

[H.A.S.C. No. 113-28]

HEARING
ON
NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2014
AND
OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS
BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS
FIRST SESSION
—
FULL COMMITTEE HEARING
ON
**BUDGET REQUEST FROM THE
DEPARTMENT OF THE NAVY**

HEARING HELD
APRIL 16, 2013



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FISCAL YEAR 2014 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST FROM THE DEPARTMENT OF THE NAVY

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Tuesday, April 16, 2013.

The committee met, pursuant to call, at 10:08 a.m., in room 2118, Rayburn House Office Building, Hon. Howard P. “Buck” McKeon (chairman of the committee) presiding.

**OPENING STATEMENT OF HON. HOWARD P. “BUCK” MCKEON,
A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES**

The CHAIRMAN. Committee will come to order. Before we start today, I think it is only appropriate that we pause for a moment of silence in remembrance of the victims of yesterday’s Boston attacks.

[Moment of silence.]

The CHAIRMAN. I know the thoughts and prayers of everyone in this committee and in this room are with the families and those of who have lost loved ones and those who have suffered injuries at this time.

Thank you for joining us today as we consider the President’s fiscal year 2014 budget request for the Department of the Navy. I appreciate our witnesses’ testimony here today and their support of our naval forces. The Navy and the Marine Corps team continue to serve in a stressed environment. And in my estimation the fundamentals are unsustainable.

The sustained surge that the Navy continues to employ to meet the combatant commander requirements have driven our force structure to the ragged edge. Surface ship deployments of 7 to 9 months are the new normal. While the material readiness of our surface forces has shown some improvement over the last year, these improvements will be reversed as we begin to implement sequestration.

As the Marine Corps they continue on a path of contraction, reducing to a force structure of 182,000 Marines. Their materiel readiness after a decade of war is at abysmal lows. At this force structure level and with this materiel readiness, the Marine Corps will be challenged to meet our global commitments. And make no mistake about it, these challenges will invariably lead to placing more and more of our service members at risk in future conflicts.

Ironically, the sustained Navy force deployment model and Marine Corps force structure reductions will be further exacerbated with this administration’s fiscal year 2014 budget request. Instead

of adding ships and force structure to reverse this sustained surge, the Navy is preparing to accelerate the retirement of ships and reduce the combat force structure to an all-time low of 273 ships. This reduced force structure is in contravention to even their own goal of 306 ships and calls from the Independent Panel Assessment of the 2010 Quadrennial Defense Review to support a Navy force of 346 ships.

And the Marine Corps continues their general reductions. It will be further challenged as diminishing budgets threaten red-line determinations. Further aggravating this diminution of our force structure, Secretary Hagel has initiated Strategic Choices and Management Review that is expected to report out later this spring. This review will be used to inform the next Quadrennial Defense Review and will serve as a seminal document to inform other strategic documents and operational plans. Once again we are allowing our budget process to drive strategy, a dangerous direction for our Nation.

My friends, our fiscal decisions have real consequences. Using the Department of Defense budget allocations as a tool in a grand budget bargain will only serve to further shrink our force structure. Our ability to project power in times of global instability will continue to atrophy. The risk that our marines and sailors will not return in times of future conflict will continue to grow.

As America steps back, someone else will step forward. Now is the time for real leadership. I hope to do my part and reverse this general decline of our Navy and Marine Corps. I am pleased that our committee led the way during last year's legislative cycle and provided the authority to retain four cruisers in fiscal year 2013 that were slated for early retirement.

I look forward to continuing this restraint on the administration to assure that our Nation is able to retain the program service life of our naval fleet. I understand that our committee, a reflection of our national ideals, is appropriately assessing the direction of our military. I think that we can lead from behind and quietly support weakening of our military, or we can seek to retain a military force that best serves the strategic interests of our Nation.

I would urge the administration to share in my vision and ensure that our forces, if ever called to conflict, will not just win, but will strategically deter future aggressors from even trying to assess whether military conflict with the United States is a reasonable alternative. We cannot fail in this endeavor.

Ms. Sanchez.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 55.]

**STATEMENT OF HON. LORETTA SANCHEZ, A REPRESENTATIVE
FROM CALIFORNIA, COMMITTEE ON ARMED SERVICES**

Ms. SANCHEZ. Thank you, Mr. Chairman. And again, thank you gentlemen for being before us, Mr. Secretary, Admiral, General. In the interest of time I am not going to read the entire opening statement that Mr. Smith had. But I would like to say that today we are looking at the budget, the President's proposal, which we believe is a responsible attempt to forge a grand bargain on the budget.

Some are unhappy with it because it reflects about \$119 billion worth of cuts between years 2017 and 2023. First, let me remind you that this is a much smaller amount of cuts than under the current sequestration program. And secondly, the President's budget also allows Congress and the administration to work together to make those cuts in a more flexible manner than under the sequestration law that we live under right now. And I also remind this committee that there were many who voted for that Budget Control Act.

So it is really important for us to work together to make sure that we have a strong military, to make sure that our national security moves forward in these very trying times. But it is our responsibility to work together to try to make sure that we put the right amount of money to make sure that we are looking at our people's need for this national security.

Let me just say that I think we have to admit that we are not going to see increases in our defense budget in the coming years. Not under the financial circumstances that our country has. And we have been forced over the last 10 or so years, I believe, with two wars going on, to have seen pretty much, many increases.

I mean we didn't want to be in a war. We as Congresspeople wanted to ensure, most of us, wanted to ensure that our men and women in the field had the monies that they needed to insure that we would do our, do their job, they could do their job and we could bring them back. And Iraq finished last year. Afghanistan is in the future of the next year for a finish.

And so in particular, I want to thank our Navy and our Marine Corps, all of it, from the very top, all the way to the young woman or man who is just getting into the corps or into the Navy. And we will work very hard, I am sure in a bipartisan manner, in this committee to ensure that you have the right resources and that we have the right policies that we can move forward and believe that our country is positioned correctly for the future, Mr. Chairman.

Thank you.

The CHAIRMAN. Thank you.

And without objection we will include Mr. Smith's total statement in the record.

We have here today with us Secretary Mabus, Secretary of the Navy; Admiral Greenert, CNO [Chief of Naval Operations]; General Amos, Commandant of the Marines.

Mr. Secretary.

STATEMENT OF HON. RAY MABUS, SECRETARY OF THE NAVY

Secretary MABUS. I always depend on CNO for all sorts of things and this, this shows that, so let me start over.

Chairman McKeon, Congresswoman Sanchez, first of all, to the members of this committee, thank you for your support of the Department of the Navy, our sailors, our marines, our civilian employees and our families.

General Amos, the Commandant of the Marine Corps, and Admiral Greenert, the Chief of Naval Operations, and I could not be prouder to represent those steadfast and courageous sailors, marines and civilians.

No matter what missions are given them, no matter what hardships are asked of them, these men and women serve their Nation around the world with skill and dedication.

In the past year, the Navy and Marine Corps team has continued to conduct a full range of military operations from combat in Afghanistan, to security cooperation missions in the Pacific, to disaster recovery operations in the streets of Staten Island. Sailors and marines have gotten the job done.

As the United States transitions from two land wars in Central Asia to the maritime-centric defense strategy announced 15 months ago, our naval forces will be critical in the years ahead.

This strategy, which focuses on the Western Pacific, the Arabian Gulf and continuing to build partnerships around the globe, requires a forward-deployed, flexible, multimission force that is the Navy and Marine Corps, America's "away team."

Within this strategy, we have to balance our missions with our resources. We are working in the Department under Secretary Hagel's leadership on our Strategic Choices and Management Review to assess how to deal with the budget uncertainty facing the Department as we go forward.

He has directed us to review the basic assumptions that drive the Department's investment in force structure, to identify institutional reforms that may be required, including those reforms that should be pursued regardless of fiscal pressures.

As he said during his testimony before this committee last week, "Everything will be on the table." 2013 has been hard because we began the fiscal year operating under a continuing resolution that gave us little room to be strategic and to prioritize, limiting our ability to manage the Navy and Marine Corps through this new fiscal reality.

Thanks to your efforts and your congressional colleagues, we have an appropriation for this fiscal year. But sequestration is still forcing us to make across-the-board cuts totaling more than \$4 billion from our operation and maintenance accounts and about \$6 billion from our investment accounts.

These cuts will have real impacts. We have prioritized combat operations in Central Command and deployments to Pacific Command. However, we have had to cancel a number of deployments to Southern Command.

In order to maintain our priority deployments in 2013 and 2014 and meet the Global Force Management Allocation Plan, funding shortfalls will cause our units at home to cut back training and maintenance.

Pilots will get less flight time, ships will have less time at sea, and marines will have less time in the field. It will take longer for repair parts to arrive when needed. Our facilities ashore will be maintained at a much lower level.

The Department's 2014 budget request is a return to a measured budget approach, one based on strategy that protects the warfighter by advancing the priorities that I have referred to as the four P's: people, platforms, power and partnerships.

We are working to make sure our people are resilient and strong after more than a decade of very high operations tempo with programs like 21st Century Sailor/Marine.

With this, we aim to bring all the efforts on protection and readiness, fitness, inclusion and continuing with service together as a coherent whole.

This encompasses a wide range of issues from preventing sexual assault and suicide to fostering a culture of fitness to strengthening the force through diversity, to ensuring a successful transition following 4 or 40 years of service.

In the Marine Corps, we continue decreasing manpower to meet our new end strength of just over 182,000 by fiscal year 2016, but we are doing this in a way which helps retain the right level of noncommissioned officers and field-grade officers and their experience. We are also working to make sure that our sailors and marines have the tools and the platforms they need to do the missions they are given. One of the most important of these is our fleet.

On September 11, 2001, the U.S. Navy had 316 ships. By 2008, after one of the largest military build-ups in our Nation's history, that number was 278. In 2008, the Navy put only three ships under contract; far too few to maintain the size of the fleet or our industrial base. Many of our shipbuilding programs were over budget or over schedule or both. One of my main priorities as Secretary has been to reverse those trends.

Today, the fleet is stabilized and the problems in most of our shipbuilding programs have been corrected or arrested. We have 47 ships under contract today, 43 of which have been contracted since I took office, and our current shipbuilding plan puts us on track for 300 ships in the fleet by 2019.

The way we power our ships and our installations has always been a core and vital issue for the Department of the Navy. We continue to lead in energy as we have throughout our history. From sail to coal to oil to nuclear, Navy has led in moving to new sources of power and each time it has made us a better warfighting force.

Today, from marines making power in the field to alternatives on land, on and under the sea and in the air, the Navy and Marine Corps are powering innovations that will maintain our operational edge.

Building partnerships, interoperability and capacity and capability in our partners is a crucial component of the defense strategy. The strategy directs that this be done in a low-cost, small footprint, innovative way. That is precisely what the Navy and Marine Corps do.

The process we used to craft the Department's budget request was determined, deliberate and dedicated to our responsibilities to you and to the taxpayer. And like the House and Senate budget resolutions, we do not assume that sequestration will continue in fiscal year 2014.

Mr. Chairman, the budget we are submitting supports the defense strategy, preserves the readiness of our people and it builds on the success we have achieved in shipbuilding.

For 237 years, our maritime warriors have established a proven record as an agile and adaptable force. Forward-deployed, we remain the most responsive option to defend the American people and our interests.

Thank you very much.

[The prepared statement of Secretary Mabus can be found in the Appendix on page 57.]

The CHAIRMAN. Thank you.
Admiral.

**STATEMENT OF ADM JONATHAN W. GREENERT, USN, CHIEF
OF NAVAL OPERATIONS, U.S. NAVY**

Admiral GREENERT. Thank you, Mr. Chairman, distinguished members of the committee. It is my pleasure to appear before you today to testify on the Navy's fiscal year 2014 budget and posture.

I am honored to represent 613,000 Active and Reserve sailors, Navy civilians and their families who are serving today. This morning, I want to address three points: our enduring tenets for decisionmaking, our budget strategy for 2013 and the subsequent carryover into 2014 and the course that we are on for 2014.

Two important characteristics of our naval forces describe our mandate that we will operate forward where it matters and that we will be ready when it matters.

Your Navy and Marine Corps are uniquely qualified to immediately respond to crises to assure allies, build partnerships, deter aggression and to contain conflict.

Our fundamental approach to meeting this responsibility remains unchanged. We organize, man, train and equip the Navy by viewing our decisions through three lenses, or you can call them tenets, and they are warfighting first, operate forward and be ready.

Regardless of the size of our budget or our fleet, these three tenets—these are the lenses through which we evaluate and we conduct each decision.

Now, if you refer to the chart that I have provided in front of you, for each of you, you will see that on any given day we have about 50,000 sailors and about 100 ships deployed overseas providing forward presence.

