we are doing
 two boats a year in fiscal year 2013. However, in fiscal year 2014,
 because of the budget constraints, a ship is being slipped back to
 fiscal year 2018.

Given the capabilities, given the new mission in the Pacific par-
 ticularly, with a big anti-access component, I think this is, as you
 said before, a budgetary decision, not a strategic or operational de-
 cision.

Having said all that, and without getting into any specific nego-
 tiation, are you working on a plan with the contractor to see if
 there are ways that we can pull forward some construction so that
 the fleet does not lose a valuable asset for 6 years or so?

Admiral GREENERT. Yes, Sir, we are. We are looking for any fis-
 cal means, if you will, acquisition means, and contractor perform-
 ance incentives that we could. As you know, we have a block-buy
 of 9, and if we could get to a block-buy of 10 during those years
 2014 through 2018, that would be terrific. And by all means, we
 will work by any means capable to do that.

Senator REED. And that would require, I presume, some help by
 this subcommittee in that regard?

Admiral GREENERT. Yes, Sir, it would.

OHIO-CLASS SUBMARINE PROGRAM

Senator REED. So I, for one, would be very happy to help because I think this is important for the Navy and for the Nation.

There is another aspect of the submarine program, and that is the replacement of the *Ohio* class. And that has been slipped 2 years in terms of proposed construction. Design work is going on. We have a partner with the British.

And one of the issues that always comes to mind when we talk about the *Ohio*-class replacement in its ballistic missile role is that this is really, in my view, a DOD asset, not just a Navy asset.

So, Mr. Secretary, have you had discussions with DOD in ways that they can help you ensure that this slippage is temporary, and not a sign of failure to fund the program?

Mr. MABUS. Senator, I can assure you that the slippage is 2 years, and that is it. We have also, as you pointed out, we have been in discussions with our British counterparts to make sure that the schedule meets up with their requirements as well. And as you know, we have committed a substantial amount of money now for the research, development, and engineering work that will be necessary to begin the build in 2021.

I think that this most survivable leg of our triad, this strategic weapon that we have in the *Ohio*-class replacement, that a discussion needs to be had on exactly how we do pay for that. That discussion would not only include DOD but also the Congress in how that is best to be handled. Because the flip side of that is that our industrial base for the rest of shipbuilding during the time that the SSBN(X), the *Ohio*-class replacement, is being built could be seriously harmed, including our attack submarine industrial base during that time. And I don't know of anyone anywhere that would want to do that.

Senator REED. No, I hope not. Just a quick follow-on, and it is probably more of a comment than requiring a comment from you, is that as we go forward there is a larger issue, which is the nuclear triad—how it is going to be constituted; what elements might be bulked up; what elements might not. And that is in the context both of budget and strategic policy and nonproliferation policy.

And my view is that the submarine has always seemed to be the most significant part of this in terms of its invulnerability, relatively speaking, its ability to deploy, its stealthiness, et cetera. And so, in those conversations about the future of the triad, I would hope that the submarine would be in the forefront.

Thank you. Thank you all.

Senator MIKULSKI. Senator Coats.

STATEMENT OF SENATOR DANIEL COATS

Senator COATS. Thank you, Madam Chairman.

Mr. Secretary, first I want to start by thanking you for visiting the Naval Surface Warfare Center at Crane, in Indiana. People say, "What in the world is the Navy doing in Indiana, the center of Indiana?" But as you have found out and it is expressed to me, that it is a little gem out there. Not so little, but it is a gem out there in terms of electronic warfare, special missions, a whole number of pretty cutting-edge stuff that is important to not only the

Navy, but the Marines, Army, and Air Force. So we thank you for that visit.

And I would extend that to Admiral Greenert and General Amos because what happens there affects both of your services. And we will throw in an Indiana University basketball game if we can get our timing right. I would be happy to travel with you for that visit.

But that really doesn't go to my question. My question is this. Shortly after the conclusion of Desert Storm I, I was flying back from Indianapolis with then-Secretary Cheney. And we spent the entire flight talking about how the history of the Congress's support and military readiness has gone through the ups and downs of postconflict drawdowns.

And I asked him, and this was in response to a question I asked, it was, "What is your biggest challenge now that we have had this success?" And he said, "Avoiding hollowing out or drawing down too fast, too far. That is the biggest challenge in front of me."

And you know, you go all the way back to World War I and the hollowing out afterward, and the cost that it was to our country to rebuild to be prepared to address World War II. And then, following that, we thought we had solved the world's problems, and Korea came along. And following that, Vietnam, Desert Storm, and so forth. And it just seems like, well, I guess I just really reacted, General Amos, when you said history has shown it is impossible to predict the how, when, and where of what might come next. Except history tells us it is coming somewhere and to be prepared.

So my question is this. The military has stepped up to the plate relative to nearly \$500 billion of cuts over a 10-year period of time. And you discussed some of that in terms of how we get there.

My concern is the potential impact, given the kind of conflicts that we can potentially predict in the future. But there is always the unpredictable.

SEQUESTRATION IMPACT

But my question to you is this. We have this sequester sitting there, about to add an additional \$500 billion unless the Congress addresses this before the end of the year. That was presented as something that would never happen because it would force decisions relative to how we deal with our budget. But the "never" did happen.

And so, my question to all three of you really is what is your reaction to this possibility? And what would it mean for the ability to be prepared and not to be so hollowed out that we are not prepared for that next how, when, and where?

Mr. MABUS. I will quote the Secretary of Defense, who said, "It would be a disaster if sequestration happens, not only in terms of the amount of money that would be taken out of defense, but also in the way it would be taken out."

The \$487 billion in cuts during the next 10 years, the DOD has worked very hard over the course of several months to make sure that this was done carefully, to make sure that we avoided hollowing out the force, in your term, to make sure that we had the training, to make sure we had the manning, to make sure that our force structure could be maintained, and that it was an effective and lethal force structure that we continued forward.

Because of the very nature of sequestration, what you would have is automatic percentage cuts to everything, without regard to strategy, without regard to importance, without regard to any sort of setting priorities. And so, both those items would make sequestration, I think, a very difficult and, again in the words of Secretary Panetta, a disastrous occurrence.

Senator COATS. Admiral Greenert, do you want to tell us how it would affect the Navy?

Admiral GREENERT. Sir, the way, as Secretary Mabus said, you know, this going into each and every account, we would have to prepare for such a thing, probably a few months ahead of time. And I am just talking about the mechanics of trying to figure out how to recoup pay, so we can pay our people, pay our civilians, then get contracts which would, I assume, we would be in breach because, all of a sudden, there is no funding for commitments that we have made—the Federal Government has made.

And so, my point is we would have our people distracted for months, just to do the execution of such a thing to meet the requirements that the Federal Government is held to.

And that bothers me a lot. I mean, we talked in the past about, you know, when we have had a threat of a Government shutdown, and we stopped everything for a few weeks to prepare for such a thing. This would be that to the nth degree.

And so, I think that is just really not understood. As I sit down and think about just the mechanics of this, the amount, we need a totally new strategy for an amount of this kind. And we can never do what we are doing today under those kinds of funding. We would need a new strategy, as our bosses have testified.

Thank you.

Senator COATS. General Amos.

General AMOS. Senator, thank you for asking that question. That is a tough one and one we have talked about often within the DOD, as you are well aware.

I would like the subcommittee to believe that where we sit today, and I can speak for my service, we have built a force, as we come down from 202,000, which is where we sit today, down to 182,100, we will do that by the end of 2016. That force will be very capable. It will be anything but a hollow force.

That force will be—the readiness will be high. The manning will be high. The equipment readiness will be high. So that force that we have built with this Budget Control Act of 2011 is anything but a hollow force. So I want to put—allay any fears there.

To go beyond that into sequestration, it is my understanding that it could happen a couple of ways. One, it can come with either we are going to preserve manpower and not take any cuts out of the manpower account, in which case that leaves only two other areas that you can really—that the cuts will come from. They will come from procurement, things: ships, equipment. They will come from my reset of the equipment that I spoke about in my opening statement, after 10 years of combat. It will stunt, if not completely negate, my ability to reset the Marine Corps.

So, if the manpower account is set aside, it is procurement of things, and then it is operations and maintenance. And what that means to the subcommittee is that is training. That is the ability

to go to, in my case, Twentynine Palms, to go to the ranges in the Philippines to train with the Filipinos, to be able to train with the Australians, to be forward deployed and forward engaged, to buy fuel, to buy ammunition, to buy the kind of equipment that we need to train with.

So training and readiness will become what I consider to be almost a recipe for a hollow force, if we end up in sequestration.

If you leave manpower in it and you say we are going to just take a percentage cut across manpower, operations and maintenance, and the procurement of things, then you are going to end up with a force that is significantly less dense than the one we have today. And what that means is less capable. We will have to go back in, redo the strategy, because the strategy that we have developed for the last 6 months is a strategy based on the current budget.

Senator COATS. Well, I thank all three of you.

Madam Chairman, my time has expired, but I think it is a good reminder to all of us that we have got a pretty big challenge laying ahead here between now and the end of the year.

Senator MIKULSKI. And that was an excellent question. I think all of the questions have been very good, but yours, I think, is the one that we all wanted to ask. So, thank you.

Senator Shelby.

STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Thank you.

Mr. Secretary, welcome.

Mr. Secretary, you know all of this stuff, the JHSV, which is the Navy's vessel. I believe it is a valuable addition to the Navy's fleet. Just for the record, it has an expansive mission bay of some 20,000 square feet, which enables the ship to move 600 tons of cargo at more than 35 knots—that is moving—while carrying more than 300 combat-ready troops.

JOINT HIGH SPEED VESSEL PROCUREMENT

The Navy's budget request for fiscal year 2013 stops production of the JHSV at 10 ships, rather than continuing to build toward the 21 ships that was projected. I know budgets are tight. We really know that. But it seems it is a pretty good price. And as you know, the more you build, the better price you have been able to get in this environment.

What drove the Navy's decision to reduce the JHSV buy? And is that a decision that we could revisit as the ships enter service if you see the needs there?

Mr. MABUS. A couple of things drove this decision, Senator. One was, as you said, finances. We had to find money, particularly out of procurement accounts, to meet the \$487 billion cut over 10 years.

Second is that when you look at our war plans, you look at the requirements for these JHSVs; the 10 that we have under contract today will meet all those requirements.

And third, as we were looking at ships to defer, we first looked at support ships like the JHSV, instead of combat ships like the LCS.

And so, given that combination of factors, we thought that stopping the buy at 10 in this FYDP would make sense. The thing that we give up is engagement capability, using the JHSV to go around places like Africa or South America to do partnership training engagement and those sorts of things.

The final thing that we looked at was the health of the industrial base. And since the JHSV is made in the same shipyard that the version 2 of the LCS is made, and since the gear-up of that workforce is going to require the hiring of at least 2,000 more people during the next couple of years, we thought that it was a very healthy industrial base, and that at least for this 5 years, that contract could be ended at 10 without any harm there.

Senator SHELBY. You mentioned the LCS earlier. The Navy had to move two LCS ships out of the 5-year shipbuilding plan. I hope we can work together. I know the Navy has said good things about them.

LITTORAL COMBAT SHIP MISSION MODULE READINESS

I am concerned that issues relating to LCS mission modules have delayed sea trials for the vessel, and that is very important. How do you plan on dealing with the troubles affecting the module program?

Mr. MABUS. Right now, Senator, the module program is on schedule, exactly where we thought it would be.

Senator SHELBY. Okay.

Mr. MABUS. It has always been a spiral development. We are doing, in fact, testing today off Panama City on the unmanned underwater system for LCS. We are using the LCS 2 to do that testing. And we are absolutely confident that—

Senator SHELBY. You feel good about where you are.

Mr. MABUS. I feel very good. Yes, Sir. And I think the CNO does, too.

Senator SHELBY. Admiral.

Admiral GREENERT. Yes, Sir. You know, we took *Freedom*, the mission modules weren't ready. The surface module was going to come out first. So we took *Freedom*, and we said, well, we will go on down to the Gulf of Mexico. And we needed to shake the ship down and figure out the concept of operations. So she got involved in drug operations and took part in two busts.

Then we sent her over to Rim of the Pacific (RIMPAC), and we have had a lot of inquiries about this ship, this new ship that you brought. That has, I think, subsequently led to, although I cannot be completely sure it was because of RIMPAC, but the Singapore Government offered us, invited us to bring *Freedom*—in fact, encouraged us to bring *Freedom* to Singapore to operate there. And we are going to do that in about a year.

And so, we are moving out with what we call “sea frames” because we have got a lot of work to do to get the concept down. At the same time, as Secretary Mabus said, the mission modules move apace, as we need them to be integrated.

Senator SHELBY. Good.

Thank you, Madam Chairman.

Senator MIKULSKI. Thank you.

Senator Murkowski, and then Senator Kohl.

STATEMENT OF SENATOR LISA MURKOWSKI

Senator MURKOWSKI. Thank you, Madam Chairman.

And gentlemen, welcome. And I, too, join with my colleagues in expressing my appreciation for your leadership to our country. Greatly, greatly appreciated.

ARCTIC OPERATIONS

Secretary, I want to ask you some questions about the North. It is probably not going to be a surprise to you. But with the discussion about the shifting focus within the military toward Asia and the Pacific, when you look at Alaska, we are sitting right up there on top. We have got a larger interface with the Asia-Pacific theater than any other State out there.