[The chart referred to can be found in the Appendix on page 179.]

Admiral GREENERT. There are orange bowties on the chart and they represent the maritime crossroads. Those are the key straits, the key "choke points" some call them, where shipping lanes and our security concerns intersect.

A unique strength of your fleet is that it operates forward from U.S. bases and they are represented on this chartlet by circles. You will recognize those.

But there are places, and these are provided by partner nations, and they are represented by squares around the world.

These places are critical to your Navy being where it matters because they enable us to respond rapidly to crises and they enable us to sustain forward presence with fewer ships by reducing the number of ships on rotational deployments. These places are important.

Now, when I last testified to this committee in February, we faced, in the Navy, a shortfall of about \$8.6 billion in our fiscal 2013 operations and maintenance account.

Now, since then, thanks to the Congress' efforts, we received a 2013 appropriation in March. And, in accordance with our priorities and tenets, we plan to invest our remaining 2013 operation

and maintenance funds to take care of our must-pay items, such as payroll, leases, utilities.

We will reconcile our 2013 presence with our combatant commanders. We will conduct training and maintenance for forces next to deploy and prepare to meet our 2014 Global Force Management Allocation Plan. That is our demand signal, that is our covenant with the combatant commanders. And we will restore critical base operations and renovation projects.

Now, though we intend to meet our most critical operational commitments to the combatant commanders, sequestration leaves us with a \$4 billion operations and maintenance shortfall and a \$6 billion investment shortfall in 2013.

And this is going to result in our surge capacity—the surge capacity of fully mission-capable carrier strike groups and amphibious ready groups, just to list the big ones—being reduced through 2014.

Now, further, we will have deferred about \$1.2 billion in facility maintenance as well as depot-level maintenance for 84 aircraft and 104 engines and that is just representative of some of this deferral that we will have to do.

When you consolidate operations and maintenance and investment shortfalls together, that leaves us with about a \$9 billion carryover that will go into 2014 and that is what we will have to deal with right away.

A continuation of sequestration in 2014 is going to compound this carryover challenge and it will go from \$9 billion to \$23 billion. That would be my 2014 challenge.

Further, the accounts and activities that we were able to protect in 2013, such as manpower, nuclear maintenance, critical fleet operations, to name a few, they will be liable to reduction.

Our people have remained resilient in the face of this uncertainty. And, frankly, Mr. Chairman, I have been amazed at our sailors and their civilians and their patience and in their dedication throughout all of this.

Our 2014 budget submission supports the defense strategic guidance. It will enable us to maintain our commitments in the Middle East and our rebalance to the Asia-Pacific. Now, we prepared this budget with the following priorities.

Number one, we have got to deliver the overseas presence in accordance with the Global Force Management Allocation Plan. That is my demand signal. That is my covenant to the combatant commanders.

Number two, we will continue near-term investments, ones that we started last year with your help, and continue this year into next year to address challenges in the Middle East and the Asia-Pacific.

And three, we will develop long-term capabilities, focus in on asymmetric capabilities, capabilities others don't have, at the appropriate capacity to address warfighting challenges in the Middle East and Asia-Pacific and other combatant commander areas of responsibility.

Our budget submission continues to invest in the future fleet. We take care of our people. We build ships and aircraft, and we will invest in research and development for new technology. We have

requested \$44 billion in ships, submarines, manned and unmanned aircraft, weapons, cyber and other procurement, programs such as the SSBNX, that is the *Ohio* replacement [submarine] program, the *Virginia*-class submarine, the Joint Strike Fighter, Littoral Combat Ships, unmanned aerial vehicles of the tactical nature, DDG-1000 [USS *Zumwalt*], and the P-8 [Boeing P-8 Poseidon], just to name the highlights.

These investments that will deliver a fleet, as Secretary Mabus said, of about 300 ships—of 300 ships in 2019. And these ships will have greater interoperability and flexibility when compared to today's fleet.

We continue to fund important capabilities, such as the laser weapon system for small boat and drone defense, which will continue testing aboard the ship *Ponce*, here in the spring of 2014. We will deploy that soon. Also, in 2014, we will deploy on the aircraft carrier *George Herbert Walker Bush*, a successfully tested prototype system to detect and defeat advanced wave-combing torpedoes, a major vulnerability that we had reconciled.

We continue to grow manpower, 900 in the net in 2014, as we focus on reducing our manning gaps at sea, as we enhance Navy cyber capabilities. And we will continue to address our critical readiness and safety degraders, sexual assault prevention, suicide prevention, sailor resilience, and our family support programs.

So Mr. Chairman, your Navy will continue to ensure our Nation's security and prosperity by operating forward to assure access to the maritime crossroads. We are going to be present where it matters, and we are going to be there when it matters. This budget places our Navy on a course which will enable us to meet the requirements of the defense strategic guidance today, while building a viable future force and sustaining our manpower for tomorrow.

We appreciate everything you and this committee have done for our sailors and our civilians and their families. And we ask, again, for your support in removing the burden of sequestration so that we can better train, equip, and deploy these brave men and women in defense of our Nation. Thank you.

[The prepared statement of Admiral Greenert can be found in the Appendix on page 101.]

The CHAIRMAN. Thank you.
General.

**STATEMENT OF GEN JAMES F. AMOS, USMC, COMMANDANT,
U.S. MARINE CORPS**

General AMOS. Chairman McKeon, members of the committee, I am pleased to appear before you today to outline the 2013 posture of your United States Marine Corps.

I am equally pleased to be sitting alongside my service secretary, the Honorable Ray Mabus, and my good friend and fellow Joint Chief, Admiral Jonathan Greenert, the Chief of Naval Operations.

For more than 237 years, your corps has been a people-intense force. We have always known our greatest asset is the individual marine. Our unique role as America's premier crisis response force is grounded in a legendary character and warfighting ethos of our people. Today's marines are ethical warriors, forged by challenging training and made wise through decades of combat. You can take

pride in knowing that as we gather here in this storied hearing room, some 30,000 marines are forward deployed around the world, promoting peace, protecting our Nation's interest, and securing its defense.

Sergeant Major Barrett and I recently returned from Afghanistan and—and can attest to the progress there. Marines have given the Afghan people the vision of success and the possibility of a secure and prosperous society. I am bullish about the positive assistance we are providing the people of the Helmand province, and I remain optimistic about their future.

Afghan's security forces have the lead now in most every operation we do. Our commanders and their marines assess the Afghan national security forces as over-matching the Taliban in every single way and in every single engagement.

Speaking today as both a service chief and as a member of the Joint Chiefs of Staff, the foundations of the defense strategic guidance depends upon our regional stability and international order to underwrite the global economic system. Failing to provide leadership in the collective security of the global order will have significant consequences for the American people.

Worse, a lapse in American leadership and forward engagement will create a void in which lasting security threats will be left unaddressed, and new security challenges will find room to grow. The reality of today's security environment reveals the value of forward naval presence. With declining resources to address the emerging security challenges, neo-isolationism does not advance our Nation's national interest.

Forward deployed sea-based naval forces do, however. They support our proactive security strategy while remaining capable of shaping, deterring, and rapidly responding to crisis, all while treading lightly on our allies and our partners' sovereign territory.

Amphibious forces are a sensible and unmistakable solution in preserving our national security. Naval forces, and the Marine Corps, in particular, are our Nation's insurance policy, a hedge against uncertainty, a hedge against an unpredictable world. A balanced air-ground logistics team, we respond in hours and days to America's needs, not in weeks and in months. This is our *raison d'être*. It has always been that way.

This year's baseline budget submission of \$24.2 billion was framed by our following service priorities. First, we will continue to provide the best trained and equipped marines and their units in Afghanistan. Second, we will protect the readiness of our forward-deployed rotational forces around the world. Third, we will reset and reconstitute our operational forces as our marines and equipment return from nearly 12 years of continuous combat. Fourth, as much as is humanly possible, we will modernize our force through investing in the individual marine first, and by replacing aging combat systems next. And, lastly, we will keep faith with our marines, our sailors, and our families.

Ladies and gentlemen, your Marine Corps is well aware of the fiscal realities confronting our Nation. During these times of constrained resources, the Marine Corps remains committed to being responsible stewards of scarce public funds.

In closing, the success of your marines and your Marine Corps is directly linked to the unwavering support of Congress and the American people. You have my promise that during our economic challenges, the Marine Corps will only ask for what it needs, not for what it might want.

We will continue to prioritize and make the hard decisions before coming to Congress. We will continue to offer a strategically mobile force, optimize for forward presence and rapid response. Your Marine Corps stands ready to respond whenever the Nation calls, wherever the President may direct.

Once again, Chairman, I thank the committee for your continued support, and I am prepared to answer your questions.

[The prepared statement of General Amos can be found in the Appendix on page 126.]

The CHAIRMAN. Thank you, very much. As I mentioned in my opening statement, I am concerned about the general force structure reductions in both the Navy and the Marine Corps. The Navy has proposed a force structure of 273 ships in fiscal year 2014, and the Marine Corps continues to reduce their force structure to 182,000 marines.

Admiral Greenert, General Amos, when Admiral Mullen said we needed to cut \$465 billion, I think, he gave the chiefs goals and targets that they needed to work on that \$465 goal—it grew to be \$487 billion. But you had about a year to come up with the new strategy. And that strategy replaced the strategy we basically had since World War II, being able to fight two major structures at the same time, to where now we say we will fight one and hold one, I believe. That is the current strategy.

But Secretary Hagel said, I think about 2 weeks ago, that we needed now, with these additional cuts of sequestration to come up with a new strategy. And I would like to ask both of you, in your best professional, military judgment, can you talk about any red-line issues that you will not be able to support during this review in the way of cutting the Navy from the 306 goal, although I don't know when we would ever hit that goal, even, because we are much below that now and the 182,000 force structure of the Marine Corps.

Could you, as you go through this process of coming up with a new strategy that Secretary Hagel has said we are going to have to come up with, could you tell us, at this point, any red lines that you will not be able to support?

Admiral GREENERT. Mr. Chairman, as I look at the numbers, and I think you are talking, assuming a sequestration, \$500 billion. First thing I do is, and most important, we provide forward presence. And it is—I can't provide—I cannot meet the current Global Force Management Allocation Plan with those numbers. So I don't know what number I would be at. It would be on the order of 30 ships, you know, as I look at a balanced reduction in that regard, less than the number of ships that I have today.

So, let's say 250 ships if I am at 280 today. So when you take that and you just—and you look at what we have forward in our plans to go forward and what we rotate, it would be—I can't meet the Global Force Management Allocation Plan that I have today.

But I would emphasize that our initiatives to operate forward, to forward deploy, to forward rotate, very important throughout all of this, because we get great leverage out of that. So number one, the Global Force Management Allocation Plan.

Two, because I have to balance what the Navy in that regard, make sure I can meet the requirements today but build a future force, I worry about the industrial base. I worry about the ability to maintain two submarine builders so that we can have that competition. The same with destroyer builders, large surface combatants. The industrial base would be a great concern of mine. And I can't reconcile right now, today, how we maintain the industrial base that we need today to maintain the different ship types in that future. It is just something I haven't figured out yet.

The CHAIRMAN. Let me drill down just a little on that. The \$487 billion cuts that we are just starting to see, you could maintain those with that.

Admiral GREENERT. Yes, sir.

The CHAIRMAN. But the sequestration pretty well wipes it all out?

Admiral GREENERT. Yes, sir. When you go from today, we look at where we are at today, and you say I want to know what your situation at roughly \$50 billion for the next 8 years, 9 years, tell me about that. That is what I just commented on, Mr. Chairman.

The CHAIRMAN. I think not everyone, not everyone understands. Of course the people on this committee do and I think most of the people in Congress. We have had the \$78 billion cuts with Secretary Gates and then the \$487 billion, so what we are really talking about is this additional \$500 billion on top of that at the same time which reduces us over \$1 trillion over a 10-year period while we are still at war. General.

General AMOS. Chairman, I can't give you specific red lines because we have just embarked on this strategic choices, the review, about 30 days ago. We have got another 30 days left. It is based on a \$500 billion sequestration. It is the law so we are proceeding down that path. So it is yet to be seen precisely what the results of that will be, because each service, as we come out of this, the Secretary of Defense and the service secretaries will, along with us, will make a determination where the Department of Defense is going to weight its effort.