We have 5,580 miles of coastline that touch the Pacific and the Arctic Oceans. And as we all know, this coastline is becoming certainly more accessible. It presents great opportunities, but it clearly presents some real challenges as well.

Can you inform me what the Navy has been doing over this past year to essentially get up to speed on the changing Arctic and what the near-term future holds for Navy involvement?

Mr. MABUS. Senator, in 2009, the Navy laid out the road map for the Arctic, things that we plan to do. And we are following that road map.

Last year, almost exactly at this time, I was at the Ice Exercise (ICEX) off the coast of Alaska, where we set up a camp, as you know, to do scientific work, but also bring last year two submarines up through the ice to do exercises in the Arctic.

We also operate with our Canadian allies in Operation Nanook. We have at least three operations on an ongoing basis, on a routine basis, in the Arctic.

The one area that we have said before that would be helpful to us is for the United States to become a signatory to the Law of the Sea Treaty because it would make dealings in the Arctic, it would give us easier—it would give us a seat at the table. It would allow us to state claims on the outer continental shelf that are certain under the Law of the Sea.

And as we go forward, because the Arctic, as you pointed out, as the Arctic will become ice free, it appears, within the next quarter century, at least in the summer, there will be increased shipping. There will be increased tourism. There will be increased commerce of all types through there. The naval requirements in things as diverse as search-and-rescue, as well as purely military functions, will increase every year.

And we are very focused on our responsibilities in the Arctic. And I will just repeat, one thing that would help us would be the Law of the Sea.

Senator MURKOWSKI. Well, I would certainly concur. We want to be able to work with you to try to advance it. I believe it is critically important.

I am concerned, though, that while other Arctic nations are moving forward with policies that build out infrastructure, that provide assets, that we are not prioritizing it to the extent possible. But I appreciate your commitment.

It is amazing to me to see the volume of shipping traffic, the cruise ships that are traveling through these northern waters. And we recognize that there is not a lot up there if there were an incident. So it is something that we need to remain vigilant.

I wanted to ask, I have got a host of different questions, but I don't know whether we will have a chance to go to a second round.

SEXUAL ASSAULT PREVENTION PROGRAMS

But I do want to ask about an article that was in yesterday's news. And this relates to a new Federal lawsuit where eight members of the military, seven of whom who served in the Navy and the Marine Corps, have made allegations of sexual assault. And the allegations contained in at least the report that I read are pretty serious—a high tolerance for sexual predators in the ranks, fostering a hostile environment that discourages victims of sexual assault from coming forward, and punishing them when they do.

What are we doing, not only within the Navy, but what are we doing within the military to ensure that there is a level of safety? That if, in fact, one is a victim, that they are not further victimized by retribution when they come forward? Are we making any headway on this?

Mr. MABUS. One of the things that I committed to when I took this job and one of the things that I have focused on the most intently is sexual assault in the Navy and Marine Corps. It is a crime. It is an attack. It is an attack on a shipmate.

And we have a force that is willing to lay down its life for other shipmates. This should be no different. We have to make sure that the force understands the severity of this and is willing to intervene to stop this before it happens. I will give you some specific things that we have done.

I set up a sexual assault prevention office that reports directly to me, and I get reports on a very routine basis. And that office has been going around the fleet, around the Marine Corps to, number one, find out exactly the size of the problem and what we can do about it.

Some of the things that have come out of that is that now in boot camp—coming out of boot camp, we found that programs inside boot camp were not that effective because there are just too many things coming at people when they were at basic training, but that every sailor going to "A" School, and every sailor does go to "A" School, they will get three 90-minute sessions on sexual assault, on how to prevent it, on how to intervene.

Second, I announced Monday of this week that we are undertaking a major initiative called 21st century sailor and marine that has five different areas in it. And one of them is that people should feel safe.

Some of the things we are doing there is doing everything we can to remove the stigma of reporting, including—and this is a DOD-wide effort—some Federal forms that you have to fill out now for things like security clearances, you would have to put down counseling that you received after an attack. We have got to end that requirement. Including, if the victim wants to go to another command immediately, that person can go to another command imme-

diately to get away from any sexual predators that they may have come in contact with.

And the one that got the most press was, we are instituting breathalyzer for alcohol on duty stations coming aboard our ships, coming to work at our surface locations. And the reason we are doing this is because alcohol has been shown to be the common factor in sexual assault, in domestic violence, in suicide, in fitness, in readiness.

And we have run a pilot program with Pacific submarines (SUBPAC) in Washington State, and we have also run a pilot program at the U.S. Naval Academy using these breathalyzers. The incidence of sexual assault, the incidence of domestic violence, of everything across the board has gone down dramatically when we have done that.

And I just thought if we have that opportunity and we know that sort of—we could get that sort of response in these pilot programs, that we had an obligation to put this in fleet-wide to guard against any not only sexual assault, but also the other risks that sailors and the marines face.

Senator MURKOWSKI. Well, I appreciate that, and the attention and the focus on the safety.

I look forward to welcoming you to Anchorage this summer when the USS *Anchorage* is commissioned. We are looking forward to that visit.

Thank you.

Mr. MABUS. We were at least bright enough to do that in the summer.

Senator MURKOWSKI. Much better weather and good fishing.

Thank you, Madam Chairman.

Senator MIKULSKI. Thank you, Senator Murkowski.

Before I turn to Senator Kohl, I just want to add and amplify the gentlelady's remarks and yours, Secretary Mabus.

All of the women in the Senate—and we don't have a caucus, we just come together on where we can find common ground—are very concerned about women in the military, their ability to serve and to be promoted and utilized in every capacity.

But this issue of alcohol is something that runs through all of the services. And for having the Naval Academy in Maryland, I am on the Board of Visitors, one of the things we find, because there is unwanted sexual—there is a continuum, the unwanted sexual contact, which would be very aggressive coming-on, but it is not assault, it is not harassment—to harassment, all the way up to a violent, violent situation like rape.

In 90 percent of those situations at the Academy, again, it is alcohol, alcohol, alcohol. We would hope that the Secretaries of all the service academies would look at alcohol on their campuses the way the Naval Academy is looking at theirs, lessons learned from civilian universities.

But I really want to encourage you to look at this. We are not prohibitionists. We understand human behavior, et cetera, that people are people, and human beings are human beings. There are two things that contribute to the kind of climate that Senator Murkowski raised. One, a cultural climate of hostility. And I think the military has dealt with that and has been dealing with that for

more than 20 years and certainly this administration and, I believe, Secretary, President Bush did as well.

But this alcohol thing is big. And it also impedes the ability to serve and to be fit for duty.

So we just want to encourage you on that. I wanted to just congratulate the gentlelady for raising that question because it was going to be one of mine as well.

So, having said that, I am going to turn to Senator Kohl from Wisconsin.

STATEMENT OF SENATOR HERB KOHL

Senator KOHL. Thank you very much.

Secretary Mabus, the Navy's budget fully funds the current plan to split the purchase of 20 LCSs evenly between the variants built in Wisconsin and Alabama. I support this approach and commend you for requesting the funding necessary to carry it out.

LITTORAL COMBAT SHIP PROCUREMENT PROGRAM

However, the Navy's 5-year budget window cuts two LCS ships after the 20-ship purchase plan is complete. In light of that proposed cut in future years, does the Navy still support long-term plans to purchase 55 LCSs?

Mr. MABUS. Absolutely, Senator. The two ships, and it goes from three to two each year, we lost one ship in 2016, one ship in 2017, but it was just slid to the right.

We want to build out the 55 ships as quickly as we can. We still believe in that number and that need for our fleet.

Senator KOHL. Good.

Just to push it to a final comment from you, if the Congress were to delay the Navy's plans to bring these ships into the fleet, the Navy's effectiveness would be hurt. I hope you would agree with that. We understand that the LCS is going to replace an aging fleet of frigates and minesweepers and that Navy readiness would suffer without them.

Is that true? And what will happen if the LCS is delayed?

Mr. MABUS. Yes, Sir, the LCS is one of our—one of the backbones of our fleet today and for the future. As the CNO mentioned a little bit earlier, Singapore has invited us not only to bring the first LCS there next year, but also to forward deploy LCSs in Singapore in the future. And that is something that we are certainly planning to do and certainly is going to be one of the prime capabilities that we have in the Pacific.

Senator KOHL. All the hopes that you had for LCS are on plan and following, moving along as you guys had discussed?

Mr. MABUS. Yes, Sir. We are—it is an amazingly capable ship, shallow draft, very fast. But also I think it is one of the ships of the future because of its modularity.

Because every time the technology improves, every time we get a different weapons system, we don't have to build a new ship. We simply pull out the weapons system or the whatever system off the ship, put in a new one, a different one, and go back to sea.

And I think that capability, the first three systems, as you know, are anti-surface, anti-sub, anti-mine, and if you look at some of the things that we are facing in the world today, that we are relying,

as you pointed out, on patrol boats and minesweepers, or mine-countermeasure ships to do, we need this capability very badly.

Senator KOHL. And you are pleased that you are building two variants on that LCS?

Mr. MABUS. Yes, Sir, I am. I think that they give us a wider range of options for our operators. As you know, and thanks to this subcommittee and the Congress, we were able to buy both variants at a greatly reduced rate.

Both variants are on firm fixed-price contracts. The price is going down for each successive ship. And we are very pleased with the shipyards that are building them. We are very pleased with the product that is coming out.

Senator KOHL. Thank you very much, Mr. Secretary.

Senator MIKULSKI. Senator Collins.

STATEMENT OF SENATOR SUSAN COLLINS

Senator COLLINS. Thank you very much, Madam Chairman.

I apologize for being late. The Armed Services Committee is having a hearing with Secretary Panetta on Syria, even as we are meeting today. And I clearly need a clone, but I have yet to figure that out.

Senator MIKULSKI. We will support that.

Senator COLLINS. Mr. Secretary, first of all, it is good to see you again.

DDG-1000 PROGRAM

As you know, Bath Iron Works is building the first two *Zumwalt*-class destroyers and will commence construction of the third DDG-1000 later this year. The first ship was 60-percent complete when the keel was laid. The construction rework rate is less than 1 percent, which is astonishing for the first ship of a new class. And the Navy retired a significant portion of the program's cost risk during the last year.

I think it would be helpful for the record, in light of the department's commitment to maintaining combat capability in anti-access/area denial environments, if you would comment on the combat capabilities that you expect these three DDG-1000 ships to bring to the fleet.

Mr. MABUS. I will be happy to, Senator. And I would also like to ask the CNO to follow along after I do.

These ships, with their new stealth technology, with the fire support for ground troops that they bring, with their anti-air, anti-surface, anti-submarine capabilities certainly fit very precisely into the anti-access/area denial areas that we have planned to use these ships in.

As you know, because of the truncation from 10 ships to 3, a Nunn-McCurdy breach occurred, but it was solely because the number of ships went down. At that time, the program was recertified as crucial to national security, and the building, the fabrication, at Bath has gone along very well. And I am happy that we now have the further two, 1001 and 1002, now under contract so that we can move forward with them to join the fleet.

Senator COLLINS. Thank you.

Admiral, is another advantage the smaller crew size that can be used on these ships, given the high cost of personnel?

Admiral GREENERT. Yes, Senator. We are talking 100 less on a ship of a comparable capability, 150 versus 250, for example, the DDG-1000 being 150.

We don't talk a lot about its undersea capability. It has a dual-frequency sonar capability, which means it can be searching for long-range underwater vehicles, submarines, but at the same time tracking something closer. Eighty-cruise missile capability, not a lot of people talk about that. That is extraordinary.

So it has a good land attack mode, the long-range gun, which we are really excited about, what it will bring—two of them, advanced long-range projectiles—and it also maintains three drones. We are going unmanned. It is very important. So it can employ three unmanned systems, vertical take-off and landing tactical unmanned air vehicle (VTUAV) Fire Scout or Fire-X, as well as a helicopter. So it is quite capable. And on radar, it looks like a fishing boat.

DDG-51 PROGRAM

Senator COLLINS. Mr. Secretary, your strategy to introduce competition into the restart of the DDG-51 program earlier than planned reaps some significant savings for the taxpayer, and I applaud you for that effort. In addition, it is my understanding that the Navy estimates that it could save up to \$1.5 billion by exercising multiyear procurement authority for the DDG-51 program during the next 5 years.

I understand that Senator Reed mentioned some possible uses for those savings. So I would be remiss if I did not also follow that line of questioning.

That amount, as luck would have it, would be sufficient to procure one additional DDG-51 in the 5-year budget window. And currently, the Navy intends to procure nine ships during the 5 years. But the Navy's own requirements, plus the fragility of the industrial base, call for an absolute minimum procurement rate of two large surface combatants per year.

So, Mr. Secretary, if the Navy does reap the savings expected from the multiyear procurement authority and the increased competition and you have the opportunity to reinvest that funding, would adding an additional destroyer in the 5-year budget window also be one of your priorities?

Mr. MABUS. Senator, we will certainly be requesting multiyear authority for the DDG-51. I think it is exactly the type program, and your numbers are accurate in terms of the savings that we forecast.

What we have done, however, is we have already used those savings to get the nine ships. Without a multiyear, we would only be able to procure eight. And so, we have taken the savings that we anticipate from the multiyear to procure the ninth ship.