My sense is that the President's strategy for the reorientation of the Pacific will probably remain a good strategy. I mean I support that. I like that. I think it is, I think I have said before this committee before, we are all a part of the development of that in support of the President and I still believe in it to this day. It is a function of how much you can do. It is a function of capacity. For instance, at the \$500 billion it is not a matter of being able to do the same with less, and you are certainly not going to be able to do more with less. You are going to do less with less. I mean that is the reality of really \$1 trillion worth of cuts. You lay that on top of the \$200 billion worth of Secretary Gates's efficiencies and you are about \$1.2 to \$1.3 trillion out of the Department of Defense in the last, just in the last 2 years over the next 9 years.

So we are going to do less with less. That doesn't mean we are going to do it poorly or we are going to do inadequately. We will

do it to the very best we possibly can. So when you ask what the red lines are, for me, it focuses as I come down, you know I am headed to 182,100. Now that is a result of the Budget Control Act. So we are going from 202 down to 182,1.

With the Budget Control Act, we can afford 182,100. It is not exactly the number that Secretary Gates approved and Secretary Mabus 2 years ago when we did our Force Structure Review. But it is adequate and we can live with that. What will happen with \$500 billion is that force of 182,100 is no longer sustainable. So you are going to come down. I am going to come down some number below that. And I don't know yet how low that number is going to be. That number then will dictate the capacity to be able to be forward deployed, forward engaged. Those types of things that I talked about in my opening statement.

The thing that concerns me the most is that at least a piece of the Department of Defense has to be that hedge force, has to be that crisis response force. I know I use that term, but America buys, people buy insurance for a reason, as a hedge against the unknown. That is what Admiral Greenert and I are, we are America's insurance policy. We don't know what is out there. We didn't know what would happen in Boston last night. We didn't know what was going to happen 3 weeks ago in Korea, in North Korea.

We certainly aren't sure how things are going to turn out in Syria. So you need some portion of the Department of Defense engaged or deployed at a high state of readiness. And that is us. We go below 400—excuse me, 182,000 and we embrace the full \$500 billion it is going to be, we are going to do less with less. There is going to be less of that.

So I can't give you a red line Mr. Secretary, excuse me, Mr. Chairman, but I hope that answers your question.

The CHAIRMAN. Red line may have been the wrong terminology. Maybe what I should have asked was what, this isn't a confrontational thing, it is based on, you are going to get a number and there are certain things you will be able to continue to do, certain things you won't be able to do. And I am hoping we can have a full discussion when we come up with that new strategy—when you come up with that new strategy, that it will include increased risks that we are going to have to assume and things that we will not be able to do going forward. Thank you, very much.

Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman.

Again gentleman, thank you for your service and for helping us to try to understand where everything is. Let me ask you a quick question before I go to my prepared questions. I was out visiting several bases and commands during the break recently for the Congress. Visited several, a lot of Army, went to the 82nd of course, 48 hours and they are on a plane somewhere going wherever we, you know, want them to or send them to.

And it was very interesting because as I spoke to them, it became very apparent that in this year for this sequestration hitting them at their, at the real troop level, their cut was not what a lot of us on committee think, it is a 9 percent cut or it is a 10 percent cut. Mr. Chairman, but for them directly, the actual soldier that we

put on the plane that is going to go and drop in somewhere, it was actually a 35 percent decrease this year.

So my first question to you is what does it really mean to the marine on the ground? Has he seen this 10 percent coming in, readiness for the future, what have you? Or are they seeing even deeper cuts because the further away you get from the Pentagon it seems, the more gets cut out of the budget.

General AMOS. Congresswoman, that is a great question and each service approaches this just a little bit differently depending on what their responsibilities are with readiness. For instance, in the last about 3 months, I have moved those operations and maintenance funds that I had available to me, that I had the authority to move, I pulled them out of other accounts, maintenance accounts, sustainment accounts, and some training accounts for operational units, and pushed them into units that are poised and getting ready to deploy next.

Some are getting ready to go into Afghanistan, some are getting ready to go on our ships. The Marine Expeditionary Units, some are getting ready to go around the world to various things. So their readiness, if you were to go to them, they would probably not see the difference. But if you went to their sister unit next door, or across the base, they would be 30, 40 percent down, the way that the 82nd is, the way you have described it. Because we have taken their readiness money, their training, their ammunition, their deployment to Twentynine Palms to train and prepare. We have taken that money away from them to prepare, to insure that those forces that are next to go, are in fact ready.

So that is why I say each service is a little bit different. Our next-to-go forces are ready, probably wouldn't see a difference. But boy I tell you what, you go across the base, and you are going to see the 30 to 40 percent.

Ms. SANCHEZ. Admiral, any comment to that?

Admiral GREENERT. Yes ma'am a little perspective if you will, in our operations account. It is roughly a \$40 billion account. And when we were, when we looked at the challenge for sequestration and the continuing resolution, that is about \$9 billion. So of the \$40 billion account, \$18 is either exempted, kind of fenced, or already spent. So you are looking at \$22 billion, that is where the money was. And you got about \$9 billion. So 9 divided by 22. That is what it looks like in many of those accounts.

So if you are the sailor that as maybe as Commandant mentioned, maybe the sailor that had deployed maybe recently, a pilot. Say what is new in your world? He says simulators. I just go to the simulator today because I am not flying. At all. And we had that for a period of time. Now we are off of that. Some ships we had to say, well you are not next to deploy, as the Commandant said, you are tied up. And so they go through routine training. And to them, it is a different world from what they are used to.

Ms. SANCHEZ. Mr. Chairman it is just, I think we really need to have a discussion among ourselves here before we talk to the rest of the Congress. Just about what this really looks like. Because it is one thing on paper but I think at the real operational level it is astounding some of the things that I heard. I really want to get,

I don't want to take a lot of time, but I want to get to my main question that I had prepared.

It deals with, gentlemen, women in combat. So Secretary Panetta and the Joint Chiefs of Staff unanimously said, you know, I think Secretary Panetta at the time, put it best when he stated that not everyone will be a combat soldier but everyone is entitled to have a chance. And of course I have been advocating for that for a very long time.

So I am confident that between Congress and the Department we can make the right steps. It is my understanding that the services are required to implement, to have an implementation plan no later than May of 2013, so can you provide this committee with an update of where that stands? Are you going to meet that deadline? What are the steps that you are taking towards opening some of those positions? And can the Congress, how can the Congress help you to ensure that we get the plan in place, that we go through the implementation as you see as it, as you have been talking and trying to deal with the new reality?

General AMOS. Congresswoman, thank you for the opportunity to talk about this. I think it actually is good news and I would like to walk you through it. I am in agreement with you, we have had women in combat now for 12 years, probably before that in some areas that we are completely unaware of. So women risking their lives and their being out in the front is not new.

We have got everything you said, with Secretary Panetta, we are on track, the service Chiefs are. We are in the United States Marine Corps. We have 335 what we call primary military occupational specialties. I am a pilot, I am a 7523, or at least I used to be, F-18 pilot. So that is my MOS [Military Occupational Specialty]. If you are an infantry officer you are an 0302, if you are an intel officer you are an 02. So we have got 335 of those; 303 of those right now are absolutely, completely open to women.

So there is 90, 90.4 percent of all our occupational jobs are open to women. We had about 10 major units, amtracs [assault amphibious vehicles], our assault vehicles, artillery tanks, air naval gun liaison, and light area defense. We had these kinds of units and infantry and reconnaissance that are the primary units that are closed—been closed historically to women.

We have opened up all of those for all intents and purposes with the exception of infantry and reconnaissance. And we are doing some work on that, and I will talk about that in just a second.

But what we have done is we have gone back through and we said, "Okay, let's go and let's take those jobs that are already open to women but in other kinds of units, in aviation squadrons and units, let's put them in there first. Let's put the leadership in there, the officers and staff, NCOs [noncommissioned officers]. And let's put them in there first, and they will kind of—they will kind of seed the bed, so to speak, and provide—excuse me, provide intermediate-level leadership so that when we start bringing our youngsters in, the ones right out of boot camp, they will have leadership in there. They will have a cohort. They will have role models and that."

So we have done that right now with the exception of infantry and reconnaissance. And what we are doing now in the rest of

those, the other remainder of those MOSs that are closed, 32, we are developing standards right now. And we should have those done, the goal is to have them done by the end of this June.

So they will be—what we are really talking about is physical standards. Most of our MOSs don't require anything more than our combat fitness test or our physical fitness test. I mean, to be the administration—being a fighter squadron, you just have to be able to pass the PFT [physical fitness test] and CFT [combat fitness test].

But if you are a tank gunner, then you really actually have to be able because you are in a tight spot. You actually have to pick up a, almost a 60-pound round that is behind you and turn it around and rotate it, shove it in the breach of a tank, and nobody can help you, because you are in there all by yourself in that part of the tank. So we are developing those—those physical standards and those 32 other MOSs.

Quite honestly, we haven't had those before. We have just said, "Okay, guys, you just go to them," and—and some guys can't do it. And those guys we actually—they drift off to the barracks and they hand out sheets and they take care of the barracks and manage those kinds of things.

To do what we want to do now, to set our females up for success, not to keep them out, but actually to, as much as you can, guarantee success, we are developing those standards, and they are going to apply to guys and gals all—that is what we will have developed by this June. We are going to test those for the rest of this year. And then our plan is to implement them in January of next year.

So that will actually set the conditions to open up basically everything in the Marine Corps with the exception of infantry and reconnaissance. And what we are doing on infantry, and, I believe you are aware, is we have our infantry officers' course down at Quantico. We have opened that up for our female lieutenants to go through. We have had four. We only get about 150, 140 lieutenants a year—female lieutenants a year in the Marine Corps. We are pretty small.

And so far we have had four volunteers. They, along with probably about 40 or 50 males, did not make it through. We have another course that starts in July. We have five female lieutenants who will be graduating from our officer basic school down in Quantico. And we are excited about them starting.

So I just need to get enough information in that area to be able to make, to my Secretary, a reasonable, you know, analytical recommendation, instead of just some hyperbole stuff. So I actually feel pretty good about where we are going. We are setting the conditions. And, I think, we are headed exactly where perhaps you would like us to go.

Ms. SANCHEZ. Great.

Thank you, Mr. Chairman. With that, I will end my turn.

The CHAIRMAN. Thank you.

Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

Gentlemen, I have tried over the last 4 years to join my voices with—my voice with those who realized the massive cuts we have

made to our national security over the last 4 years have been dangerous and unwise. But I am not going to revisit those battles this morning.

Mr. Secretary, given these cuts and the dangerousness of the world in which we live, it is crucial that we have a viable partnership between this committee, your office, and the fine men and women who build and repair our ships. And we look forward to building and maintaining that partnership.

Admiral, I think it would be fair to say that the last decade we asked a disproportionate sacrifice to our men and women who served in the Army and the Marine Corps. But with the reduction in land-based facilities, and the rising lethality of some who do not wish us well, I think, the next several decades we may ask a great deal more of our seapower and projection forces.

And one of the most important components of that power will be our carrier air wing. So I want to focus my time on the planned composition of the carrier air wing today. You know, it has been argued that Iran and China are making major investments in capabilities to counter the Navy's surface forces, in aircraft carriers, in particular. And if this is true, it would be a significant departure from past planning assumptions that maintain that the U.S. would be able operate in permissive environments where regional adversaries could not hold our carrier strike groups at risk.

I want to put up a chart if we have it. And I think we have given you a copy of it. These two charts are CSBA [Center for Strategic and Budgetary Assessments] charts. And I know these are approximate ranges, and I don't want to argue, particularly, the numbers, but I—under the guise of “a picture is worth 1,000 words,” if you look at this first chart on Iran, it shows that our strike capability for our carrier groups would really only reach about a third of the land space in Iran.

If I could shift to the next chart, this one would show, based on the DF-21D [Dong-Feng anti-ship ballistic missile] published reports that has about 810 plus or minus nautical miles, as a stand off. If you look there, our F-18s and our F-35s really couldn't even reach China's soil unless we were prepared to put our carriers in a very dangerous position.

[The charts referred to can be found in the Appendix beginning on page 181.]

Mr. FORBES. So my question for you, Admiral—I mean, Admiral, is, given the developments in Iran and China's defense strategy over the last 10 to 15 years, is the future carrier air wing properly balanced between range, persistence, stealth, and payload for both sea control and power projection missions? And what kind of questions are you going to have to be asking? And how can we help you with that?

Admiral GREENERT. I think, the carrier air wing, Mr. Forbes, in my mind, is balanced. And what we need is, we need range. We need payload. We need electronic warfare capability, electronic attack capability, and we need stealth. And the air wing and air operations of tomorrow are carrier air wing, but with the arrival of the fifth generation, the F-35B, we will also have Marine air with that component to help supplement. So, I think, in my conversa-

tions and dependent on the—what operation it is, we keep that thought in mind for both.