Senator COLLINS. I am concerned particularly, and I realize my time has expired, but particularly with the focus on the Asian Pacific, that we are not going to have enough ships to really do the job. And I hope that is something that we can focus on as we set priorities.

Also for the record, I will be, with the chairwoman's permission, submitting some additional questions involving investment in our public shipyards. There is a long, long backlog, which the Government Accountability Office (GAO) has documented.

And unfortunately, there, I believe, is only one new military construction project identified in this year's budget request, for Norfolk. And the needs are great at the Portsmouth Naval Shipyard and elsewhere. So that is something we need to look at as well.

Mr. MABUS. Madam Chairman, if I could.

Senator MIKULSKI. Sure.

NAVY FLEET SIZE AND CAPABILITY

Mr. MABUS. Just in terms of numbers of ships, you and I share the concern, even though the fleet we have today is far more capable than any fleet we have had before. But one of the things that I think is important to note is that at the end of this 5 years, this FYDP, we will have the same size fleet, in spite of some early retirements of ships, in spite of the requirements of the Budget Control Act of 2011, in spite of having to defer the building of some ships, and that by 2019 we will be back at 300 ships. We will build the fleet to 300 ships because at some point, as we have discussed, quantity becomes a quality all its own.

So, thank you, Senator.

Senator COLLINS. Thank you. Thank you very much.

Senator MIKULSKI. Senator Collins, and also to other Senators, I know their staffs are here, the record will remain open for subsequent questions of members, and also Senator Inouye will be submitting his questions for the record.

I have some questions of my own. I really wanted to be at this hearing because we in Maryland, we are a Navy State. We are not just a Navy State. We love our Army presence, whether it is the National Security Agency at Fort Meade or Aberdeen or its bases. We love the Air Force because of being there at Andrews.

But we are crazy about the Navy. We have the Naval Academy, Naval Bethesda.

Mr. MABUS. Your ardor is returned, Senator.

Senator MIKULSKI. Well, we will get to that—Naval Bethesda, Pax River, the Office of Naval Intelligence.

USNS *COMFORT* RELOCATION

And we think we offer a fantastic set of home ports. We are the home port to the *Constellation*. We are the home port to the 10th fleet, the dynamic, cyber 10th fleet that has no aircraft carrier, submarines, or whatever, but is defending the fleet. And we are also the home to the *Comfort*.

Now, we feel real bad that we are going to lose the *Comfort*. And in fact, we feel so bad in Maryland that it has the same magnitude, if you were in Baltimore when we heard the *Comfort* was going to leave us, we have had the same feeling as when the Colts left us.

And I am not joking. We love the *Comfort*, the hospital ship that we have watched since 1987 steam down the bay for really significant missions, serving the Nation, whether it has been to respond to Desert Storm, and we were there along with the hospital ship *Mercy*, whether it was responding to 9/11 off the coast of New York,

where Senator Collins and I stood side-by-side looking at the wreckage and the debris, and so on.

So I want to know how we can keep the *Comfort* in Baltimore?

Mr. MABUS. Senator, the decision to move *Comfort* was a purely financial one. The pier in Baltimore is a private pier that we pay a little more than \$2 million a year to keep the *Comfort* berthed there. The pier that it will be moving to is a Navy pier. So we will save in excess of \$2 million a year to move the *Comfort*.

Two other things went into the decision. One was the facilities at the new pier for the ship and its permanent crew, the 57 permanent crew members. And the other was that, as *Comfort* is manned by medical professionals—

Senator MIKULSKI. You have two manning. You have those who keep the ship afloat and operational, and then you have this extraordinary medical team that is just amazing.

Mr. MABUS. Me, too. And that manning has changed over the years so that most of those health professionals now—doctors and nurses—come out of Portsmouth, Virginia, the hospital there, instead of the way they used to, out of Bethesda.

And so, those were the things that went into the decision. But it was primarily financial.

Senator MIKULSKI. Well, I have a couple of questions about that.

First of all, let us go to the pier part of it. And I understand we are in a frugal environment. That has been the point of the testimony and many of your comments as you support the Secretary of Defense and the President's initiative to have a more frugal but still muscular defense. We understand cost.

But tell me about this pier. Don't you have to build a new pier for the *Comfort*?

Mr. MABUS. No, ma'am. We upgraded the pier—

Senator MIKULSKI. And how much did that cost?

Mr. MABUS [continuing]. To provide for the *Comfort*. Three and a half million dollars.

Senator MIKULSKI. So it cost \$3.5 million to upgrade it?

Mr. MABUS. Yes.

Senator MIKULSKI. Now, let us go to the mission. And I understand the fact that the manpower used to be at Naval Bethesda. So I don't dispute that.

But have you looked at the hurricane impact? Let me be specific so this isn't a trick question.

The *Comfort*, since the *Comfort* has deployed since 1987, I think, 9 or 10 times, two-thirds of that has been during hurricane season. Literally, when it went down the bay, it has been hurricane season. What Norfolk has to do when hurricanes come is they have to go to sea.

Okay. So the President says send the *Comfort* to wherever. It has been to Haiti, you know, and God knows what lies ahead, given the turmoil in the world.

So, have you looked at the hurricane impact statement, that while it is berthed at Norfolk, you are in a hurricane, the *Comfort* is out at sea riding it out, but you have to get ready to deploy? Have you looked at the hurricane impact?

Admiral GREENERT. I can't tell you that we have, Senator. What we would do is we would sortie the ship, like we do with the others. And I think that is your question, the cost to sortie—

Senator MIKULSKI. I don't know the military lingo. I just know—

Admiral GREENERT. We would get underway. The ship gets underway—

Senator MIKULSKI. Because while we are looking at Norfolk during the hurricane, we are up the coast at Ocean City, and so on.

Admiral GREENERT. Right.

Senator MIKULSKI. So we are all kind of in it together. So, go ahead.

Admiral GREENERT. I have to take it for the record, so that I—because I would want to make sure I understand your question.

I believe this ship will have to get underway like the other ships in Norfolk do when there is a hurricane in the region. And so, have we accommodated that factor, as opposed to remaining in Baltimore, the number of times ships sortie because of weather in Norfolk versus weather in Baltimore? I think that is your question, Senator.

Senator MIKULSKI. Yes.

Admiral GREENERT. I have to get back to you on that and see what that would be.

Senator MIKULSKI. Well, Admiral, I would really appreciate this.

Admiral GREENERT. Sure.

[The information follows:]

After revising our cost estimates to account for hurricanes, the case for moving USNS *Comfort* to Norfolk remains cost effective. The Navy will still save approximately \$2 million annually. Details are as follows:

USNS *Comfort* has not conducted a weather sortie from her berth in Baltimore in the past 10 years, while Navy ships homeported in Norfolk have conducted two weather sorties during this period. If USNS *Comfort* was berthed in Norfolk, each weather sortie would incur operational costs of \$0.5 million (assumes a 5-day sortie at a cost of \$100,000/day). Over a 10-year period, two sorties would thus cost \$1 million ($2 \times \0.5 million) or an average of \$0.1 million/year.

Despite the potential operational cost for USNS *Comfort* to conduct weather sorties, the decision to berth her in Norfolk remains cost effective. Our report to the Congress on the Cost Benefit of Relocation of USNS *Comfort* estimated a \$2.1 million/year savings. Factoring in the contingency of weather sorties reduces this estimate by \$0.1 million to \$2 million/year in savings. Also, the location in Norfolk would reduce the transit time to open ocean by 12 hours compared to a Baltimore berth.

Senator MIKULSKI. You know, it is my job to fight to keep the *Comfort*—

Admiral GREENERT. I understand.

Senator MIKULSKI [continuing]. Both for economic reasons and jobs, and yet we have developed just an affectionate relationship. And I think the crew of the *Comfort* feels the same, that we are a welcoming home port.

So, Mr. Secretary, with the cooperation of the Admiral, I would like you to look at that impact and see if it affects your judgment so we get to keep the *Comfort*.

If we cannot, if we cannot—and facts must speak for themselves—would you also take the opportunity to look and see if there are other home port opportunities for us? Because we have a 50-foot channel, we now have port capacity that is going to welcome

the new ships coming through the Panama Canal. And if we can welcome these new ships from the canal, we sure would like to welcome a vessel from the United States Navy.

We have the *Constellation*, the older ship. We would welcome a new ship, and we would love to keep the *Comfort*.

Would you take a look at—

Mr. MABUS. We would be happy to look at both of those. Yes, Ma'am.

Senator MIKULSKI. Senator Cochran.

Senator COCHRAN. Madam Chairman, thank you.

General Amos, there is one question that I omitted asking for the record to you, and it relates to our amphibious warship fleet lift capacity.

AMPHIBIOUS SHIP REQUIREMENTS

What I would like to have for the record is what is the current inventory of amphibious ships in the fleet? And what is the maximum lift requirement? And are there operational readiness concerns? And are you aware of any unmet combatant commander demands for amphibious ships?

General AMOS. Senator, I can answer, I think, all of those or at least get a head start on those things, and we will come in on the record for the rest of it.

But I believe the current inventory—and John, Admiral Greenert can just keep me honest here—I think our current inventory is at 29 today, amphibious ships.

We have a few decommissions coming underway. We have some, as you know, new construction. I made a comment about 2 weeks ago that the agony that the CNO and the Commandant and the Secretary of the Navy went through in this FYDP cycle to cut Solomon's baby, to try to determine, what ships, you know, where are we going to spend our money was, I think, very responsible.

And I think, from my perspective, I mean, I would like to add 55 amphibious ships, but we can't afford it. My sense right now is that I am very satisfied with what we have done inside this FYDP.

There is going to be an effort underway over the next little bit to take a look at what is our real requirement? We know how much it takes to put a marine expeditionary brigade on a ship. That takes 17 amphibious ships. So if you just say, okay, let's put one of these brigades onboard, what is it going to take? It is 17.

Well, our Nation has an agreed-upon requirement for two of these in a forcible entry operation. Well, that is a lot of ships, and we can't afford that.

[The information follows:]

Question. What is the current inventory of amphibious ships in the fleet?

Answer. There are currently 28 amphibious warships in the fleet.

Question. What is the maximum lift requirement?

Answer. The Department of the Navy has identified a requirement of 38 amphibious warships to lift two Marine Expeditionary Brigade assault echelons. Compelled by fiscal realities, we have accepted risk down to 33 ships. Thirty operationally available ships is the baseline number to support day-to-day operations.

Question. Are there operational readiness concerns?

Answer. We currently have 27 operationally available amphibious warships in the inventory. With the commissioning of the USS *San Diego* (LPD 22) during May 2012, the number of operationally available amphibious ships will rise to 28. The current inventory does not support operational plan (OPLAN) lift requirements and

defers critical warfighting capability to follow-on-shipping, and increases closure time. Additionally, it does not fully support single-ship deployer requirements requested by combatant commanders to meet their theater engagement plans. Last, there is little flexibility in the amphibious warship inventory, limiting the Navy's ability to provide a "reserve" in the case of a catastrophic casualty to a ship or class of ship.

Question. Are you aware of any unmet combatant commander demands for amphibious ships?

Answer. Specific demand signals are classified and can be provided in a separate venue; however, the overall delta between global combatant command demand of Amphibious Ready Group/Marine Expeditionary Units and what has actually been sourced for fiscal year 2012 is 53 percent. For independent amphibious warship deployers, less than 10 percent of global combatant command demand is sourced.

General AMOS. So we are working right now, you know, what is it we can't afford? What are the elements of risk, as you come off of the number? And then how do you mitigate that risk? Because there are ways that you can mitigate risk.

But as the Secretary said, quantity has a quality all its own. It does reach a point, there is a knee in the curve where we want to make sure that we have the ability to be able to put these, deploy this forcible entry force. Hard to imagine that it could ever happen. It is almost out of the realm of our imagination. But let me give you a sense for magnitude.

When we surrounded the town of Fallujah in the fall of 2003—excuse me, 2004, we put 5 marine infantry battalions around there, 3 Army battalions, and 2 Iraqi battalions—10 infantry battalions. What we are talking about here for this forcible entry capability for the entire United States of America are basically six battalions, or two brigades worth of marines coming ashore.

So when you think of relativity, it is a pretty nominal capability for a nation that is a global power, that somewhere down the road may have to exercise its forcible entry capability.

Does that answer your question, Sir?

Senator COCHRAN. It does. Thank you very much.

Senator MIKULSKI. Mr. Secretary, General Amos, and Admiral Greenert, first of all, I think the subcommittee really wants to thank you for your service and for your leadership. In thanking you, we want to thank all the men and women who serve in the Navy and the Marine Corps.

So, for those who are active duty, Reserves, and part of our civilian workforce that supports the Navy, we really just want to say thank you in every way and every day.

FORCE SIZE AND DEPLOYMENT IMPACT

I want to ask a question really that then goes to deployment and our families. One of things we know that the health and vitality of our military personally—the individual soldier, sailor, airman, and marine—often depends on the frequency of the deployment.

With the drawdown of personnel and the fact that we are still in combat, my question to you is, given this current manpower that is being recommended in the appropriations, how do you see this affecting the deployments? Will they deploy more frequently? Will they deploy less? What is your view on that?

Admiral, can we start with you, and then go to General Amos?
Admiral GREENERT. Yes, Senator.