But what I am talking about is the range. The range piece is important, and you have got to get—you have got to have access. So refueling is important. What am I talking about? I am looking at an air wing of the future of a Hornet, an F-35 Charlie, a UCLASS, which is unmanned carrier-launched aerial surveillance and strike. And that—my view, and as we have laid this out, that can provide surveillance, as well as strike, as well as refueling capability. We can't, as you have shown up here on that chart, you have got to get there. And you have got to get back. And you have got to have enough fuel.

So all of these are important. The electronic attack, I wouldn't underestimate the importance of that as we look at the threat out there today and in the future. And that is the Growler, the EA-18G, as well as the F-35 Charlie.

So, Congressman, we need all of that. It has to fit together. It has to work together on the carrier of the future. No one aircraft is going to do it all as we look out in the future.

Mr. FORBES. And, Admiral, we appreciate that. We want to look forward to working with you on that. We know that is important. And, also, I appreciate you talking about the UCLASS. I think, that is going to be important to give you the range that you are going to need. And we want to help you with that, too.

With that, Mr. Chairman, I yield back.

The CHAIRMAN. Thank you.

Mr. McIntyre.

Mr. MCINTYRE. Thank you, Mr. Chairman. And thanks to all of you for your great commitment and service to our country.

Mr. Secretary, you have been a pioneer in biofuels for the U.S. Navy. And I greatly admire your work to make sure our national defense is not dependent upon foreign sources of energy. And I know in your testimony on page 33, you mention that the Department continues to develop drop-in advance biofuel initiative for our ships, aircraft, and shore facilities. And then you mention the Department of the Navy working with Departments of Agriculture and Energy. I know, as a senior member of both this committee, but also of the Agriculture Committee, the great work that you have done to pursue this course of action.

I also notice on page 33 of your testimony, you state that there are no changes to our engines, aircraft, ships, or facilities needed to burn this type of fuel. And so, my question is, given the declining resources available to the services, how does the 2014 budget contribute to the Navy's efforts to continue to achieve these goals, in terms of biofuels, so that you can continue to pursue this course?

Secretary MABUS. Thank you, Congressman, and thank you for those words on making us better warfighters through the way we use power.

And the first thing that you said is absolutely true. The big news about using alternative fuels is there is no news, that we use the same logistics chain. We don't change a single engine. We don't change anything about it. We simply put it in and burn it with normal avgas [aviation gasoline] or marine diesel.

The—I think, in these budget-constrained days, it is more important than ever to search out alternatives to our current way we buy fuel. In fiscal year 2012, the end of it, the Navy got an additional \$500 million bill for fuel. This year, we are looking at an additional \$600 million bill for fuel just because we have—the amount that oil went up was underestimated. Oil is the ultimate global commodity.

And so, I think it would be irresponsible of us not to try to find a competitive, drop-in fuel that can—can do this. And our 2014 budget and the budget stretching out beyond that gives us that ability. And—very much appreciate the support of this committee and of Congress in doing that, because it allows us to have a home-grown source of fuel that is not as susceptible to the price shocks that—Admiral Greenert talked about these choke points of some—somebody threatens to close the Straits of Hormuz and the price of oil goes up \$10, \$20, \$30 a barrel.

Every time it goes up a dollar, the U.S. Navy and Marine Corps are looking at \$30 million per dollar increase in additional fuel costs. So I think we are well on our way. I think we know where we need to head. And again, I appreciate the support of you and this entire committee and Congress in making sure this comes true.

Mr. MCINTYRE. Well thank you. Thank you for your forward thinking on that. In the remaining few seconds I have, General Amos, I am glad you mentioned the commissioning ceremony coming up at Quantico this Friday. I plan to be there to see that ceremony with some folks I know involved in that. And I have followed closely your training for the infantry and for those new commissioned officers.

I wanted to ask you, does the Marine Corps have the resources you feel to meet its needs for the F-35B STOVL [short take-off and vertical landing] version of the Joint Strike Fighter? Are the problems you feel like with the lift fans resolved? And do you feel like the Marine Corps is being able to adjust to the potential shortfall given the budget problems in the production of the F-35Bs?

General AMOS. Congressman, I feel pretty good about where we are right now. We have worked pretty hard as you know, in the last several years to fix those couple things that the F-35B that ended up on probation. Of course it has been off of it for over a year now and it is doing well. So I do feel good. I think the procurement rate, we have adjusted that as a result of fiscal reality.

But we have laid that in over the lifetime of our current fleet of F-18s which are Legacy Hornets and our Harriers and we are managing that lifetime so that we will be able to bring in those F-35Bs as long as we are able to maintain a reasonable production, a sustainable, reasonable production rate.

So I do feel good about it. I think the airplane is doing well. We have got 15 airplanes now. F-35Bs in the training squadron down at Eglin Air Force Base. It is a combined training squadron with us and the U.K. They have got two of their airplanes in there. We are training their pilots. And we just stood up last December, the very first fleet squadron out in Yuma, Arizona, VMFA [Marine Fighter Attack Squadron] 121.

So they are there. They have got four jets, by the end of this year they will have 16. They will be what we call initial operational capable by probably the third, maybe June, excuse me July or August of 2015. And we are scheduled to deploy which means they will be combat ready by the way, by then. And they will be ready to deploy or scheduled to deploy in 2017. If something happens around the world prior to 2017, this will be the only fifth generation airplane America has ready to go in an operational squadron. So I feel very good about it. We have been resourced and taken well care of by our bosses.

Mr. MCINTYRE. Thank you, thank you General.

The CHAIRMAN. Thank you very much. Mr. Miller.

Mr. MILLER. Thank you Mr. Chairman. Is it my understanding, it was either Mr. Secretary or Admiral, one of the two, you had made this comment in regards to your budget request assuming that sequester will be resolved by 2014? Is that what I understand?

Secretary MABUS. Congressman, what I said was that we put our fiscal year 2014 budget request in without sequestration, exactly the way that the budget resolution of Congress, of the House and of the Senate, did the same things. As we were developing that fiscal year 2014 budget request, it was prior to sequestration taking effect and as the Admiral said so eloquently, if sequestration stays, we are facing some serious, widespread problems, particularly in 2014.

Mr. MILLER. I think it is here. And I think it would behoove everybody to plan for it to go beyond 2014, because obviously there are wide differences between the House and the Senate as to how we resolve the budget issue out there. The House wants to do it through cuts, the Senate wants to do it through tax increases. Everybody wants to figure out a way to turn it off. I am hoping that the Navy is planning for having it as well as not having it.

Secretary MABUS. Well this is part of the Strategic Choices and Management Review that we are undertaking in DOD [Department of Defense] right now, is for that range of options, ranging everything from full sequestration to no sequestration and how that will affect what all the services do and what we are able to do.

Mr. MILLER. Thank you, Mr. Secretary. That is all, Mr. Chairman.

The CHAIRMAN. Thank you. Mrs. Davis.

Mrs. DAVIS. Thank you Mr. Chairman, and thank you to all of you and thank you so much for your great leadership. It is appreciated by the men and women, I know, that you work with and serve with as well as all of us here.

Admiral Greenert, you mentioned the four areas that really detract as you said, and really make the bringing the vision forward difficult. And among those are sexual assault and suicide in the military. And I know there has been a great deal of focus. I want to particularly thank General Amos for his passion in trying to address the sexual assault area.

But one of the things that we know about that is we have a number of civilian employees who are very actively involved and have been counted as partners as you work with this issue. How do you see the effect of sequestration on your efforts? Because with all the cuts that we are experiencing it is difficult to see how we might

be able to sustain the increases actually that you are planning for in these areas. If you could address and I don't know, Admiral, if you want to address that and others. How we do that in those two areas.

And the other thing I wanted to focus on just briefly, is how you believe that our partnership capacity is also undermined through our civilian furloughs and some of the cuts that we are seeing. How are we viewed by others as we move forward to try and address many of these concerns that you are talking about in terms of our, whether it is the rebalancing or the activities that we have in theater where we are partnering, where we are doing exercises, how do you see that being affected?

Admiral GREENERT. If I may ma'am I will answer the last question first and then get to that. We spent a good bit of time talking with our partners. I was at the U.K. this week. Tonight I am leaving for France to talk to my counterpart and in 2 weeks I am going to the Asian-Pacific region to speak to many of it. And the whole idea is just to lay out for them what the situation is, and the significance.

I gave you the chartlet and then I give them the chartlet. I say look, we will be forward, we will be in theater. What we are doing with exercises, ma'am, we are doing the exercises, all of them, internationally. But we are having to craft them in a different manner. There will be somewhat less. And we do what is right and what resonates with both of us.

As we move to fiscal year 2014, we will look at it again with the combatant commanders and say, hey which of these is most important and let's make sure we do those right. So that is, the international piece is a big focus of ours. But we have to communicate and relate with them.

Mrs. DAVIS. Are we seeing our partners trying to pick up some of the perhaps the roles that we have been playing in the past?

Admiral GREENERT. In some cases we are. In the case of say ballistic missile defense, there are two aspects to that. Someone has to look for the ballistic missile, somebody has to protect the force. They are picking up the I will protect the force ASW [anti-submarine warfare] exercises, we do see them pick up. Especially in the Asia-Pacific region, Korea, Japan, very interested in that regard, Singapore and Australia as well.

If I may, the civilians, the sexual assault response and counselors are, and what we call upper tier, which means we want to exempt them from furlough. We will continue those hirings which we have committed to. As we move into fiscal year 2014, Family Readiness Programs, Sexual Assault Programs, my high priority. I would not, I would endeavor at every opportunity I can, not to reduce that. I have to get that right ma'am.

Mrs. DAVIS. Thank you.

Secretary MABUS. I want to reiterate that, Congresswoman, because this is a threat, this is a direct threat to our force, to our readiness, to everything that the force does and stands for. You know that General Amos, Admiral Greenert and I, if you ask if we are concerned about sexual assault, our answer is we are not concerned about it, we are mad about it. And we are going to get something done about it. I think we are beginning to learn what

happens. And we can't afford to pull back against any threat but particularly one that is this insidious and internal.

General AMOS. Congresswoman, we sat down to work through the effects of 2013 continuing resolution and sequestration, all of us began to rebalance where are we going to, where is our least priority, where is our highest priority. And in our service just as Admiral Greenert said, we are exactly the same. We took those programs, sexual assault, what we, in my service we have kind of begun to understand it is kind of all knit together under kind of behavioral health. All those things that deal, that are so critically important to the health and wellbeing of our corps. We put those to the top. So they are the last to go. And we are going to do our very best to not affect that. We can't allow that, it is Wounded Warriors. They are up there, too. So we have to, we have to maintain that. So that means that some of the operational readiness, combat readiness will begin to get, we will pay for that to be able to keep those capabilities with some operational readiness as we start echeloning our way up as sequestration takes full grip next year.

The building partnership capacity is training, it is building trust, it is relationships, it is working with our allies, it is reassuring. Those are the things that quite honestly, we do as a naval force because we don't have a big footprint when we go someplace. We can often operate from the sea. That is going to be affected. It is yet to be seen exactly how much we work with the combatant commanders in their theaters to determine where their greatest priority is.

But I mean I lost, the next year, under sequestration I will lose almost \$700 million in operations and maintenance funds. So I am going to have to take some of this is going to have an effect on these forward-deployed forces building partnerships and building relationships.

One last point on this thing, we have reoriented in accordance with the strategy more infantry battalions to the Pacific. In fact this fall, we will put our fourth infantry battalion in the Pacific. Having started with only one over there. We will have our fourth one, so we are actually, we are heavily invested. Sequestration. It will be a rotational force. I don't have enough money to bring that battalion back home or the one before it back home. So I got to do my homework between now and then. I can get them there; I just can't afford to get them back.

The CHAIRMAN. The gentlelady's time has expired.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And thank you very much for your service. I grew up in Charleston, South Carolina, and I have a firsthand experience of growing up with Navy personnel, and what extraordinary people that you work with and who protect our country, and then I have had the privilege of representing Beaufort County, Parris Island, Marine Corps Air Station, Beaufort Naval Hospital, and the Marine personnel I have had the privilege of working with are truly an inspiration and an indication of dedication to our country.

General Amos, we understand the Marines will be needing to refurbish the existing M4s and M16s. What are your plans to do this?

Will you follow the Army requirements? Or will you develop your own path?

General AMOS. Congressman, we do not have a program of record right now to replace the M4 or the M16A4. We like that weapon system. It is modularized. We have upgraded it for the last several years.

However, we are joined at the hip with the Army. Our requirements team at Quantico works daily with the Army as they develop helmets, body armor, new weapon systems, and all that, so that neither one of us are surprised and we learn from one another. So right now, we are aware the Army is doing this. We are watching it. We are getting the same reports as they work through—work their way through this. Yet to be seen whether or not we are going to do this and yet to be seen whether or not we are going to jump onboard and replace our weapons.