The demand signal which defines our deployment is called the global force management allocation plan. It is the distribution, the allocation of forces around the world. And one of the in-going foundations, if you will, or givens, for our budget as submitted and that we signed up to was what we call—my process is called the fleet response plan. And I respond to the global force management allocation plan.

We established what that is, and I am comfortable that we can—and it will be less deployments than today, subject to the world voting and things changing.

The thing, the key in this is the combatant commanders' having a request for forces. This is a supplemental to the plan, if you will. Today, we are living with a fairly extensive number of requests for forces. These are deployments over and above what the budget is laid out to give. And due to the generosity, if you will, the support of this subcommittee and the Congress through the overseas contingency operations (OCO) appropriation, we are able to reconcile that.

So what I am telling you, Senator, is with the plan, the global force management plan that is laid out there, I am comfortable. If we are unable to, if you will, sustain that appetite for additional forces, then there is going to be a stress on that, and we are going to be deploying more than what is assumed in this budget. And that will be difficult.

Senator MIKULSKI. General.

General AMOS. Senator, several years ago, I remember answering your question about what would be the ideal what we call deployment-to-dwell ratio. And that is—

Senator MIKULSKI. That is exactly what I am trying to also get at.

General AMOS. Right. And it is deployment-to-dwell. And that was at the height of when the Marine Corps, my service, was essentially almost on a 1-to-1. So you are gone 7 months, and you are home 7 months. And while you are home at 7 months, you are training and you are doing all these things. So it is not like you are home in your house for 7 months. But that becomes a 1-to-1.

We are sitting today in our infantry battalions, which is the standard unit of measure in the Marine Corps—everything else is built around an infantry battalion—at about 1 deployment to 1.5, which means you are gone for 7 months and you are home for 10, 11.

Now, I will tell you that is going to change dramatically this year. As the Marine forces come down, as that surge force comes down in Afghanistan that we have talked about, our deployment-to-dwell ratio will increase. In other words, we will have more time at home.

So, as I look at a post-Afghanistan world, and I think about now being forward deployed and forward engaged in the Pacific, and being in Okinawa and being in Guam and being down in Australia, and doing all the things that marines do, my sense is that even at a 182,000 force—in other words, that force that we are going to go down to—that we will, when it is all said and done, we will settle down to something more than a 1-to-2 deployment-to-dwell.

So it will probably be—we will have some units that are 1-to-3. In other words, you are gone, we will get out of the 7-month deployments. We will get back to 6. You are gone 6 months, then you are home 18 months. And marines get bored. And quite honestly, they like to deploy, and they like to be out at the cutting edge. So that is the 1-to-3 that we would probably, as a Nation, like our services to all kind of be at.

Are we going to ever see that again? I don't know. Will I be happy if I see 1-to-1.2, as a Commandant? Yes. Will the marines be happy? I think so. I think we are going—that is where we are headed. So I think if we are just patient for about another year, we will get this recocked and reset back to I believe where you would like to see it, Senator.

Senator MIKULSKI. Well, what I would like to see is that I know that our Marines and our Navy like to fight. That is why they join the military. I mean, like to be ready to protect and defend, and we love them for it. We really do.

And part of that love for them is to protect them while they are protecting us. Our job is to protect them. And deployment and the rate of deployment, the ratio of deploy-to-dwell has a dramatic, demonstrable effect now. We know this from our experiences on their physical and mental health.

So I am for them. And I know you are. God knows, I know you are. And so, I want to be sure that, as we look at the forces that we are going to have, we protect them as they protect us.

And Mr. Secretary, and I would hope the Service Secretaries and the Secretary of Defense also speak out at hearings, that if we are going to reduce the number of our military, we need to be careful with our rhetoric about where we want to just send them. So just know that. I think all of us want to work with you on it.

SERVICEMEMBER TRANSITION PROGRAMS

And then that goes to my last question. After they serve and they are ready to be discharged, I worry that they have jobs. I just worry about that. And I know many of the Members do. The women have talked about this. So, often when they are discharged, is there an actual plan that helps them sort out where they can work?

And also, it was something, I think, Mr. Secretary, you in your old hat as a Governor said, sometimes they had these fantastic skills in the military and serve us so well and bravely, but it doesn't count toward licensing in their home State. So we have heard about just wonderful people that have done incredible Medical Corps service in the most grim and violent of circumstances, where their performance has been amazing to prevent mortality and morbidity, and then it didn't count for anything when they came home to get a job, where we have a civilian workforce shortage—EMTs, nursing, et cetera.

Could I ask you, Mr. Secretary, and so I know I am going over my time, really, first of all, I think their service ought to count, and I think it ought to count in every State in the United States of America. Are you looking at that? And then, also, can you tell me about the discharge planning that goes on so that we help them be able to find their way in the civilian workforce?

Mr. MABUS. I would very much like to talk about that.

In terms of credentialing, whether it is for things like nurses or other things, two things spring to mind. One is the First Lady's initiative to make sure that every State in the Union signs up to accept credentials from particularly military spouses. Because we ask our military to move a lot. Military spouses who are nurses or realtors or anything else that requires a certificate or a license sometimes have to wait 6 months or a year when they get there.

Second, for the members of the service, we have a thing called Navy COOL, which is Credentialing Opportunities On-Line.

Senator MIKULSKI. "Cool," like "You are a cool guy?"

Mr. MABUS. You are a cool guy.

Senator MIKULSKI. Okay. Is it C-O-O-L—

Mr. MABUS. I think that is why they picked it. No, it is C-O-O-L, Navy COOL. And what it will—

Senator MIKULSKI. I notice it is not "CNO."

Mr. MABUS. Well, he is a pretty cool guy, too.

Senator MIKULSKI. Yes. You all are.

Mr. MABUS. Navy COOL allows sailors to go online, get the certificate that they need to match the job they are doing in the military with a civilian credential. And we have this lined up with every naval job, what is a comparable civilian job and if you need a credential. And if you are leaving the Navy, we will pay for the things that you need to do to get that.

Senator MIKULSKI. Get that credential.

Mr. MABUS. Get a credential.

SERVICEMEMBER TRANSITION ASSISTANCE

The other things I want to talk about, and CNO and Commandant may want to give some more detail, too, as people separate from either the Navy or the Marine Corps, we are taking that transition very seriously. We are giving one-on-one counseling. We are doing things like, if you want to go to a job fair anywhere in the United States, we will pay for you to go there.

If you are overseas when you are being separated, we guarantee you 60 days back in the United States before that separation. The marines have a four-door process of "Tell us where you want to aim for." Do you want to aim for more education? Do you want to aim for apprenticeship? Do you want to aim for a certificate? Or do you want to aim to go right into the job market? And we will send you through the preparation to do that.

And the last thing I would like to say is that the Navy itself has taken it very seriously. Last year, we hired in the Navy almost 13,000 former sailors and marines to come in as civilians once their service was finished because they have a lot of the skills that we need. So far this year we have hired almost 3,000.

And we feel a special obligation to our wounded warriors. We have had two hiring conferences with private employers for wounded warriors, both of which all three of us have spoken at.

The second thing, though, is that the Department of the Navy, through Naval Sea Systems Command, NAVSEA, had a goal last year of hiring at least one wounded warrior per day for the entire year, and we exceeded that. We hired more than 400 wounded warriors into NAVSEA.

Senator MIKULSKI. Mr. Secretary, I am going to ask you not only for the record, but for me personally, if I could have whatever your policy papers are on this, because I want to talk to my colleagues about how we can promote the First Lady's initiative not only in the budget. And I know both the Admiral and General could elaborate, but the hearing is getting longer.

[The information follows:]

Prior to 2009, the Department of the Navy (DON) had several initiatives and programs for hiring wounded warriors, but these efforts were consolidated under Executive Order 13518, "Employment of Veterans in the Federal Government" which DON now follows as its guiding policy. DON utilizes the Defense Outplacement Referral System (DORS) to help wounded warriors find employment opportunities within the Department of Defense (DOD). Wounded warriors who register in DORS have the opportunity to upload their résumés which are then available to hiring managers across DOD. DON is committed to recruiting and employing veterans, and our HR Wounded Warrior Coordinators help qualifying veterans register in DORS; 976 wounded warriors have been hired in fiscal year 2012.

In compliance with Executive Order 13518, DON provides the required veterans' employment training via human resources reference guides, online education tools, and in-person seminars. DON also recently published a wounded warrior reference guide for the use of employers, managers, and supervisors which provides information on how to successfully support veterans who have transitioned to the civilian workplace.

Senator MIKULSKI. And then I think there will be some of us who will want to take this on ourselves. You know, when World War II ended, we had a tremendous demand for workers and so on. And again, as part of it, if you are going to get out there and protect and defend us and be in the front line, we don't want them on the unemployment line.

ADDITIONAL COMMITTEE QUESTIONS

And so, we would like to work with you to really, really ensure that. I would like to have the policy papers and do that.

So, Mr. Secretary, Admiral Greenert and General Amos, we want to thank you for your testimony and for your service. Senator Inouye also said to please commend his regards to you.

[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. RAY MABUS

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

END-STRENGTH REDUCTIONS

Question. Secretary Mabus, as part of the fiscal year 2013 budget proposal, the Department of Defense (DOD) has put forward a plan to reduce the size of the active duty Navy by 6,200 sailors and Marine Corps by 20,000 marines over 5 years. What is the plan for reducing the force beginning in fiscal year 2013, and what are the risks associated with this downsizing?

Answer. Navy and Marine Corps end-strength reductions are a result of DOD Strategic Guidance released January 2012. This guidance emphasizes a smaller, leaner force structure that is agile, flexible, ready, innovative, and technologically advanced. This quality force is fully capable of executing its assigned missions, and is a force with capabilities optimized for forward-presence, engagement, and rapid crisis response. It also balances capacity and capabilities across our forces while maintaining the high levels of readiness on which the Nation relies.

Navy end-strength reductions are primarily the result of changes in force structure, such as ship decommissionings. To manage these reductions, the Navy will primarily rely on voluntary measures and attrition, before resorting to involuntary ac-

tions. The challenge is to shape and balance the force to achieve a mix of officers and enlisted personnel that ensures the right person, with the right skills is in the right job at the right time.

Marine Corps end-strength reduction result from right-sizing the Marine Corps to meet the anticipated security environment and needs of the Nation after the drawdown in Afghanistan, and the impacts of the Budget Control Act of 2011 on DOD budgets. This force adjustment follows the Marine Corps growth of 27,000 marines in 2006 and 2007. The force funded in the fiscal year 2013 President's budget request is fully capable of executing all assigned missions in the new strategic guidance, and is a force with capabilities optimized for forward-presence, engagement and rapid crisis response. It balances capacity and capabilities across our forces while maintaining the high levels of readiness for which the Nation relies on the Marine Corps.

The Commandant of the Marine Corps (CMC) has approved the use of several force shaping tools as we reduce Marine Corps end strength by approximately 5,000 marines per year beginning in fiscal year 2013. The Marine Corps will accomplish the drawdown by maximizing the use of voluntary measures such as attrition and early separation/retirement authorities. This reduced level of end strength creates some additional risk in capacity as the operating force manning levels will go from 99 percent for both officer and enlisted ranks to 95 percent for officers and 97 percent for enlisted; however, it is a manageable and affordable solution that maintains a ready, capable, and more senior force in support of the new strategic guidance.

This enduring strength level and force structure ensures that the Marine Corps retains the necessary level of noncommissioned officer and field grade officer experience and war-fighting enablers to support the future security environment. The Marine Corps drawdown plan ensures the Marine Corps remains the Nation's expeditionary force in readiness while simultaneously keeping faith with our marines and their families who have excelled during the last 10 years of combat operations.

BIOFUELS

Question. Secretary Mabus, I am encouraged by the administration's proposal on biofuels and your leadership in DOD on alternate energy and biofuels in particular. I have heard concerns raised questioning the rationale for DOD's participation in this initiative. Can you comment on the national security justification for DOD's involvement in the biofuels project? Furthermore, does the administration still support this tri-Agency initiative?

Answer. By continuing to rely on petroleum fuels, DOD is subject to price volatility in the global petroleum market and bears potential exposure to foreign supply disruptions. Last year after the Libyan crisis occurred, the price per barrel charged by the Defense Logistics Agency (DLA) energy increased \$38 to \$165 per barrel. With this increase in the price of a barrel of oil, the Department of the Navy (DON) realized a \$1.1 billion increase in our fuel bill. These midyear increases equate to less flying hours, less steaming hours, and less training, ultimately impacting readiness. Additionally, national security is threatened by the potential to be physically cut off from foreign sources of petroleum.

Because of the imperative for energy and national security, DON believes the United States must reduce its dependence on petroleum but especially foreign oil. DON is making investments in the American biofuels industry because this is vital to our operations. This effort can help to dampen price volatility while also developing an assured domestic source for tactical fuels. Currently, the Navy uses about 50 percent of its tactical fuels stateside, and 50-percent deployed overseas. The stateside portion is where most of our crucial training and readiness events take place. When petroleum prices exceed budget forecasts or supplies constrained, the amount of training can get reduced. To ensure the Navy is ready to serve national interests, this training must not be subject to the vagaries of the petroleum market. Domestically sourced and produced advanced alternative fuels could provide energy security for training and readiness and more budgetary certainty as alternative fuel prices will not move directly with the petroleum prices. The need to find cost competitive alternative fuels has never been greater. Unrest in Libya, Iran, and elsewhere in the Middle East drove up the price of a barrel of oil by \$38, which increases Navy's fuel bill by more than \$1 billion. Because every \$1 rise in a barrel of oil is effectively a \$30 million unbudgeted bill to the Navy, in fiscal year 2012 the Navy is facing a \$1 billion additional fuel cost because the price has risen faster than that estimated when the budget was passed.