Mr. WILSON. Thank you. And, Admiral, my wife and I are very grateful. We have a son serving in the Navy. And so we know firsthand, again, the extraordinary personnel. What has caused the Navy to request an increase of almost 7,000 more sailors over the next 4 years from last year's plan?

Admiral GREENERT. Well, things have changed, Congressman, over a couple of years. We are growing, and we are hiring. And so if I could summarize it, we had through OCO [Overseas Contingency Operations] individual augmentee process, we were presented over the last few years, we—our folks were funded. We had a number of billets funded, about 2,000.

And so those individual augmentee, that requirement and that funding source has changed so now we are carrying that billet base in our manpower count, so that is 2,000 of that. We are building cyber warriors. That is almost 1,000. we are bringing new ships in. That is almost 1,200 right there.

We are bringing new capabilities in, unmanned aerial systems and our Littoral Combat Ship, and preparing to bring the mission modules in. That is about 900. So those are the big chunks of those amount.

Mr. WILSON. And you feel like there is sufficient funding for recruiting and retention?

Admiral GREENERT. I do. Right now, our recruiting is going along fine. It is becoming more challenging. The economy is starting to change, but we are meeting goals, and retention is adequate. But trust me, Congressman, I got a microscope on retention right now with high op-tempo.

Mr. WILSON. And I also want to commend you on the sand sailors who are trained at Fort Jackson, South Carolina, volunteers to serve in Afghanistan and off ships. And it is really, again, inspiring to see the people who you have recruited.

Admiral GREENERT. Thank you, sir. To a person, they say that training has been effective and proper for them when they go overseas.

Mr. WILSON. Excellent.

And, Mr. Secretary, considering the significant variability associated with the budget and resulting force structure, is it premature to initiate a BRAC [Base Realignment and Closure] round? In terms of force structure and budget, what planning factors would

the Department use to determine appropriate infrastructure requirements?

Secretary MABUS. Congressman, DOD has requested a BRAC round for fiscal year 2015, and I think it is appropriate for us always to take a look at these things, to take a look at what we are doing at each of our facilities, to make sure that they are still required, to make sure that they are doing things in the most effective and most efficient ways.

I—when I was governor of Mississippi, I lived through a BRAC round. It is a stressful time. We recognize that. But I do think that, in this time of constrained budgets, we should at least take a look at what is possible and what needs to be done. The outcome of that, I think, that—you talk to General Amos and Admiral Greenert. We in the Navy have taken previous BRAC rounds very seriously. We have shed most of our duplicative and overlapping bases and services.

So I think that where we are in the process is, we have done a pretty good job in terms of skinning down and making sure that all our bases have the requirements and the—that they need.

Mr. WILSON. Thank you.

The CHAIRMAN. Thank you, Mr. Wilson.

Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman.

Just a few questions. First off, the committee will have an opportunity to support the EA-18G program as a budget submission for 2014, because of the addition of 21 additional Growlers. And so I hope the committee will take that opportunity.

But I think for the purpose of the background, General Amos, if you could start—and, General Greenert, then follow on—could you walk through the Marine Corps' expeditionary electronic attack decision and then how that has now migrated to the Navy?

And, General Amos, could you start with why the Marine Corps is getting out of the Prowler business? And then General Greenert can take over from—to discuss the expansion of the Growlers.

General AMOS. Congressman, we are sundowning our—which means we are retiring—our four EA-6B Prowler squadrons that we have currently at Marine Corps Air Station Cherry Point, North Carolina. We will sundown the last one in fiscal year 2019. We start in fiscal year 2016.

The airplane is simply out of service life. I mean, we began flying these airframes, the early version of these airframes in Vietnam, and then we got—we kind of came out of that and started building the one we have, and then we just added it and service life-extended it. So it is out of Schlitz. So we are sundowning that.

While we have done that, we have brought in electronic attack capabilities for the ground commander on the ground, so he can actually manage his piece of the battlespace to some degree fairly effectively, with electronic warfare fires from organic equipment, and we are bringing in some new equipment there.

But I think the real replacement for us is the F-35B. Early on, when the decision was made to go to that aircraft, we did an analysis between what the organic system, the radar, the AESA, [active] electronically scanned array radar, provides, and the integration of the systems on that airplane with regards to electronic at-

tack, and balance that against what we call the ICAP III [improved capability] version of the EA-6B Prowler, which is the Cadillac version we have now.

Mr. LARSEN. Right.

General AMOS. And it is about 85 to close—maybe 90 percent of what just the standard F-35 AESA radar and systems—has about probably 85 percent of what—of an ICAP III has. We are looking right now at fielding an electronic pod that will hang on the wing of the F-35B, which will take it past the capability of the current Prowler. So I think by the time we stand up our fleet squadrons, we will have that pod. It is already developed. It is just a function of integration. So we will be back in the airborne electronic attack business for the Marine Corps.

Mr. LARSEN. Yes.

And, Admiral Greenert, then, could you take it the next step there?

Admiral GREENERT. Yes, sir. What we are talking about, 21 aircraft, as you mentioned, Congressman, and that will break down to two operational squadrons, and that will bring our expeditionary—the Navy's expeditionary squadron. And as Commandant said, we are happy to take on this mission in the Department to five, so that would be five operational squadrons, one training squadron, and one reserve squadron.

Congressman, in my view, the more I look into the electromagnetic spectrum, what we need to do in it, where it results in the future, where our potential adversaries are developing it, the electronic attack is huge and a major, major part of the air wing of the future, air warfare of the future, warfare of the future, including cyber.

And so we are very pleased to be taking on this mission. This is going to be an awesome capability, and when you add the Next Generation Jammer, which is in our budget here, this will be a really very cutting-edge capability.

Mr. LARSEN. Yes. Mr. Secretary, when Secretary Hagel was here, I discussed a little bit about the feast and famine nature of electronic warfare where sort of the conditions for famine are coming up as part of the budget picture. And I guess I would ask you, from a Secretary's perspective, your ability to avoid famine on electronic warfare and what you plan to do—what is your plan to ensure continued investment in it?

Secretary MABUS. Well, as both the Commandant and CNO has said, this is one of our critical capabilities, particularly in anti-access/area-denial theaters. And so I think that you are seeing some of the things that we are doing, putting in these 21 Growlers to stand up the two additional expeditionary squadrons, pursuing the Next Generation Jammer, so that whatever the platform is, we can carry that in and to the Commandant's point. They have 35B having an electronic attack and electronic defense mechanisms on it.

Mr. LARSEN. Thank you.

The CHAIRMAN. Thank you. Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

Gentlemen, thank you for being here. Thank you for your leadership and your contribution to our national security. I—my question is going to be about sequestration, and it will be initially directed

to General Amos, and then I will look to the rest of you to comment.

Mr. Secretary, I think in the response to Congressman Miller, you were indicating that the budget doesn't assume that sequestration continues. And, you know, one of my concerns in our ability to try to offset sequestration is that I believe that we are in part where we are, here with sequestration going into effect, because Congress and the American public did not have enough information as to what the effects of sequestration would be.

Now, I voted against this mess, because I believe that we would be right here, where there is no solution, implementation of a strategy that is detrimental to our national security, without a very good understanding of how to stop it.

So one of the things that we need to do better—and we look to your assistance—is to be able to tell what the effects of sequestration will be so that there can be an understanding not only in Washington, but also, you know, across the country of how devastating this is and how it needs to be remedied.

That pressure of—that the effects, as the President said, would be, you know, so detrimental that no one would allow it to happen, it is now happening. But we are not hearing a clear picture of those detrimental effects.

And so I want to go first to General Amos, you know, it has always been our policy for the past two decades that we look in our planning and in our strategy that we would have an ability to fight in two wars, in two conflicts.

The President's strategic guidance, he recently indicated in his five major tenets, that his intention was to, "Plan and size forces to be able to defeat a major adversary in one theater while denying aggression elsewhere or imposing unacceptable cost."

That is a significant shift at a time, of course, when our world is not getting to be a safer place that we would look at a narrowing.

Secretary Panetta made the following comments about the administration's new strategic guidance at the 2012 Munich Security Conference in front of America's major allies.

He said, "We will ensure that we can quickly confront and defeat aggression from any adversary anytime, anyplace. It is essential that we have the capability to deal with more than one adversary at a time and believe we have shaped a force that will give us that capability."

So there is a conflict in the two statements as to what our capabilities will be.

We now look at three rounds of cuts and with sequestration currently in place and the prospects that it might remain in place. I have become increasingly concerned as to what our force would look like under sequestration.

So, General Amos, where we had initially the goal of being operating in two conflicts, the President now saying a focus of one conflict, I am concerned whether or not under sequestration we—that the Marine Corps would be able to support the Nation's strategy if sequestration continued and beyond.

Would we be able to function effectively in one conflict with the restraint that you have in funding and in capability? And, also, cer-

tainly what do you see in future years if it is left in place? What does it do to the Marine Corps? You indicated \$700 million in additional cuts. Could you please give us a picture of that so that as we try to advocate for sequestration to be set aside, we can have accurate information.

General AMOS. Congressman, the truth is right now if you take—and you were to take a major theater war, what we called in the old days a major contingency operation, but what you were referring to, the Marine Corps today sits at 27 infantry battalions. We are on our way down to 23 as a result of the Budget Control Act.

So let me see if I can set that in the context of a major theater war. The typical, what you would call the notional major theater war, and, of course, there is rigor behind this which I can't get into in an open hearing, but is about a 19 battalion requirement of the United States Marines.

So as we go down to—headed to 182,100, that would give us a couple of battalions over, you know, beyond if you just deployed everybody. That is actually pretty reasonable because there is going to be combat replacements and there is going to be a need for more Marines to replace those that are wounded and those that we lose.

So there is really not a lot of slack. We become a “go to war and come home when it is over” force. We are a single MCO [major contingency operation] Marine Corps.

Now it doesn't mean that if we are involved in that and something else happened and somebody said, “Commandant, I will pull out my folks from Washington, DC, and we will bring everybody and cobble together because every Marine is a rifleman, we will send them.”

But when you start talking about major combat and major combat units, we are a single MCO Marine Corps as we go to 182,100. That is 487. That is the Budget Control Act.

You go to—we bring in sequestration and we will be down in the teens for battalions and we will be very, very strained to be a single MCO Marine Corps.

The CHAIRMAN. Thank you.

Ms. Bordallo.

Ms. BORDALLO. Secretary Mabus and Admiral Greenert and General Amos, thank you very much for your service and I appreciate the strong relationship that Guam has with the Navy and Marine Corps.

General Amos, I was encouraged and appreciate the DOD positioning a THAAD [Terminal High-Altitude Area Defense] system to help protect Guam from possible attacks. And I am also encouraged to see DOD is providing funding directly related to the realignment of Marines from Okinawa to Guam.

Can you provide me with an update on how the Marine Corps transition to Guam is progressing and what are the impacts of sequestration and how important is the Marianas region for joint training?

And I would ask you gentleman to limit your answers. The committee is very strict with time.

General AMOS. Congresswoman, we are operating out of Guam right now. We have got an infantry rifle company there today as we speak. We have had F-18 squadrons from Iwakuni, Japan, that

have come down, as many as three that have operated out of Guam.

We have operated out of Tinian. We are trying to acclimatize ourself there. We don't have any new facilities there. There is nothing that says United States Marine Corps painted on the outside of a building.

So we are sharing facilities with the Air Force. We are living in places that we like to live, maybe others wouldn't, but we are committed to Guam.

If sequestration, when it hits, again, it is law, it is going to slow down the transition to Guam. It absolutely has to. It is going to slow down military construction money. It will slow it down. But we are still committed to go to Guam and I am bullish on it.

Ms. BORDALLO. Thank you. Thank you very much.

Now, this question is for Secretary Mabus or Admiral Greenert. I remain greatly concerned about the number of MSC [Military Sealift Command] and Navy ships that are sent abroad for repairs.

I recognize that emergent repairs are exempt from Repair American provisions in Title 10. However, an annual report to Congress shows an alarming number of ships that are now being sent to foreign shipyards.

Can I have your commitment that the Navy will continue to work closely with me to make sure the intent of Section 73.10 of Title 10 are upheld according to the intent of Congress?

I recognize that budgets are tight, but sending money overseas seems very shortsighted to me.

And do we have your commitment to an acquisition strategy that maintains a depot-level ship repair capability on Guam?

Admiral, I think you would be the one to answer that.

Admiral GREENERT. Ma'am, you have my commitment that we will comply with law, with regulation and with the intent not just, you know, the specific regulation.