The administration is 100 percent behind this "tri-Agency initiative". Currently, the three agencies participating (U.S. Department of Agriculture, Department of Energy, and DON) expect to contribute \$170 million each to the effort for a total of

\$510 million. There is a minimum requirement that industry provides a 1-to-1 cost share, resulting in a total investment of at least \$1 billion.

With the total investment, DON anticipates that multiple integrated biorefineries could be constructed through new builds and retrofits. This investment, combined with a strong demand signal for alternative fuels from the military and commercial sector, will be the impetus necessary to sustain the overall alternative fuels industry sector. Creating a strong, domestic fuel market that insulates the United States from foreign oil and price volatility has been, and continues to be, a goal of the current administration.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

BROAD AREA MARITIME SURVEILLANCE—GLOBAL HAWK

Question. Secretary Mabus, as you know, the Air Force has decided to cancel the Global Hawk Block 30 program and announced it does not intend to procure the last three assets appropriated in the fiscal year 2012 National Defense Authorization Act (NDAA). It is expected this will have a negative effect on the supplier base and will more than likely increase the unit price given the reduction of units procured.

Given the Navy's Broad Area Maritime Surveillance (BAMS) program is based upon the Global Hawk airframe, do you think the unit cost will increase now that the Air Force has decided to cancel the Global Hawk Block 30 and has decided not to procure the last three assets appropriated in the fiscal year 2012?

Answer. The cancellation of the Global Hawk Block 30 adds risk of some cost increases to the BAMS program. The unit cost impact will primarily affect the System Demonstration Test Articles (SDTA) and Low Rate Initial Production Lot 1 since these procurements are below the minimum sustaining production rate of four aircraft per year.

Question. Do you anticipate a break in the production line?

Answer. There is risk of a production line break if North Atlantic Treaty Organization Alliance Ground Surveillance does not procure an aircraft in at least 1 of the slots planned for Global Hawk lot 11.

Question. How will a break in production affect the Navy's BAMS program?

Answer. Exact cost impacts to BAMS Unmanned Aircraft Systems (UAS) are being discussed with the prime contractor. If a production line break is avoided and only a delay occurs, costs are estimated to increase by at least \$40 million for the SDTA lot with additional potential cost for low rate initial production (LRIP) 1 lot. However, if a production line break occurs then the costs are estimated to be closer to \$220 million, \$140 million immediate impact plus \$80 million across total production for lost learning. The most significant impacts are felt if a supplier business fails; work to identify impacts at this subtier supplier level is ongoing.

Question. If you anticipate an increase in unit cost, will the Navy still be able to procure the 68 aircraft you intend to buy?

Answer. The Navy does not anticipate the BAMS UAS unit cost to increase above the current Acquisition Program Baseline estimate developed at Milestone B. Therefore, it is anticipated that the Navy will continue with plans to procure all 68 aircraft.

JOINT STRIKE FIGHTER

Question. This past January 20, Defense Secretary Leon E. Panetta announced "there had been enough progress in fixing technical problems on the Marine variant that he could reverse the decision by his predecessor, Secretary Robert M. Gates, to put the plane on a probationary testing status. However, the President's fiscal year 2013 budget slowed the acquisition of the Joint Strike Fighter by 69 previously planned aircraft to outside the Future Years Defense Program (FYDP) to save \$15.1 billion in savings. Lockheed-Martin has stated they have fixed their production and suppliers issues and are ready to accelerate their production line. It is a well-known fact that in order to achieve economies of scale you need to maximize your production capacity and supplier base to get the best price and yet that is exactly opposite of what we are doing here.

Mr. Secretary, in your opinion based on the testing data known to date, is the Joint Strike Fighter mechanically sound given its current design?

Answer. Yes. The three F-35 variants are encountering the types of development problems historically encountered on highly sophisticated state-of-the-art high performance aircraft development programs at this stage of maturity. While risks do remain in the balance of the development and flight test program, there are no known design issues that cannot be overcome by effective engineering. The pro-

gram's management over the past year has put in-place the right fundamentals and realistic plans using sound systems engineering processes, and we are monitoring and tracking performance using detailed metrics. Additionally, the Acting Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) commissioned an internal/independent quick look review (QLR) of the F-35 program during 2011. This USD(AT&L) review also found that while risks remain in the program the overall F-35 design is sound.

Question. If it is—what is the projected cost comparison of buying the 69 aircraft within the FYDP and retrofitting the necessary changes as compared to delaying the 69 and potential increased unit cost?

Answer. The cost to retrofit 69 aircraft within the FYDP is approximately \$10 million each (fiscal year 2013–fiscal year 2017). The cost of delaying the aircraft procurement increases the average aircraft unit recurring flyaway (URF) cost over the total buy profile by \$4–\$6 million depending upon the variant.

Question. What is the new projected unit cost if the 69 aircraft are delayed?

Answer.

PRESIDENT'S BUDGET FOR FISCAL YEAR 2013 (SAR 11 REPORT) URF

[In millions of dollars]

Buy year	2013	2014	2015	2016	2017
Conventional take-off and landing (CTOL)	127.3	118.0	104.4	94.5	90.6
Carrier-variant (CV)	148.4	138.2	118.4	108.0	104.2
Short take-off and vertical landing (STOVL)	163.9	149.9	137.1	125.1	118.8

Question. Will Lockheed-Martin request contract consideration for reducing the number of aircraft procured, if yes how much?

Answer. No. The impact of the fiscal year 2013 President's budget will be incorporated into the respective negotiated and awarded LRIP contracts at the outset. Therefore, Lockheed-Martin will not have a basis to request "consideration" against any negotiated contract.

Question. Will this unit cost increase induce another Nunn-McCurdy Breach?

Answer. No. The Nunn-McCurdy calculation is heavily influenced by the total aircraft buy. There has been no reduction to the total planned Department of Defense aircraft procurement.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

USNS *COMFORT*

Question. The Congress authorized the Navy \$10 million in fiscal year 2011 military construction funding (P862) to modify Norfolk Naval Station Pier 1 to serve as a permanent berth for USNS *Comfort* (T-AH 20). USNS *Comfort* has been homeported in Baltimore since 1987 and is a crucial tool of America's "smart power" strategy and its ability to achieve its missions must not be impacted for relatively small savings. Since 1987, the USNS *Comfort* has deployed nine times, six of those have occurred during hurricane season (National Oceanic and Atmospheric Administration defines hurricane season as June 1 to November 30).

Did the Navy consider the increased risk of berthing the USNS *Comfort* in Norfolk during the hurricane season?

Answer. The risk associated with both locations was carefully considered. During hurricane season, potential storms are tracked throughout their lives. U.S. Navy ships at storm-hardened piers or ships that are unable to meet underway timelines remain at the pier and weather the storm. On the east coast, there is normally plenty of advance warning to a hurricane making landfall in order to prepare ships for sea. If the fleet were to sortie from Hampton Roads, depending on the pier hardening for USNS *Comfort's* pier, she may not be required to sortie. For example, Military Sealift Command's (MSC) prepositioning ships berthed at Newport News CSX at storm-hardened piers do not necessarily sortie when the Atlantic Fleet sorties.

We recognize that each hurricane situation will be different. We understand that hurricane tracks are notoriously unpredictable. Should a storm track take an unexpected turn, the ability for USNS *Comfort* to quickly sortie into open ocean from a Norfolk berth was considered in our risk assessment. The Atlantic Fleet has sortied twice in the last 5 years. If USNS *Comfort* were required to crew and sortie every year, there would still be significant cost savings by departing from Norfolk vice her commercial berth in Baltimore. If a hurricane were to threaten Norfolk,

USNS *Comfort* could get underway within 72-hours notice for hurricane evasion when required and be able to quickly steam to safer open waters offshore away from the storm. In summation, we consider USNS *Comfort* being berthed in Norfolk to significantly decrease risk to her and her ability to carry out her mission during hurricane seasons.

Question. How can the USNS *Comfort* respond to posthurricane disaster relief mission if it has to sortie to avoid an impending hurricane?

Answer. The ideal situation is to load medical equipment and personnel onboard USNS *Comfort* prior to sortie. Otherwise, USNS *Comfort* would sortie to a modified load out port and then proceed to the relief mission. In the case of a scenario like Hurricane Irene heading up the east coast last year, USNS *Comfort* would sortie out to sea and then return to a load-out port unaffected by the storm before responding to the disaster area. (Normally, official notification to deploy for a disaster relief mission is not provided until several days after a hurricane occurs and a Presidential Declaration is given or until a formal request for assistance is requested from a foreign nation).

Question. Would having to first sortie from Norfolk to avoid the hurricane storm significantly delay the USNS *Comfort*'s response time in providing disaster relief and humanitarian assistance?

Answer. No. While USNS *Comfort* sorties, the required provisions, supplies, and manning could be directed to a selected load out port. From the time of the order to sortie, USNS *Comfort* would be in open waters much more quickly, ready to respond to further orders if she was berthed in Norfolk. Steaming the ship to the selected load-out port while simultaneously preparing the load-out cargo at that port would allow the most flexible and efficient response. This is the normal process for responding to combat mission taskings as well, and was utilized for USNS *Comfort*'s response to Hurricane Katrina.

Question. What would have been the impact on the USNS *Comfort* mission to New York City in September 2001 if the ship had been stationed in Norfolk and the base was responding in a defensive, heightened security posture?

Answer. The response would have improved. The civil service mariner (CIVMAR) manning of the USNS *Comfort* crew would be sourced from the manpower pool onboard the naval base, and cargo and supplies for onload would be facilitated by the cargo handling equipment and facilities resident on the Norfolk Naval Base. Personnel responding from the Portsmouth Naval Hospital would have less direct travel time to the ship if she was berthed in Norfolk, Virginia.

Question. Did the Navy undertake a cost-benefit analysis based on the cost to sortie the USNS *Comfort* while also attempting to prepare and provide disaster and humanitarian relief assistance?

Answer. Hurricane sortie risk was taken into consideration. Avoiding the 12-hour Chesapeake Bay transit time offers a cost savings when comparing Baltimore to a coastal port.

UNITED STATES MARINE CORPS DRAWDOWN

Question. The Marine Corps has requested a reduction of 20,000 marines by fiscal year 2017. For many servicemembers, returning home and transitioning into civilian life will be challenging. The percentage of veterans in poverty increased significantly in recent years, rising from 5.4 percent in 2007 to nearly 7 percent in 2010. Across periods of service, those veterans who have served since September 2001, have the highest poverty rate. In 2010, 12.4 percent of post-9/11 veterans lived in poverty, compared with 7.9 percent of Gulf War I veterans and 7.1 percent of Vietnam era veterans.

As the Marine Corps prepares to drawdown troop levels, what is the Department of the Navy (DON) doing to ensure soon-to-be veterans do not end up in poverty?

Answer. The Marine Corps provides support to veterans throughout the Nation. Our Marine For Life program will support improved reach-back and outreach support for those veteran marines who require localized support in their hometowns with information, opportunities or other specific needs. We are enhancing our Marine for Life program and its nationwide network of Hometown Links, both of which are integral parts of our "cradle-to-grave" approach of Transition Assistance. These assets help veterans develop and maintain local networks of marine-friendly individuals, employers, and organizations and present a proactive approach to help marines before problems arise.

Question. How does this budget address the unacceptably high-unemployment rate for veterans?

Answer. The Marine Corps does three things for our Nation:
—it makes marines;

- it wins our Nation’s battles; and
- it returns quality citizens.

We are improving our transition assistance program in order to better meet the needs of our transitioning marines and return quality citizens. Our program will be integrated and mapped into the lifecycle of a marine from recruitment, through separation or retirement, and beyond as veteran marines. There will be several “touch points” that are mapped into a marine’s career. Because 75 percent of our marines will transition from active service after their first enlistment, these contact points are focused on the first term of a marine.

Our initial step in this planned process to improve transition assistance is our revised Transition Readiness Seminar (TRS). The revised week-long TRS includes a mandatory core curriculum with four well-defined military-civilian pathways:

- university/college education;
- vocational/technical training;
- employment; or
- entrepreneurship.

A marine will choose the pathway that best meets his or her future goals and will have access to individual counseling services within each pathway. Additionally, pre-work requirements will be expected from each attendee to maximize the efficiency and effectiveness of the seminar. This tailored approach to the TRS will greatly reduce information overload and target the individual circumstances and needs of the marine.

Question. Many marines find it difficult to translate what they have done in their military occupations to civilian workforce, what is DON doing to ensure the skills our troops have developed while in the Marine Corps can be applied to civilian workforce?

Answer. The Verification of Military Experience and Training (VMET), DD form 2586, document is an overview of a marine’s military career. The military experience and training listed on the VMET is verified as official. The purpose of the VMET document is to help marines create a résumé and complete job applications. In addition, they can elect to show the VMET document to potential employers, employment/government agencies or to educational institutions. In some cases, it can be used to support the awarding of training or academic credit. Along with VMET document, marines can use DD Form 214s, performance and evaluation reports, training certificates, military and civilian transcripts, diplomas, certification, and other available documentation to achieve the best results in these endeavors. Military Occupation Specialty (MOS) Crosswalk is an activity that is conducted in our revised Transition Readiness Seminars (TRS).

The marine will be trained to use their VMET document to do a gap analysis between their work experience, education, available jobs and Labor Market Information in order to help marines choose the appropriate pathway:

- university/college education;
- vocational/technical training;
- employment; or
- entrepreneurship.

We teach these online tools in our TRS:

- O*NET Online (Department of Labor):
 - Find occupations;
 - Apprenticeship programs; and
 - MOS Crosswalk.
- My Next Move for Vets (Department of Labor):
 - Military Skills translator;
 - Bright outlook jobs (high growth jobs over the next 5 years);
 - Green jobs; and
 - Department of Labor-registered apprenticeship programs.
- Hire 2 Hero (Department of Defense):
 - Job search, military occupational codes military skills translator; and
 - Can submit résumés online to employers.
- VetSuccess (Department of Veterans Affairs):
 - Military skills translators; and
 - Can view and apply for jobs by geographic locations.
- Career One Stop (Department of Labor):
 - Explore careers;
 - Job searches;
 - Résumés and interviews; and
 - Salary and benefits.

Question. Is the Marine Corps partnering with the private sector to assist in the transition to civilian life?

Answer. The purpose of the Marine for Life program is to develop and maintain a network of marine-friendly employers, organizations, and individuals in order to provide all marines with a reach back capability and ongoing support in finding employment, pursuing educational opportunities and realizing life goals. These partnerships currently encompass more than 1,300 employers nationwide with a demonstrated interest in employing marines as they leave active duty. In addition, Marine for Life works closely with national level, nonprofit organizations including the Marine Corps League, the Marine Corps Executive Association, and the American Legion in leveraging their members to assist transitioning marines with employment, educational goals, and relocation.

F-35 TEST AND EVALUATION

Question. A Pentagon study on the F-35 recently reported that the aircraft had completed only a small percent of its developmental test and evaluation program. The report listed problems with the program including the inability to land on an aircraft carrier. The Congress, in the Weapons Systems Acquisition Reform Act in 2009, established in title 10, a stronger developmental test and evaluation office inside the Office of the Secretary of Defense (OSD) to provide better oversight to correct deficiencies on new systems before they enter operational test and evaluation.

Does OSD provide DON with the proper levels of resources and authority to be effective in its mission to correct deficiencies on new systems before they enter operational test and evaluation?

Answer. In general, DON has adequate resources and authority to ensure known deficiencies are identified and corrected prior to a system entering operational test and evaluation.

With regard to F-35, since the 2010 Nunn-McCurdy breach (and the resulting Technical Baseline Review), the program has undergone significant reorganization and has been appropriately resourced to address future deficiencies. As part of the program reorganization, test, and evaluation (T&E) processes have now been better integrated with operational test (OT) involvement. Resource requirements are being further refined to support updated requirements that will be defined in a new F-35 Test and Evaluation Master Plan (TEMP/Rev. 4). This TEMP revision is currently being drafted and due to be signed in early fiscal year 2013. Additionally, a Joint Operational Test Team (JOTT) has been established and is actively involved with identifying deficiencies of the F-35 weapon system on an on-going basis. The JOTT does this through the conduct of Operational Assessments, as well as via an integrated test process now in place, to provide continuous feedback to the Program Executive Officer for the Joint Strike Fighter (PEO(JSF)) and the warfighter/acquisition communities. PEO(JSF) is directly involved in Ready-to-Test processes which culminates in an Operational Test Readiness Review prior to test. All deficiencies and the maturity of corrective action will be assessed as key criteria for OT readiness to enter test. As the F-35 program further matures, and OT begins to receive aircraft, it is expected that all of these processes will continue to improve resulting in even a better understanding of the F-35 Weapon System and insights to the PEO and the Department's test community oversight activities.

Question. How can OSD provide better oversight and guidance as DON develops new weapon systems?

Answer. Current OSD oversight and guidance is adequate for DON to develop new weapon systems. On-going OSD efforts to gain efficiencies in application of existing guidance should be continued.

With regard to F-35, OSD has been directly involved at all phases of T&E planning. Specifically, Defense Operational Test and Evaluation (DOT&E) leadership and action officers (or their designated representatives) are present at all meetings and actively participating. In the recent years there has been an increased presence of design, development, test, and evaluation (DDT&E) representatives at all key test and evaluation meetings as well.

Question. Do you believe prime contractors have assumed too much responsibility for the execution of developmental test and evaluation on large weapons systems?

Answer. The responsibility for developmental test is assigned, not assumed, and the level of developmental test conducted by the prime contractor is determined by the program manager and the Component Acquisition Executive as the developmental test strategy is formulated to ensure the system under development is adequately engineered and tested to meet the requirements set out by DON. This strategy is vetted with appropriate stakeholders and overseen by the Deputy Assistant Secretary of Defense for Development Test and Evaluation (DASD(DT&E)).

In the case of the F-35 program, the prime contractor was assigned responsibility for the execution of DT&E. Due to the misapplication of Total System Performance

Responsibility (TSPR) authority, there was inadequate communication from the prime contractor about interim capabilities and interim performance of the overall air-system—which led to systems engineering solutions that differed from the intended requirements and sometimes falling short of the Services original desires. For DON, Aviation Developmental Test (DT) is robust and has a well established community of interest. A more tightly integrated testing strategy with Government DT and Operational Test Authority (OTA) involvement earlier in the program might have better served in sustaining the original service requirements. These processes are now in-place today and PEO(JSF) and the Prime Contractor (Lockheed-Martin) are actively responding to government OTA inputs and guidance.

Question. How does the fiscal year 2013 DON budget provide for the right balance between Government oversight on testing and contractor execution of acquisition programs?

Answer. The fiscal year 2013 DON budget provides a balanced mix between contractor and Government in the T&E workforce. We utilize Government personnel to conduct inherently governmental oversight functions and contractor personnel in technical support and surge roles. The fiscal year 2013 budget includes all the necessary funding, both contractor and Government, for the approved test strategies that have been developed by program managers and approved by leadership for their respective programs.

For F-35, there is an integrated test force of Government and contractor personnel and operational test is adequately resourced to support all planned T&E program activities. As the U.S. Air Force Operational Test and Evaluation Command (AFOTEC) is the lead test organization, DON is using AFOTEC processes to conduct OT. Future F-35 resources requirements are subject to formal review and approval by DON leadership and are currently being refined to ensure OT's active participation through the entire F-35 Initial Operational Test and Evaluation program. Operational test personnel are also funded to participate in DT activities to provide insights and understanding of accomplishments during developmental test and to allow them to leverage, rather than repeat, DT tests.

ULTRA HIGH FREQUENCY SATELLITE FLEET

Question. The existing satellite fleet providing ultra high frequency (UHF) capacity for U.S. Government agencies is nearing the end of its lifespan. The Mobile User Objective System (MUOS) satellite program will ultimately replace the existing satellite fleet by 2015. However, the initial MUOS satellite orbits are not projected to cover North and Latin America which creates a capability gap, especially if one the aging satellites fail. Furthermore, apparently an existing UHF capacity exists today, industry experts claim that only 10 percent to 20 percent of requests are filled.

What is the status of the MUOS-1 advance waveform terminal program; to include:

- when the terminals will be available for global deployment;
- how long the U.S. military will need to rely on legacy UHF satellite services; and
- what are the intentions of our allies and partners regarding adopting the advanced waveform or is there a security issue associated with their use of this new platform?

Answer. The Joint Tactical Radio System Network Enterprise Domain (JTRS NED) program office is projecting Formal Qualification Testing (FQT) of the MUOS Waveform v3.1 (a.k.a. Red/Black Waveform) in August 2012, which would enable it to be ported to the JTRS Handheld, Manpack, Small Form Fit (HMS) Manpack radio by February 2013. This would mean that an operationally representative user terminal would be available in time for the MUOS Developmental Testing (DT)/Operational Testing (OT) period in early fiscal year 2014.

Navy intends to buy 202 JTRS HMS Manpack radios across the FYDP, including 50 radios in fiscal year 2013 to support MUOS testing, as part of an inventory objective of approximately 450.

Statistical reliability analysis conducted by the Navy has shown that the MUOS satellite launch schedule anticipated by the Navy (actual launch dates will be set by the Air Force Current Launch Schedule Review Board) will meet or exceed the legacy UHF satellite communications (SATCOM) requirements set by the Joint Requirements Oversight Council (JROC) through 2018. The new MUOS Wideband Code Division Multiple Access (WCDMA) capability will be operationalized with the launch and completion of on-orbit testing of the MUOS-2 satellite, projected in the late calendar year 2013, and will reach full operational capability by the end of 2016, at which time the JROC mandated requirement for legacy UHF SATCOM is retired. Legacy capability will continue to be maintained beyond 2018, although at

lower capacity levels, to allow time for remaining users to transition to the new WCDMA capability.

The National Security Agency (NSA) currently restricts the MUOS WCDMA waveform from being released outside of the United States Government.

Question. What is the status of the Navy's UHF satellite fleet; include data on how many, in percentage terms, are within 12 months of their nominal design life?

Answer. Seventy-five percent of the eight UHF follow-on (UFO) satellites currently on orbit are at or beyond their 14-year design life. The remaining two have been on orbit for 12.3 and 8.3 years, respectively. The Navy's UHF satellite fleet (eight UFO satellites and two fleet satellites), with the help of actions taken by the Navy to mitigate unplanned losses of UHF communications satellites, the launch of the MUOS-1 legacy payload, and the projected launches of MUOS-2 through MUOS-5, are projected to meet the Legacy UHF SATCOM requirement through 2018. Legacy capability will be maintained beyond 2018 to continue to facilitate the shift of remaining users to the WCDMA capability and support coalition operations but not at the currently required capacity.

Question. Even with the launch of MUOS-1, what is the risk that current UHF satellites will fail? What would be the training and mission impact if UHF satellites fail?

Answer. As noted above, statistical reliability analysis conducted by the Navy has shown that the launch schedule anticipated by the Navy for MUOS satellites (actual dates will be set by the Air Force Current Launch Schedule Review Board) will maintain the legacy UHF SATCOM requirements set by the JROC through 2018.

In an effort to reduce the risk of an unplanned loss of a UHF satellite to acceptable levels, the Navy has aggressively implemented several mitigation activities to extend the service life of the existing constellation and increase on-orbit capacity. As a result, the current legacy UHF SATCOM capacity provides the warfighter with approximately 459 more accesses (111 more channels) worldwide than required by the stated Chairman of the Joint Chiefs of Staff (CJCS) capacity requirement. This additional capacity is equivalent to three UFO satellites, provides a buffer against unplanned losses in the future, and minimizes the training and mission impact to a manageable level.

Question. The U.S. Government made the decision in 2010 to partner with the Australians on a commercially provided, UHF hosted payload in the Indian Ocean region. Now that the private sector intends to launch an identical payload into the Atlantic Ocean region, what are the United States and Allied plans to take advantage of this capability?

Answer. DOD partnered with the Australian Minister of Defense (not the commercial provider) for access to 250 kHz of UHF Narrowband SATCOM on a commercial satellite payload that Australia is leasing over the Indian Ocean Region from 2012 to 2027. In exchange, the United States will provide the Australians access to 200 kHz of spectrum over the Pacific and 50kHz of spectrum globally from 2018-2033. DOD has additional commercial UHF SATCOM capacity through leases the Navy has procured on Leased Satellite (LEASAT) 5 and Skynet 5C and an agreement with the Italian Government for access to a UHF SATCOM channel on Sistema Italiano per Comunicazioni Riservate ed Allarmi (SICRAL) 1B.

As noted in preceding questions, the Navy is maximizing technical and fiduciary efficiencies through a combination of the implemented gap mitigation actions, commercial leases, international partnerships, and the MUOS legacy payloads, to ensure the warfighter has access to legacy UHF SATCOM capacity that meets the CJCS requirements and provides a buffer against unplanned losses. Since all DOD requirements for UHF SATCOM capacity are currently projected to be met over the Atlantic Ocean region through 2018, DOD is not planning to take advantage of this commercially provided UHF hosted payload in the Atlantic Ocean region or any additional commercial UHF SATCOM capacity at this time.

The Navy will continue to monitor the health of the current UHF SATCOM constellation for any signs that it is degrading more rapidly than currently projected. If it appears the level of legacy UHF SATCOM service will fall below CJCS requirements, the Navy will revisit all options, including commercial leases and hosted payloads, to maintain the current level of legacy service to the warfighter until the transition to the MUOS WCDMA capability is complete.

Additional details are available in the Report to the Senate Armed Services Committee on "Ultra High Frequency (UHF) Satellite Communications (SATCOM) Requirements and Options for Additional Capacity" signed on March 19, 2012, by the Assistant Secretary of the Navy for Research, Development, and Acquisition in response to the fiscal year 2012 Senate Armed Service Committee Report 112-26.