And as you and I have talked, I am real bullish, as the Commandant has said, on depot repair capability on Guam. If you look at my little chartlet here, you know, you put your little finger in the middle to balance it, it is Guam.

It is right in the middle of all of it. So we have to have a repair, a refurbish, it is a base and a place and key to my strategy.

[The chart referred to can be found in the Appendix on page 180.]

Ms. BORDALLO. Thank you. Thank you for your commitment. And my third question is to you, Admiral, as well. I note that the USS *Freedom*, the first LCS [Littoral Combat Ship] ship, is making its maiden voyage to the Asia-Pacific region and will ultimately end up in Singapore.

There was a lot of anticipation having the ship make a port call on Guam. It is important for our allies to see us deploy our newest and most sophisticated equipment to this critical region.

I know there have been some concerns about the ability to provide any repair or support to the ship as it is forward-deployed. Are there any lessons learned from this deployment to date that are worth noting?

Admiral GREENERT. There are, ma'am. And they are you have to—the ship has a unique capability. It is monitors all its operations very quickly.

And the lesson learned is to get that information out so that in such a large region you are so—you know so much about this and that is the tyranny of distance in the Western Pacific so that we can get the parts where they need to be.

And when we use the concept of operation of these ships in the future, we will have to have a network of logistics to respond very quickly to have the right parts in the right place because the crews are small.

Ms. BORDALLO. Thank you, Admiral.

And, Secretary, do you have any comments on the build-up on Guam that I asked earlier?

Secretary MABUS. We—consistent with the NDAA [National Defense Authorization Act] and the restrictions that were put in there, we are doing military construction, particularly for Marine Air in Guam that will be used regardless of what happens in terms of ramp space, in terms of hangars, things like that.

As you know, we have got the supplemental environmental impact statement going. It will end in 2015 and we are marching ahead with the plan to relocate Marines from Okinawa to Guam.

Ms. BORDALLO. Thank you, Mr. Secretary.

And I yield back.

The CHAIRMAN. Thank you.

Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here, for your service, for your testimony today and for your very frank and complete answers to our questions. It is very, very helpful.

I am going to yield the remainder of my time to a new member of Congress and, therefore, this committee, fellow marine, Colonel Cook.

Mr. COOK. Thank you, Congressman.

General Amos, you talked about Americans—America's 911 force. I just want to go over this one more time. As a marine and as a 0302 infantry, the culture of the Marine Corps has always been about the mission, about "Semper Paratus."

Unfortunately, I have gone through this drill in the past where budget cuts have gone right to the bone. And as an infantryman, as a person that commanded marines, it is really, really hurt us.

The tempo of ops never seems to slow down, but it puts us in a very very precarious spot. In terms of having these expectations where if the balloon goes up, we got to go to war and, yet, are we going to be ready to be able to do this.

I know you addressed this, but maybe I am trying to underscore the fact over and over again. We have done this before and we have paid the price in terms of being 100 percent ready whether our readiness was C1 or C2 and maybe the old C3 or C4.

And can you—I know we are going down to 182,000, but I am concerned about the training, the readiness that all these tempo of ops things that we have listed that seems as though they never go away.

Do we have to be more realistic in terms of meeting this goal of being always ready whether it is as a second lieutenant with a bald eagle or sparrow hawk, which a lot of people in this room have never heard about, but a lot of people died doing those type of things?

So if you could kind of address some of those concerns, my concerns on that, thank you.

General AMOS. Congressman, we made a decision 3 or 4 months ago. I talked about it just a little bit earlier in my testimony, but it bears. To take money to assure that those forces, not only the ones that are already deployed, they are at the highest state of readiness.

Those that are about to deploy will be at that same state of readiness. So that is my commitment to Congress, the American people and to the Marines.

I will leave tonight. We will go spend the next 2 days at Camp Pendleton and I will talk to 5th Marines, 1st Marines, 11th Marines. I am going to tell them exactly the same thing. You have my promise that we will move money around, within our authorities to the best of our ability and H.R. 933 helped for 2013 to ensure the readiness of the forces that are getting ready to go.

So that right now, as we sit today, is fine. But we are eating our seed corn right now for the readiness for those units that aren't on the slate to deploy until next year. Maybe at the end of next year. Those that are just coming back. We are taking money away from their training. Taking equipment away from them. Taking money away from the sustainment of their equipment. And we are eating that seed corn right now to insure that I have near-term readiness.

I am also taking money out of procurement, PMC [Procurement, Marine Corps], which is reset, which is modernization, to move it into readiness accounts. That is my job. My job is to be ready. I mean I really take that seriously. Just be the most ready when the Nation, people think that is cornball. But I suspect that you and I don't. What is going to happen in 2014, as we move into the early parts of 2014, those units that are back here, I am talking infantry battalions and squadrons.

Based on sequestration, the way we know it right now, those units that are back home and that are not in the queue to go will be less than 50 percent ready. Which means they will be C3 or worse. So if the balloon goes up, what are we going to do? We are going to cobble them together just like we did the 1st Marine Provisional Brigade and sent it with 5th Marines into Korea. We will do exactly that. But you are 100 percent correct and I am very concerned about it.

Mr. COOK. Thank you very much for your explanation. It is scary but you are absolutely right, it is still "Semper Fidelis," you have a mission to carry out and get it done. I yield back. Thank you.

The CHAIRMAN. Thank you.

Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

I just want to compliment Mr. Cook on his questions, even though he represents a district from California, he actually hails from Connecticut which explains the brilliance of his presentation here. And also just want to thank all the witnesses for being here,

particularly Admiral Greenert and General Amos. Last time you were here I think there were 27 stars that were, in my opinion, laid out very clearly the damage that sequestration was going to cause.

And although at least there was some partial response by getting the continuing resolution [CR] passed, clearly what we are hearing this morning is that you still have unacceptable risk, that you are still going to be forced to try and manage. And hopefully that momentum of getting the CR passed will continue in terms of getting some good decisions.

For the record, I mean since 1985 when sequestration was first enacted after Gramm-Rudman-Hollings, Congress never let it go this far. And hopefully we will look at that past experience as a guide to avoid the dangers that you are presenting.

I also want to congratulate or complement both you and the Secretary in terms of getting the 2014 second submarine in the *Virginia*-class program protected through the CR. That was a tremendous challenge over the last 14 months. And Under Secretary Stackley, again, I think has just been an amazing public servant in terms of trying to juggle all of these challenges with so much uncertainty that he is facing.

In terms of sequestration again, one of the things that you were able to mitigate with the passage of the CR were the civilian employee furloughs. Again it was at that point projected to be 22 days of furloughs. The last reports I have seen is it is down to 7. Is that over? First of all, is that number accurate? And if it is, are we pretty much stuck with that furlough plan between now and the end of the fiscal year?

Secretary MABUS. I believe the last announcement was from 22 to 14 days. But I think the direct answer to you, is everything about that is still under discussion. That Secretary Hagel said if we can do better we will do better. And I know that everyone at DOD and particularly the three here testifying today, recognize the critical importance of our civilian employees and particularly to some of operations and the operational impacts that losing any of them for any amount of time would have on Navy and Marine Corps.

Mr. COURTNEY. Well thank you. And I hope that people will continue to look at that again. I noticed, Admiral Greenert, you listed that as probably the number one priority in terms of mitigation. I just, a perfect example of it were the Groton firefighters from the Navy base who drove up to Maine in the middle of the night and literally turned that fire, the tide of that fire around. You know that is a skill that we need at all times. You looked like you were reaching for the microphone, if you wanted to say something?

Admiral GREENERT. No, I am good.

Mr. COURTNEY. And lastly I guess in terms of the SSBN [ballistic missile nuclear submarine] program which again both of your testimony identified as a must-do item. Again, I know the Navy has been trying to focus on trying to extract as many savings out of the requirements process. Can you give us any sort of update in terms of where that is headed and again, the sort of knife-edge schedule that we are on for 2028.

Admiral GREENERT. We are finding that we are very comfortable with the design. And what I mean by that, we do design, then test it. We are using the *Virginia* class as our benchmark. That is a very successful program and I thank you, Congressman, for the tireless effort you did, you worked in, you and your constituents, in this committee and others, to help us get that second SSN [nuclear submarine] in fiscal year 2014.

But the *Ohio* replacement program is going apace. We will work through sequestration as I have stated, that is a very important program. We have got to stay the pace on that. So we are very comfortable with that. The *Ohio* class itself is performing well, so as we look at our plan out there toward bringing, sequencing down the *Ohio* class and bringing in the *Ohio* replacement, we are very comfortable. And the requirements review is going well.

Mr. COURTNEY. And again I think the warning was issued the other day by the general in charge of strategic defense that we really can't miss that date, right, in terms of deploying that first *Ohio* submarine, because we really start to have a readiness problem if that happens. Is that still the case?

Admiral GREENERT. Yes sir, that is the case. Until, it is all about how many SSBNs are available and deployed and on alert. And those numbers remain the same. Until they change, that is our mandate and we are good on that.

Mr. COURTNEY. Thank you.

The CHAIRMAN. Thank you. Mr. Rogers.

Mr. ROGERS. Thank you Mr. Chairman. First General Amos, I want to thank you for your professionalism and your candor in that last answer. I hope the President is paying attention to what you are saying. That was very revealing.

My questions are going to be directed to Secretary Mabus and Admiral Greenert with regard to the *Ohio*-class replacement submarines. These submarines are being designed to meet potential threats seven decades from now. With regard to the missiles and the entire strategic weapons system, how is the Navy positioning itself within the FYDP [Future Years Defense Plan] and beyond to maintain the weapon system to meet the hull life of the *Ohio*-class replacement. How do you long the expect the D5 [Trident II missile] system to be sustained and what are we looking to replace it? And when might this system be fielded?

Secretary MABUS. Thank you Congressman, inside this FYDP we are looking at the D5 extension program which will take that weapon into the 2040s. We are also doing as Admiral Greenert said in answer to the previous question, the design, the R&D [research and development] work on the hull itself, on the replacement platform, on the *Ohio*-class replacement.

And we do think that those two things are going along very well in concert. The common missile compartment that will go on the *Ohio*-class replacement, also goes on the British *Successor* class. We have been working very closely with our British allies. They are paying for part of this design and development. To make sure that it meets not only our schedule, but their schedule. And Admiral Greenert who is a submariner and knows far more technical things than I do about this, can add some things to that.

But where we are now we are on track, we are on schedule, both in terms of the platform and the weapons.

Mr. ROGERS. It is to be fielded when? When will it be fielded?

Secretary MABUS. The first *Ohio*-class replacement will go to sea in 2028, 2029.

Mr. ROGERS. The current *Ohio*-based submarines have a finite service life. In fact, they are being pushed far beyond the service life of almost any submarine previously deployed by the U.S. Why is it important for the first *Ohio*-class submarine to be delivered in 2029? Admiral.

Admiral GREENERT. Well, as you correctly laid out, Congressman, the *Ohio* class has gone beyond its design life. We have had two extensions. Now we do this very deliberately and it is based on science, it is based on testing and engineering. And so far it is passing all that tests. The issues of concern are nuclear, it is the nuclear components that are irradiated, as well as the hull, exposed to seawater, goes up goes down, that is a lot of cycles. And we monitor certain aspects of the hull itself and the seawater systems. Going very well.

But as a previous question indicated, we are signed up. Our mandate is to have a certain number of SSBNs available, available to deploy, and then deployed on alert. And we have to meet that. That is a national tasking. And that is why it is so important that we get this done on time. We are on track.

Mr. ROGERS. What happens if it is not done on time? If you miss the 2029 target date that you are expecting?

Admiral GREENERT. Well, what you would have to do is, you would have to extend patrols in order to do the coverage and you could do this in the short-term, well you could. And the problem is downstream. Like a lot of these. There is an expected maintenance process. And during that time that you just described, that 2029, all the *Ohio*-class submarines would be finished with all their overhauls. They would all be available.

We would likely be using up, if you will, the *Ohio* replacement. You know those that were in place. If they were not ready, we would have to extend the *Ohio* class. And that goes beyond the design time we expected to have them into sea. So we would be into new territory.

Mr. ROGERS. And how are you managing the cost on this replacement program?

Admiral GREENERT. We are managing the cost of this replacement program by being very deliberate and very vigilant on the requirements that we put in place. And we are measuring frequently, how much is, what did we estimate this requirement be? What are the design engineers coming back with? If there is a cost growth, why is there that cost growth? And is there, can we descope, is there another materiel we would look at? And as Secretary Mabus said, we are doing this with a partner, so we have to do this very closely with the U.K.

Mr. ROGERS. How have the costs been? Are y'all coming in on budget?