Question. How does the fiscal year 2013 DON budget provide for increased demand for UHF SATCOM both in the field and during training? Does the Navy have

a multitiered approach towards ensuring the U.S. military has adequate UHF satellite access? If so, what is that approach?

Answer. Current and future DOD Narrowband SATCOM requirements will be met by the MUOS program through 2026. CJCS sets requirements for Narrowband MILSATCOM for all DOD users based on warfighter needs and the Navy fills those as the DOD Acquisition Agent for Narrowband SATCOM. The current CJCS requirements are captured in the MUOS Capabilities Production Document dated January 15, 2008, and the MUOS program is on track to meet all key performance parameters given in that document. Increased capacity requirements, combined with inherent limitations of the military UHF SATCOM spectrum, drive the need to move beyond legacy UHF waveforms found in current military and commercial UHF SATCOM systems to the new WCDMA capability found in MUOS. Finally, instead of a multitiered approach, MUOS reliability and availability requirements are met by launching a fifth MUOS satellite as an on-orbit spare.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

LHA 8 AMPHIBIOUS ASSAULT SHIP

Question. Secretary Mabus, Senate Report 112-77 which accompanied the Senate's version of the Defense appropriations bill for fiscal year 2012 included language about building the LHA 8 Amphibious Assault Ship in the most cost-effective manner. Specifically, the subcommittee directed the Navy "to fully fund advance planning and design of LHA 8 and work with industry to identify affordability and producibility strategies that will lead to more efficient construction of a large deck amphibious assault ship to best meet combatant commander needs". Can you please provide the subcommittee details on efforts being undertaken by the Department of the Navy (DON) to comply with this direction?

Answer. The Navy intends to engage industry via two Early Industry Involvement contracts that are focused on affordability and producibility. The goal is to have these contracts in place by the end of the calendar year. The contracts will utilize technical instructions (tasks) to focus industry involvement on areas that have the potential to reduce acquisition and life-cycle costs. These tasks will range from assessing select technologies for their potential to be integrated into the ship, such as Flexible Compartment Infrastructure, to more production-friendly design requirements and arrangements, to evaluating alternative C5I acquisition strategies. An Industry Day will be held prior to the release of the Early Industry Involvement contracts to ensure potential industry partners completely understand our expectations for their assistance in reducing the cost of LHA(R) Flight 1 ships.

QUESTION SUBMITTED BY SENATOR SUSAN COLLINS

DDG-51

Question. Last year, your strategy to introduce competition into the DDG-51 program earlier than planned reaped significant savings for the taxpayer, and I applaud you for that effort. In addition, the Navy estimates that it could save up to \$1.5 billion by exercising multiyear procurement authority for the DDG-51 program during the next 5 years for a nine ship buy over that period. I appreciated your description during the hearing of how the multiyear procurement authority pending before the Congress would result in savings for the DDG-51 program during the next 5 years.

As I have stated in the past—based upon the Navy's own requirements and the fragility of the industrial base—we need to sustain an absolute minimum procurement rate of two large surface combatants per year. However, you did not comment specifically on the Navy's interest in procuring an additional DDG-51 in the multiyear procurement if the Navy was provided authority to reinvest unexpected savings from previous DDG-51 competitions or future competitions. I would like to provide you an opportunity to clarify your view regarding this matter. If the Navy were to take advantage of savings from previous DDG competitions and to realize savings above those projected for the upcoming multiyear procurement, would adding an additional destroyer as part of the multiyear procurement be at or near the top of your priority list?

Answer. Thank you for your strong support of our Navy and especially our shipbuilding industry. As we build the future fleet, we continually strive to maximize competition which will result in savings that can be applied to purchasing additional ships.

In evaluating the merits of a multiyear contract for the fiscal year 2013 through fiscal year 2017 DDG-51s, the Navy projected \$1.5 billion in savings for nine ships across that time period. The President's budget request has leveraged these savings in the procurement of the nine ships. As you pointed out in your letter, the Navy has achieved significant savings in previous competitions on the DDG-51 program. There are savings in the DDG-51 budget line in prior years. These savings alone are not adequate to procure an additional DDG-51 as part of the multiyear.

However, if the Navy had the authority to reinvest savings from previous destroyer competitions and were to achieve savings beyond what was projected on this upcoming competition, the Navy would certainly like to take advantage of the opportunity to procure an additional ship in the fiscal year 2013 through fiscal year 2017 DDG-51 Multiyear Procurement Program. In order to provide maximum flexibility, the Navy intends to request pricing for nine or ten ships in the solicitation. The Navy believes that this is the most affordable path to meet our surface combatant requirements while also addressing industrial base concerns.

The Navy looks forward to working with the Congress to maximize the numbers of ships that we buy under these competitive multiyear contracts. Again, thank you for your continued support for Navy shipbuilding.

QUESTION SUBMITTED BY SENATOR LISA MURKOWSKI

ENERGY INITIATIVES

Question. Each of our armed services is a significant consumer of energy and each is leading in its own way in addressing the challenges of diminished fossil fuel supplies and increased costs. How is the Navy leading in its efforts to diversify its fuel sources?

Answer. Because of the imperative for energy and national security, the Department of the Navy (DON) believes the United States must reduce its dependence on foreign oil. DON is making investments in the American biofuels industry because this is vital to our operations and, therefore, the security of the Nation. Currently, the Department of Agriculture, Department of Energy, and DON have entered into a Memorandum of Understanding for this Alternative Fuels Initiative that will be using the Defense Production Act title III authority. The three agencies are expecting to contribute \$170 million each to the effort—\$510 million total. There is a minimum requirement that industry provides a 1-to-1 cost share, resulting in a total investment of no less than \$1 billion.

With the total investment, DON anticipates that 3-5 integrated biorefineries could be constructed through new builds and retrofits. This investment, combined with a strong demand signal for alternative fuels from the military and commercial aviation, will be the impetus necessary to sustain the overall alternative fuels industry sector.

The Navy has nearly completed the test and certification process for hydrotreated renewable (HR) fuels and is moving on to evaluate drop-in alternative fuel products from additional production pathways, such as alcohol-to-jet and pyrolysis. Navy plans to have HR fuel in the fuel specification by the end of fiscal year 2012.

In July 2012, the U.S. Navy will be demonstrating its Green Strike Group, which is a carrier strike group comprised of a carrier, two destroyers, and a cruiser, all operating on alternative fuels. The destroyers, cruiser, and the airwing on the carrier will be using a 50/50 blend of fossil fuel and biofuel. This demonstration will be a part of the Rim of the Pacific exercise off the coast of Hawaii. In 2016, we plan to deploy this Great Green Fleet overseas. These aggressive efforts are a major part of the Secretary of the Navy's broader energy goals.

QUESTION SUBMITTED BY SENATOR LINDSEY GRAHAM

NEXT GENERATION ENTERPRISE NETWORK

Question. Mr. Secretary, I understand that the Navy is weeks if not days away from issuing the request for proposal (RFP) for its Next Generation Enterprise Network (NGEN)—a highly complex information technology (IT) program that involves transitioning the Navy's largest and most secure network to a new contract. The Navy's acquisition strategy for NGEN has been much maligned. In addition to frequent criticism of the pass/fail technical requirements/lowest price selection from acquisition authorities, the U.S. Government Accountability Office (GAO) issued its 2012 annual report on "Opportunities to Reduce Duplication, Overlap and Frag-

mentation, Achieve Savings, and Enhance Revenue” strongly suggest that NGEN should receive further scrutiny.

How can you convince us that the current course on NGEN will be the best approach for the Navy and for the taxpayer? Is there value in considering a more straightforward recompetes of your current services contract cost/performance trade-off since it apparently meets your needs, and should be well understood by those who will be evaluating proposals? If this lower-risk alternative is not being considered, why?

Answer. NGEN is a continuation of the Navy Marine Corps Intranet (NMCI) 2010 under the Continuity of Services Contract (CoSC). The current strategy is to competitively select either one or two vendors for the two main segments of the network (Transport and Enterprise Services) using a lowest price technically acceptable (LPTA) source selection; a best value determination in accordance with Federal Acquisition Regulation (FAR) Part 15.101-2. This approach for NGEN has been endorsed as appropriate at the Office of the Secretary of Defense (OSD) level via a robust oversight process that included multiple Overarching Integrated Product Team (OIPT), OSD Peer and Milestone Decision Authority (MDA) reviews. LPTA is considered appropriate when the requirement is well-defined, price control is paramount, and the risk of nonperformance is low. The performance requirement for NGEN is NMCI as it performed on September 30, 2010. It is well understood. As the network operates today, there is no development under NGEN. The major changes in requirements are for increased Government Command and Control (C2), enhanced Information Assurance (IA) and Government ownership of the network infrastructure; there are no significant changes in the technology required or how the contractor executes the contract. Furthermore, the technologies integral to NGEN are widely used Commercial-Off-the-Shelf (COTS) technologies. Finally, the Department of the Navy (DON) has determined that there are no clear discriminators for which the Government would be willing to pay more, and, given that there are several companies that are capable of delivering this service in accordance with the DON’s requirements, price was determined to be the overriding factor.

While a straight-forward recompetes would continue to provide the required level of service, it would not give the DON the needed insight into the elements that make up an enterprise network. Under NGEN, the 38 services to be delivered are individually priced and available to be recompetes separately or collectively as part of a FAR Part 15 contract; different from CoSC which was a FAR Part 12 contract that did not give insight into pricing or allow for severability of services or segments. This construct enables evolutions like the Joint Information Environment, enterprise email, Data Center Consolidation and other Department of Defense-level efficiencies without the burden of recompetes the entire enterprise contract. Increased competition will drive future innovation and price reduction without sacrificing performance or security of the DON’s network.

QUESTIONS SUBMITTED TO ADMIRAL JONATHAN W. GREENERT

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

ELECTROMAGNETIC AIRCRAFT LAUNCHING SYSTEM

Question. Among the revolutionary changes in the USS *Gerald R. Ford*-class aircraft carrier is a new electromagnetic aircraft launching system (EMALS). The Navy continues to test a variety of aircraft on the system, including the F-35 Joint Strike Fighter. The question is whether that technology will be ready in time, in order to avoid either costly delays to the program—or an even more costly redesign of the first ship of class.

What is the status of EMALS development and testing?

Answer. EMALS continues to meet its development and test objectives. To date, the system has successfully completed 134 aircraft launches (including F/A-18E clean and with stores, C-2A, T-45C, E-2D, and F-35C) and more than 1,800 operationally representative deadload launches. Concurrent environmental qualification testing, including extensive aircraft, weapons, and personnel electromagnetic compatibility testing at the component and system level, have demonstrated EMALS suitability for use.

All deliveries to date of CVN 78 shipboard EMALS hardware have met ship construction need dates. All future EMALS component deliveries are likewise projected to meet shipyard need dates.

Question. Considering the criticality of this new technology, is the Navy considering building a second test facility at Naval Air Station Patuxent River to ensure

the Navy has built in redundancy so that the USS *Gerald R. Ford*-class aircraft carrier delivers on schedule?

Answer. The Navy has no plans to build a second test facility at the Naval Air Station Patuxent River in support of the *Ford*-class aircraft carrier program.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

SHIPBUILDING PRODUCTION RATES

Question. Admiral Greenert, the new Strategic Guidance for the Department of Defense highlights the importance of Nation's maritime presence and calls for increasing our posture in the Pacific. However, when compared to the last budget submission, this request reduces ship procurement from 57 to 41 ships. Admiral, if the Navy had additional resources in fiscal year 2013 or 2014, what ships would the Navy procure?

Answer. If appropriate fiscal resources were available in fiscal year 2013 and/or 2014 the Navy would likely allocate more funding to shipbuilding. The first priority would be restoring the attack submarine (SSN) removed from fiscal year 2014 in our budget submission. There will be a significant shortfall in "SSN-years" in the 2020s that can be best addressed by sustained submarine procurement. Our second priority would be restoring a destroyer (DDG) removed from fiscal year 2014 in our budget submission. A shortfall of DDGs will develop late in the 2020s that can be best addressed by sustained DDG procurement. Both of these actions would require advance procurement (AP) funding in fiscal year 2013; further, these changes would also contribute immensely to a more stable industrial base.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

JOINT PACIFIC ALASKA RANGE COMPLEX

Question. One of the contributions to our national security that Alaska is proudest of is the Joint Pacific Alaska Range Complex (JPARC). Alaskan Command reminds me that it is a unique national asset because it is in every respect a joint range. The Navy participates in exercises on the JPARC from platforms in the Gulf of Alaska (GOA). How does the Navy's participation in exercises utilizing the JPARC add value from a national security standpoint?

Answer. Since the 1990s, the Navy has participated in major joint exercises in the GOA involving each of the services in the Department of Defense and the Coast Guard. Participants report to a unified or joint commander who coordinates the activities of the forces. Services are able to demonstrate and be evaluated on their ability to participate in a joint force in simulated conflict and carryout plans in response to a national security threat.

Given the unique training environment provided by the JPARC, the range contributes to Navy readiness by:

- Supporting U.S. Pacific Command training requirements.
- Supporting Joint Task Force Commander training requirements.
- Providing realistic, expansive areas to replicate actual operations.

BIOFUELS

Question. I wonder if you might address the Navy's interest in biofuels. Has the Navy determined that the benefits of biofuels (potential decreased price volatility, diversified suppliers) outweighed the costs (research and development investment, uncertain future price of biofuels)?

Answer. Our alternative fuel initiative is an important investment for the Navy. It addresses a core concern of our national strategic and military operational need for energy security and energy independence. Investing in sustainable future technologies is critical to Navy's ability to remain the world's premier maritime force.

Navy is pursuing multiple paths to achieve a future less dependent on petroleum and the fiscal effects of rising energy costs. The current price volatility of oil increases the complexity of adequately funding our global operations. Already in this fiscal year, unanticipated fuel price increases have caused our operations accounts to become underfunded by approximately \$900 million. To technologically hedge these execution year risks, the Navy will spend nearly \$16 million on laboratory capabilities to examine, test, and certify alternative fuels. This expenditure positions us to validate the safe use of a wide variety of drop-in replacement fuels in the future. Although the Navy must pay a premium price to obtain biofuel for research and development, as well as for test and certification purposes, the Navy cannot and

will not purchase alternative fuels for operations unless the price is competitive with conventional fossil fuels.

Question. How has this comparison been done between biofuels and the traditional fossil fuels?

Answer. There are a number of studies that state the case that biofuels will be cost competitive as early as the 2018–2025 timeframe without Government investment. A large majority of alternative energy firms also believe that the infusion of capital (from Defense Production Act title III or other investment sources) will measurably speed up the timeline.

Question. How can a robust biofuel industry domestically change that balance?

Answer. With a strong demand signal from the military and commercial aviation, there could be enough pull to entice more companies to enter this market. From the supply side, there are many feedstocks, numerous pathways, and multiple processes being identified for use in the alternative fuel industry. No single solution alone will reduce our reliance on foreign sources of liquid fuel. With many domestic biofuel companies in the market taking advantage of continued research, the costs for biofuels will eventually be competitive with conventional sources of petroleum.

Question. I understand that the Navy is quite interested in hybrid power and other fuel conservation efforts. Can you elaborate some on these efforts?

Answer. Navy is very interested in energy-efficiency efforts both afloat and ashore. It is the “first fuel” because what we don’t consume or use directly enhances Navy’s combat capability by extending the range and on-station time, in the air, on the water, or over land. The logistics tether of resupply has been exploited by the likes of al Qaeda in both Iraq and Afghanistan, but it is also a vulnerability at sea. By reducing fuel consumption for ships and aircraft, Navy reduces its reliance on a vulnerable logistics chain and improves its agility to meet the mission.

Initiatives range from simple lighting changes that are more energy efficient and last much longer than fluorescent bulbs to more efficient engines and a hybrid electric drive (HED) that drastically reduces fuel consumption for DDG–51. Below are some examples of energy initiatives that Navy is implementing in fiscal year 2013.

—A HED is in development for use in the DDG–51. The proof of concept is scheduled to be installed in fiscal year 2013.

—The Navy replaced the steam boilers on USS *Makin Island* (LHD 8) with gas turbines and an Auxiliary Propulsion System or HED. This propulsion system saved approximately \$2 million in fuel cost during her transit from Pascagoula, Mississippi to San Diego, California. Over the ship’s lifetime the Navy expects to save more than \$250 million. This system will be installed on the LHA 6 class ships.

—Installation of ship-wide, energy consumption monitoring systems that compute the power usage and operating conditions of energy-consuming systems on the ship and display this information for leadership. Estimated efficiency gain is 2,179 Bbls/ship/yr.

—Replacement of fluorescent and incandescent lamps aboard DDG–51, CG–47, LSD 41/49, and LHD 1 class ships with more efficient solid-state lighting. Estimated efficiency gain is 100–500 Bbls/ship/yr.

—Development and installation of stern flaps on LHD 1 and LSD 41/49 class ships for improved hydrodynamics as demonstrated on USS *Kearsage* (LHD 3). The USS *Kearsage* will have an annual fuel reduction of 6,241 Bbls/yr. Overall estimated efficiency gain is 4,000–5,000 Bbls/ship/yr through the LHD 1 and LSD 41/49 classes.

—Replacement of obsolete fuel-air mixture monitors for main propulsion boilers on LHA 1 and LHD 1 class ships with a new automated system to control the fuel air mixture to increase efficiency. Estimated efficiency gain of >3,000 Bbls/ship/yr.

Intelligent Heating Ventilation Air Conditioning and Refrigerating (HVAC&R): HVAC&R plants on Military Sealift Command T–AKE ships consume approximately 36 percent of the total ship’s power generated and lack the ability to be optimized to variable demands. Modifications to improve efficiency will increase HVAC&R systems efficiency by 30–40 percent which translates into more than 4,000 Bbls/ship/yr.

QUESTION SUBMITTED TO GENERAL JAMES F. AMOS

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

AMPHIBIOUS COMBAT VEHICLE

Question. General Amos, the amphibious combat vehicle (ACV) is a part of the Marine Corps integrated and complementary portfolio of combat vehicles critical to the future expeditionary Marine Air Ground Task Force Operation. Last year, the Marine Corps terminated the expeditionary fighting vehicle because it was too expensive. Since then you have stated the need to deliver the ACV within 4 years as well as be more affordable and sustainable. What measures are being taken to ensure this vehicle meets the cost and schedule goals set forth?

Answer. The Marine Corps acquisition and requirements communities are working side-by-side to ensure that capabilities and requirements for the ACV are developed with an understanding of the costs associated with each. We have conducted upfront systems trade studies to drive technically feasible and affordable requirements decisions. We have conducted an extensive Systems Engineering Operational Planning Team that evaluated various system concepts to better define capability versus affordability trade space. As part of the ongoing analysis of alternatives we will conduct an affordability analysis to ensure the selected system meets life-cycle affordability targets. All of these efforts will ensure that cost goals are met, and if feasible and affordable, will deliver a prototype capability in 4 years.

QUESTION SUBMITTED BY SENATOR LISA MURKOWSKI

MARINE CORPS COLD WEATHER TRAINING

Question. The Army takes great pride in the fact that Alaska's training grounds produce "Arctic tough" soldiers. In fact the Web site of the Army's Northern Warfare Training Center at Fort Wainwright displays this inspirational message, "A Soldier trained in winter is also a good summer fighter; trained only in summer he is helpless in the winter!" This is something we've not discussed with the Corps before. I'm wondering how the Marine Corps trains to operate in cold climates and whether Alaska's ranges and training grounds might offer some value to the Corps.

Answer. The Marine Corps trains to operate in cold weather and alpine environments in medium to high-altitude aboard the Marine Corps Mountain Warfare Training Center (MCMWTC) in Bridgeport, California.

MISSION

MCMWTC conducts unit and individual training courses to prepare Marine Corps, Joint, and Allied Forces for operations in mountainous, high-altitude and cold weather environments; and the development of warfighting doctrine and specialized equipment for use in mountain and cold weather operations.

HISTORY AND BACKGROUND

MCMWTC is one of the Corps' most remote and isolated posts. The Center was established in 1951 with the mission of providing cold weather training for replacement personnel bound for Korea. After the Korean conflict the name was changed to the Marine Corps Cold Weather Training Center. As a result of its expanded role it was renamed the Marine Corps Mountain Warfare Training Center in 1963.

The Center occupies 52,000 acres in the summer and 62,000 acres in the winter of Toiyabe National Forest under management of the U.S. Forest Service (USFS). A letter of agreement between USFS and the Marine Corps permits the use of the area to train marines in mountain and cold weather operations.

The Center is sited at 6,762 feet, with elevations in the training areas ranging to just under 12,000 feet. During the winter season (October–April) snow accumulation can reach 6 to 8 feet. Of note, severe storms can deposit as much as 4 feet in a 12-hour period. Annual temperatures range from -20 degrees to $+90$ degrees Fahrenheit.

Marines at the Center are also involved in testing cold weather equipment and clothing, and developing doctrine and concepts to enhance our Corp's ability to fight and win in mountain and cold weather environments.

UNIT TRAINING

The premier training evolution aboard MCMWTC is a 35-day exercise called Mountain Exercise (MTNEX). The Center trains an infantry battalion and its at-

tachments and enablers from across the Department of Defense (DOD). MCMWTC averages six MTNEXs per year with two being conducted in the winter and four conducted in the summer. A MTNEX trains elements of the Marine Air Ground Task Force (MAGTF) across the warfighting functions for operations in complex, compartmentalized, and mountainous terrain utilizing military mountaineering skills in order to enhance a unit's ability to shoot, move, communicate, sustain, and survive in mountainous regions of the world.

The winter MTNEX focuses on over the snow mobility by way of instructing a battalion on survival ski techniques, snowshoe application, short- to long-range movements via both methods, survival/field skills, and sustained operations in a cold weather environment. The winter and summer training conducted at the MCMWTC is designed to provide individuals and units the requisite technical skills to gain a tactical advantage. Survival in extreme cold temperatures, maneuvering long distances in snowshoes or skis to defeat an enemy force, and using rope systems and climbing techniques, all of which allow a maneuver commander to achieve surprise through unsuspected routes and to maintain the initiative in complex, compartmentalized, mountainous terrain.

INDIVIDUAL TRAINING

Winter Mountain Leaders Course

The Winter Mountain Leaders course is designed to train marines to become subject-matter experts to a high degree in cold weather operations on ice and snow covered terrain. The mountain operations cold weather skills will enable enhanced movement, control of fires, intelligence gathering, sustainment, and force protection in complex snow and ice-covered terrain that is inaccessible to untrained marines.

Students are taught avalanche awareness, over the snow mobility to Military Skier level, survivability, bivouac routine, mountain patrol techniques, tactical considerations, weapons employment, fire support considerations, the necessary skills to plan, organize, and lead mountain/cold weather operations; to act as Scout Skier element leaders on ridgeline flank security, picketing and recon patrols; to train their units for mountain/cold weather operations; and advise MAGTF or MAGTF element commanders and staffs.

Mountain Scout Sniper Course

The purpose of this course is to train Scout Snipers to be tactically and technically proficient in a mountainous environment. This course includes instruction in advanced marksmanship at high angles with the M40A3 sniper rifle, M82A3 Special Application Scoped Rifle (SASR), M16A2 service rifle, and combat marksmanship with the M9 service pistol. Instruction in high angle marksmanship includes range estimation, determining slope angle and flat line distance, effects of vertical and angular distortion, effects of elevation, and effects of extreme weather. Instruction in field craft includes stalking and concealment techniques in a mountain environment, man tracking, counter-tracking, over snow mobility, mountain communications, and mountain survival. Tactical instruction includes employment considerations for scout snipers in a mountainous environment, detailed mission planning, preparation and conduct of patrolling, and collecting and reporting information.

Cold Weather Medicine

The purpose of this course is to give operating forces medical personnel the knowledge needed to support their units in a cold weather, mountainous environment. This course of instruction is designed to bring the students to a high standard of tactical and medical proficiency peculiar to a cold weather environment. The course subjects cover movement, survival, bivouac routine, leadership, diagnosing, treating, and preventing high altitude, cold-weather-related illness and injuries, and techniques of transporting casualties in a snow covered mountainous environment.

Mountain Command, Control, Communications Course

This course is designed to train communicators in the employment of communications assets in a cold weather/mountainous environment. It also covers communications planning for command posts and disaggregated units in highly complex, compartmentalized terrain. Additionally, graduates can be used by their parent units to train more marines in basic principles of mountain communications. Instruction is provided in wave theory and propagation, field expedient antennas, and re-transmission operations, advantages/disadvantages of varied radio equipment, planning for coverage through the use of all communication assets available and speed.

Mountain Operations Staff Planners Course

This course is designed to provide staff officers and staff noncommissioned officers academic instruction and field application in planning, conducting, and supporting combat operations in complex, compartmentalized, mountainous terrain. MWTC staff sections provide additional in-depth instruction relating to all aspects of operations and support functions in mountain warfare. Historical case studies and guest speakers play a key role in highlighting numerous lessons learned. Students then conduct operations in the local training area to familiarize them with operating in mountainous terrain. The course builds towards an intensive staff planning exercise and a follow on field combat operations center operations and tactical exercise without troops. This course is conducted once a year with an abbreviated version conducted during MTNEX for the training battalion.

ALASKA

Alaska provides ample opportunities for cold weather training however there are limiting factors that restrict the Marine Corps from conducting training in Alaska. The elevation at the Black Rapids Training Site starts at 440 feet above sea level and the terrain is not true complex, compartmentalized terrain that marines will operate in. Additionally the opportunity for the Marine Corps to train in Alaska is cost prohibitive due to military air for movement of units by Naval Air Logistics Operations being extremely limited, lack of an equipment allowance pool for a marine unit to fall in on, and the training area being 365 miles from the nearest port. Transportation of things and transportation of personnel to include civilian labor costs to run the ammunition supply point are additional cost factors.

SUMMARY

As it has since being established in 1951, the Marine Corps Mountain Warfare Training Center provides the individual and collective training opportunities necessary to ensure the Marine Corps is prepared to operate in cold weather and mountain environments.

SUBCOMMITTEE RECESS

Senator MIKULSKI. The Department of Defense subcommittee will reconvene on Wednesday, March 14 at 10:30 a.m., and we are going to hear from the Department of the Air Force.

This subcommittee stands in recess.

[Whereupon, at 12:18 p.m., Wednesday, March 7, the subcommittee was recessed, to reconvene subject to the call of the Chair.]