Secretary MABUS. Congressman, so far we have taken more than \$2 billion per boat out of the *Ohio*-class replacement and we are

continuing to come down. In—fiscal year—I believe, 2011, we wanted the number to start with a 4 to—

Mr. ROGERS. On that good note, I will shut up.

Thank you very much for your service, and thank you for being here.

The CHAIRMAN. Thank you.

Ms. Hanabusa.

Ms. HANABUSA. Thank you, Mr. Chairman. Thank you, gentlemen, for being here.

I would like to follow up on some of the questions that were asked earlier. And I think this is to Admiral Greenert.

Admiral, you are talking about furloughs, and I think, you know, you said it is still fluid, and I believe the Secretary of the Navy also said that.

I have read some reports, whether accurate or not, that the Navy and Marine Corps can actually do away with the furloughs. In other words, you have enough in terms of your, I guess, operation maintenance budget, or within enough flexibility there that you could do away with it. But this may be a question of whether the DOD as a whole would take one position.

In other words, does everyone take 14 days, or does everyone take 7 days, when the Navy could and the Marine Corps could do with no furlough days?

Am I correct in my understanding?

Admiral GREENERT. Well, what you are correct in is that the Department of Defense wants to approach this very deliberately fair across the board with all of our partners—our civilian—in my case, sailors.

You are also correct, ma'am, that we did a number of evaluations that we fund with operations and maintenance, are civilian. And we looked at a lot of possible scenarios that we could use. As I have articulated, I got shortfalls across the board. The question is, what is the proper use of these funds, and as Secretary Mabus said, we are still just discussing that in the Department.

Ms. HANABUSA. You also testified about the concept of an industrial base, which I think is also very critical. In situations, for example, like Pearl Harbor, which I represent, you would have if you take furlough days—and I was sort of calculating it.

You know, we have, like, 5,000 employees—a rounded number—and if we were doing, like, middle of June, 14—14 weeks or 14 days—5,000—if you were to give them furloughs, one a week, you know, you would have 1,000 employees—civilian employees off every single day. And that has gotta then affect the efficiency of—and our readiness posture more than anything else.

So that is what I am also interested in, is that when you have that large of a contingent, how are you going to do these furloughs and not affect readiness substantially? And it is going to affect the whole industrial base, or whatever you want to call it, in terms of our ability to be ready, especially in the situations that we are now facing in Asia-Pacific.

Admiral GREENERT. You have laid it out very well, ma'am, and that—again, we are in discussions.

You take that and extrapolate that to aircraft depots, you extrapolate that to family service centers—you know, if there is coun-

selors involved—and we have to tier this right. We have to compare that with operations money, you know, fuel, parts—other maintenance, if you will, and other support. And we gotta do this right, and that is what the Department wants to get right, and that is—we are still in discussion.

Ms. HANABUSA. The other question I have is, we all didn't expect sequestration to happen, but it has happened. And we are hoping on the 2014 budget, that somehow, sequestration will miraculously disappear. But what if it doesn't? What is going to be the impact then?

Is the 2014 budget sufficient to give you some movement? In other words, have you—is it plussed-up enough, so that if you take another hit like we are taking now—\$10, \$11 billion from Navy and Marine Corps alone—are you going to be able to withstand that?

Admiral GREENERT. Well, for me, as I laid out there before, it is \$23 billion estimate; \$9 rolling over from 2013, and another \$14 billion estimated. It could be a little bit more, a little bit less.

And, you see, we put some things off in our investment accounts to get through 2013. We call that “cost to complete,” and that is the—kind of the—training materials, parts, documentation—things of that nature. Auxiliary gear that goes with ships' aircraft.

We said, “Well, we will defer that,” so that we don't lose the aircraft as a result of sequestration in 2013. That is all going to come to roost somewhere. And if not 2014, well, when?

But at those levels—at \$23 billion, that is substantial and we can't do that. So there will be real industrial base issues here, ma'am, and I am concerned. However, as mentioned, we are doing a strategic concept and management review. We are looking at what in that scenario you just described—do we keep more force structure, or hold on to more capability, reduce overhead, look at compensation and entitlements? What asymmetric capability do you want to keep instead of others, under that scenario? And that is what we are looking at now to help inform us. And we will work this summer to decide, what will we do in this case?

Ms. HANABUSA. Thank you.

Thank you, Mr. Chair.

Mr. FORBES [presiding]. Thank you.

Mr. Wittman is recognized for 5 minutes.

Mr. WITTMAN. Thank you, Mr. Chairman. And Secretary Mabus, Admiral Greenert, and General Amos, thank you so much for joining us today, and thanks for your service to our Nation.

General Amos, I wanted to ask you specifically about the amphibious combat vehicle [ACV]. Where are we in the progress of that vehicle?

Looking at where we are in these fiscally austere times, can you tell us why the Nation should be investing in that particular vehicle?

And then, looking to—ahead, how critical is the ACV for Marine combat operations going into the 21st century?

And essentially, let us know, what are the baseline capabilities of the amphibious combat vehicle?

General AMOS. Congressman, thanks for letting me talk about that important capability.

I have got two major programs in the United States Marine Corps. One is the F-35B and one is the amphibious combat vehicle.

So if you were to ask me, "Okay, where do you want to put your money, that you are only going to be able to invest in two out of however many," I would say those were the two. So that gives you a sense for how important it is for me, and for our Marine Corps.

So, thanks for that opportunity.

The Department of Defense—OSD [Office of the Secretary of Defense]—did an amphibea—excuse me—an analysis of alternatives last year. They worked on it for the greater part of a year. Reported out last June, July, and that validated the requirement for a surface-born capability for marines to get ashore. When we come off an amphibious ship, we come off via air, the M-20—MV-22s, and that. And then we—and we come across the surface in tractors.

Our tractor right now that we have, the amphibious combat vehicle, is going to—is going to replace—it is over 40 years old. By the time this amphibious combat vehicle comes in and it hits initial operational capability, it will be 50 years old, ours right now.

So, we need it. So it is been validated. The requirement is there for 12 battalions worth of lift. We are only going to buy enough for six.

So where are we? We have looked at this now since we canceled the EFV [Expeditionary Fighting Vehicle] 2 years—a little over 2 years ago and to continue to refine the requirements. We know we are only going to get one more bite at this apple.

So we have worked this thing. They came to me about 7 months ago. I looked at it, and I went, "Okay, put it back in the process again." We have stood up a program office with a Ph.D. running it.

Sean Stackley, the assistant secretary of the Navy for research and development—as he was said earlier, is a genius—he is helping us with this. We are a partner with General Dynamics and BAE to help look right now at a—what is the art of the possible for a high-water speed tractor?

They are to report back to me around September or October of this year. We will make a decision, is the cost too much? And if it is too much, well, then we will go with what we call a displacement—a slower moving vehicle. And we will get on with it. We will have a source selection, and we will get on with building it.

So, Congressman, it is very, very important to us. It is critical to the naval—or for the Department of Defense.

Mr. WITTMAN. Very good.

I want to move and ask a question of both Admiral Greenert and again to you, General Amos, specifically about our amphibious class of ships.

Where are we currently—where are we with the requirement going into the future? And can the Navy currently meet the standing requirement for a two Marine Expeditionary Brigade [MEB] lift requirement?

And then also, can we meet that requirement going in the future with where we are going with the number of amphibious class ships?

Admiral GREENERT. Well, I support the requirement that the Commandant and the Marine Corps actually brought forward a few

years ago—33 ships. That is actually a fiscally constrained number of 38 to provide support for forcible entry for two MEB.

Can we—the question is, you know, can you support that? Well, you know, we are in at around 30 right now—29, 30, 31—and if it ramps up, we eventually get to 33.

There may be opportunity to get there sooner than later, but right now, early next decade with newer ships, if we get there.

My near-term issue is, get the ships under construction out and into the fleet, and operating with the fleet as soon as possible. And keep those operated in the fleet at a high readiness level.

The question is, how many—you know, how many ships do you need to have at what site, at what operation, at the right time? So there exists enough ships, but we need to be better. And I am endeavoring to do whatever I can to get there sooner to that next class of ship and get that in the fleet.

Mr. WITTMAN. Very good.

General Amos.

General AMOS. Congressman, I know we are working hard on this thing, because Admiral Greenert and I team up, and we work budgets—if not daily, certainly weekly.

We work through this now, not only when we were both assistants to our service chiefs, but when he was a head of requirements and I was his—in the Marine Corps.

We are working as hard as we can with the money that we have to get as many ships as we can.

You are aware that we just commissioned the *Arlington* 2 weeks ago down in Norfolk, a beautiful ship. The flaws have been figured out in that *San Antonio* class—this is a wonderful ship.

Admiral, Congress was good enough this year to give us some extra money so we could sustain two LPDs [Amphibious Transport Docks] next year and not retire them.

You know, my shipmate is working to keep the numbers right. So I am content with the effort. I am never content with the amount of ships. You know, I would like to have 50, but I got to balance it against all our other requirements, and I have got confidence in the leadership in the Department of the Navy that is taking care of us.

Mr. WITTMAN. Thank you, Mr. Chairman. I yield back.

Mr. NUGENT [presiding]. Mr. Langevin is recognized for 5 minutes.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Secretary Mabus and Admiral Greenert and General Amos, thank you for being here, for your testimony and for your great service to our Nation.

Obviously, we are in challenging times, both for the myriad threats that we face, and from the damaging constraints—the fiscal constraints that are confronting the DOD and the Navy today. And we on the committee appreciate the benefit of your insights and your testimony.

If I could, I would like to turn to *Virginia*-class submarines to start off with. And more specifically, I know that a change in the funding trajectory for the *Virginia* Payload Module in the President's fiscal year 2014 budget submission and so much of our undersea vertical launch capability is contained in the four converted

Ohio SSGNs [guided missile nuclear submarines] that we begin to age out.

Can you speak to the importance of maintaining this program, as well as the capability that VPM [*Virginia* Payload Module] will bring to the Block 5 and beyond *Virginia*-class submarines?

Secretary MABUS. Congressman, you very correctly identified the issue that is going to be facing us in the mid-2020s, mid to late 2020s when the four SSGNs, guided missile submarines, begin to leave service.

We have continued the work on the research and development, design work on the *Virginia* Payload Module because this is a crucial characteristic that we will need in our submarine force, not only for—to launch the missiles, the land-attack cruise missiles out of that, but to have these four large-diameter tubes that you can use for a myriad of missions for a very flexible things.

And with the funding stream that we have going forward, we will have the—we will be where we need to be to make the decision in terms of putting the *Virginia* Payload Module into—to that block of submarines.

Mr. LANGEVIN. Thank you.

If I could turn now to directed energy. First of all, I want to congratulate the Navy on the recent successful test of a high-energy laser that shot down a drone and other tests.

Admiral, I noted with approval the Navy's decision to deploy a directed energy system on board the USS *Ponce*—*Ponce*, I should say. And how does this deployment fit into the Navy's plan to deploy high-powered directed energy systems in the near and mid term?

Admiral GREENERT. Well, what—first, it is about validating the CONOPS [concept of operations]. I call this, “Let's get this system wet.” And so, I want to get it out to the Gulf, which, I think, is a really good Petri dish to lay in what are the effects of sand, air, heat, and, not only on the system itself, but on its support systems? How much power does it really take? Can—is latency an issue? And the Gulf has some interesting aspects of it from haze, from rain at different times.

So it is really about the environmental of that. And we will continue to test the system and see. The sailors find amazing things. And they come up with amazing ways to employ things when we give it to them.

Mr. LANGEVIN. Thank you.

Well, this is an area I have real interest in. And I see it can offer a host of benefits, not necessarily going to be a replacement for kinetic defenses, but certainly would be a great supplement to them, especially for ship defense and we have—and operating the littorals, especially as our adversaries are continuing to develop surface-to-air missiles and things that could further threaten the fleet.

Let me, while my time is still—I still have time. Let me turn to cyber. Secretary Mabus, looking at the fiscal year 2014 budget, are we resourcing adequately in order to operate within the cyber domain and ensure our national interests are protected? And, specifically, does the Navy require additional authorities in order to educate, attract, and retain the very best cyber operators?

And if you could also, Mr. Secretary, with the guide to cyber, do you feel that we have reached the proper balance with regard to what capabilities and responsibilities that rest with 10th Fleet, and CYBERCOM [U.S. Cyber Command] and the regional combatant commanders?

Secretary MABUS. Congressman, I do think that we are where we need to be and heading where we need to be in terms of cyber in this budget. We are growing cyber, as Admiral Greenert said. We are growing cyber in the Marine Corps, as General Amos said.

We are growing cyber forces for our inclusion with Cyber Command through 10th Fleet, as you noted. And I will be happy to give you a much fuller answer in writing, sir.

Mr. LANGEVIN. I would appreciate that. Thank you.

I yield back.

Mr. NUGENT. Mr. Scott is recognized for 5 minutes.

Mr. SCOTT. Thank you, Mr. Chairman.

Gentlemen, thank you for being here, Secretary Mabus, and Admiral, General.

Secretary, you mentioned in the last round of questions, looking forward into the 2020s a little bit. And I want to talk with you about that, as well. Because 2020 is the year that my son will be a freshman in college. And, I think, certainly from my standpoint when I look at national defense, and I know we all care about it, we look at it from the standpoint of, "What is going to be there for our children?"

And here we are, taking cuts. We are canceling air wings. We are stopping the deployment of ships. We are furloughing civilians with the cuts that are coming. And I look at the world, and I think it is a much more dangerous place today than it was yesterday. And, I think, it will be a more dangerous place in several years than it is today. I think, we will have many more threats that we will have to be addressing.

I want to ask you to all take a look at page 189 of the President's budget, table S5. And this is where I have the real hard time coming to grasp with where this country is going to be when my son is a freshman in college.

If we look at total spending, it will be up \$1.2 trillion from now. If we look at non-defense discretionary spending, it will be up. If we look at Social Security, it will be up. If we look at Medicare, it will be up. If we look at Medicaid, it will be up. If we look at every line of the budget that the President gave us, in 2020, which, again, is a special year for me—it may be 2019 for some, it may be 2022 for others—everything is up other than defense discretionary spending.

There is also another thing that is very special about that year. It is the year in which the interest payment on the national debt will exceed what we spend on national defense. And that makes the assumption that we are able to manipulate interest rates continually to artificial loads.

So, I guess, when I—my question, Secretary Mabus, I don't think we can defend this country with that budget. And, I guess, when we talk about alternative sources of fuel, I am a big fan of them. I think, we need them. I don't want my Navy to be dependent on

foreign sources of oil, just like I don't want my country to be dependent on foreign sources of oil.

But—would you agree that the liability of our Navy being dependent on foreign sources of oil is similar to the liability of the American citizens and our economy being dependent on foreign sources of oil?

Secretary MABUS. I am sorry, Congressman, I think that dependence on foreign sources of oil or foreign sources of energy in general, is not only a national security thing, it is a national energy security—it is a national security issue—no matter how we look at it.

And that is the reason that we are trying to so aggressively pursue alternative forms of energy that are homegrown, that are not subject to these incredible price spikes. And I thank you for your support on that.

Mr. SCOTT. And my question with that, Mr. Secretary, is right now the time to be buying as much alternative fuel as we are, or would it be more important to be able to deploy our fleet and keep our aircraft in the air and maybe just pull back a little back on the percentage of biofuels that we are paying? Because we do pay more per gallon for that fuel right now, if I am correct.

Secretary MABUS. Two things, Congressman. Number one, I think it is more important now than ever to do it in this constrained-budget environment. In answer to a previous question, I said that in 2012, Navy got an additional \$500 million in fuel cost. In 2013, we are looking at an additional \$600 million in fuel cost. That is \$1.1 billion. We don't have many places to go get that. That is outside of sequestration. That is outside of the Budget Control Act. And so, that is what is causing our planes to operate less, us to steam less. So, I think, if we don't come up with this.

And, secondly—

Mr. SCOTT. [Off mike.]

Secretary MABUS [continuing]. The price of that fuel—

Mr. SCOTT. Okay.

Secretary MABUS [continuing]. Is coming down dramatically. And I have committed that we will not buy operational amounts until it is absolutely, positively competitive with fossil fuels. And I am absolutely confident that will happen in the time being that we are looking at.

Mr. SCOTT. Secretary Mabus, I appreciate that answer. And I have only got 10 seconds left. And if I may, if those of you who are—and I understand you are Presidential appointees—but if we look at 2020, the year in which my kid is a freshman, if the people from the DOD that come before us say the President's budget is balanced, and we support the President's budget, I—those of us that want to put the money back in there are going to have a much harder time getting it back in there.

And I honestly don't think that we can defend this country at the levels in 2020, when my kid is a freshman, that this budget has. And so, I would ask those of you to look at that chart, page 189 of the President's budget.

I yield.

Mr. NUGENT. Mr. Smith is recognized.

Mr. SMITH. I thank you, Mr. Chairman. First of all, I apologize. Gentlemen, I was not here at the start of the hearing this morning. I had planned a speech some time ago at the Wilson Center before this hearing got scheduled. So I had to arrive late, but I have heard most of your testimony and certainly appreciate all that you are doing and the very difficult circumstances that have been described. I have met with all of you personally to discuss that.

I don't know how you do it. I don't know how you go, you know, week to week, month to month not knowing how much money you are going to have, with the responsibilities that you have with that money. So we very much appreciate your diligence, your creativity, and your tireless effort to fund our national security in these very uncertain times.

And, again, I will just reiterate that, you know, the sooner Congress can, you know, pass appropriations bills on a regular basis and get rid of sequestration and get rid of that uncertainty, you know, granted the number certainly should be higher in the budget, maybe long term than sequestration, but just getting rid of that uncertainty would be a huge step towards being able to help you guys do your job. So we will always emphasize that.

On the biofuels point, just one quick thing. And I have a question on another area. But, look, we gotta generate alternatives. We gotta get to the point where if, you know, we have to buy oil from overseas at this incredibly high price, we can go, "You know what? We are not going to do that. We have got something else we can buy."

And you just don't get there if you don't develop those alternative sources, if you don't make some investment in developing something other than oil, as long as we are always dependent on it, as long as oil can say, say, "Hey, well we are the cheapest. We are the best. So don't bother with any of that other stuff," it perpetuates the situation that puts us into this hole where we have to buy—we have to buy oil. And if we have to buy it from whatever country in the world, then we have to. If we have to pay, you know, \$5 dollars a gallon or \$150 a barrel, and we have got no alternative, that is where we are stuck.

So I applaud you, Secretary Mabus, and, you know, in both of your services, you know, for the efforts to finally get us some kind of choice so we are not held around the throat by whatever the price of oil is and whoever happens to be selling it.

The question is on base realignment, very controversial issue up here. Everyone freaks out at the very mention of the word BRAC, but when you listen to some of the restructuring that is going on in all of the services, because of budget, because of changing national security needs, it seems nonsensical to think that we wouldn't be better served by restructuring in some ways. It is going to vary from service to service. But part of my question is to hear from both General Amos and Admiral Greenert, actually from all of you, on how you would, what needs would be out there to help you realign some of your bases, realign some of your force structure?

And then also I am hoping and based on some private conversations that I have had with you, knew we could get there, part of what we can do here is also calm some nerves. That you are actu-

ally particularly in the Navy, got a force structure that is not that far off from where it needs to be if we did a BRAC, we are not talking about closing big huge, major bases in the middle, you know, things that may have happened in the past.

So can you give us a little reassurance that your structure isn't as far off but also explain the need for at least some flexibility? If you could thread that needle, I would be curious to hear how all of you feel about base realignment.

Secretary MABUS. Actually I don't think I could do a better job of threading that needle than you just did.

Mr. SMITH. Okay.

Secretary MABUS. I think that it is as indicated in the budget, that it is a tool that needs to be looked at in terms of flexibility going forward. I also think it is the answer to the previous question, that the Navy and the Marine Corps have taken previous BRAC rounds very seriously and have shed a lot of the duplication, a lot of the excess, a lot of the things that were not needed for our operations. And I do think that our force is now, we are growing the Navy. We are growing the number of ships. We are growing the number of sailors going forward.

And this new defense strategy that was announced 15 months ago is a maritime-centric strategy and it is going to place more focus on the Navy and Marine Corps and on the capabilities that we bring to the country and to any possible fight. So I think that, in terms of, as we look at BRAC, you have to take all of those elements into account.

We need to look at it but I think that there is some solace. I don't know if you were here, but I did point out that as Governor I lived through a BRAC round and I understand the uncertainty and the concern that they cause.

Mr. SMITH. General, do you have anything to add to that?

Admiral GREENERT. Well, for us sir, we will bring as we did last year, to you and to your staff, what we call the strategic laydown. And it is kind of the metamorphosis of ports, people, ships, aircraft and it kind of shapes the port as we bring new construction ships in, as we retire some. And as we rebalance to the Pacific as we say, as you know, we are going from 55 percent West Coast, 45 East to a 60/40. And so that has its own, if you will, realignment. Although it is subtle.

Mr. SMITH. That is a matter of moving ships for the most part. It is not a matter of shutting down a base or you know, it is just moving them around, is that fair?

Admiral GREENERT. That is right sir. And with that will come the supporting infrastructure. But as you said, are these major, no they are subtle. Over time, 10 years, it can appear major to some. We move an amphibious ready group to Mayport, it is a pretty big change to Mayport, as an example. We put P-8s in the Pacific Northwest in the Whidbey Island with Growler Squadrons, in the sum total it can be very big.

If I may sir, though, what is very important to me, these little black squares on the chartlet that I provide, overseas, we get such leverage operating forward, being forward stationed. This is very subtle, modest changes that we need to support them. And the pay-back is huge. It is 4 to 1, it takes 4 ships to keep 1 forward. If one

is forward, you see the leverage, sir. And so I commend that to you, that that is important. We are evaluating our overseas laydown in the Navy and we will, we are going to reduce it as much as possible because it can get costly. And not put anything overseas that we don't need.

Mr. SMITH. A couple critical points there. I know a lot of people say, why do we have all these bases overseas? And we are in some places shrinking. I mean the Army I know is shrinking in Europe. There are a lot of places where it makes sense. But that is a huge point you just made about being present over there, means that you don't have to do all this work back home to be ready to be present over there if necessary.

I guess the other thing is, I think the Navy is on solid ground, and I'll say this even though my good friend from Connecticut Mr. Courtney isn't here, if we could just convince him that New London is fine, I think he might have a different attitude about BRAC. And New London is fine. It is a critically important part of where we are at. And I am just worried that members are looking at you know, stuff that happened 10 years ago that may have jeopardized them and getting in the way of what we need to do on realignment. And in some isolated cases, closures. Stopping the minor changes that are necessary, even though the underlying structure, particularly in the Navy and the Marine Corps is very solid.

Now, General Amos, if you have anything you want to add?

General AMOS. Sir, we are already pretty lean as you know, Congressman.

Mr. SMITH. Yes.

General AMOS. So there is not a lot of fluff with regard to our bases. We don't have a lot of them, and those that we do have are pretty well occupied. But to the larger issue, my personal opinion is where we are headed with 182,100 Marines, down 20,000 from where we have been, should be the floor.

And I say that with regards to the future security environment. I mean there is absolutely no indication that things are getting any nicer out there. I mean just opening the Washington Post on Sunday you can walk your way around a geography lesson around the world. So as I look with my JCS [Joint Chiefs of Staff] hat on, I look and I go, okay well who is going to do this? Who is going to be out there, be present, forward, not at large land bases and stuff, but on ships doing the bidding of the Nation, responding to crisis? It is us. So that is why I say 182,100, I look at that and I go boy, this should be the floor of the Corps.

Now I have said this before in this body and I have said it publicly. At the end of the day, when sequestration hits, if it is taken if it is adjusted, whatever it is, the Marine Corps will end up with euphemistically some pile of money to operate the Corps. And inside that I will build the most capable, ready Marine Corps that the United States of America can afford.

But when I put on my other hat, my JCS hat on, we have got some business decisions as a nation to determine where we are going to balance our priorities. And where are we going to take our capabilities or perhaps most relevant over the next two decades in a resource constrained environment? Where are we going to use

those and apply those? That is where I think the Navy and Marine Corps team really gives you a bang for a buck.

Mr. SMITH. We know you will do your best. And when you mention the dangerous world we live in, I have taken to doing a standard joke about I get clips every day as I am sure you do, about what is going on in the world. It always reminds me of the scene in "Roxanne" where Steve Martin buys a newspaper, takes it out, looks at it, screams, puts another quarter in, opens it up, returns the paper and shuts it. Doesn't want to have anything to do with it. Make no mistake about it, there is a lot of dangerous stuff going on in the world and you guys see it every day, do your best to deal with it. And I thank you for that.

I yield back. Thank you.

Mr. NUGENT. I thank the ranking member. Great comments.

Mrs. Roby is recognized for 5 minutes.

Mrs. ROBY. Thank you. And again thank you to each of you for your service and sacrifice for our country, we appreciate that and not just you but your families as well. So thank you for being here today. General Amos, I see in your posture statement that you request Congressional support to expand the Combat Center at Twentynine Palms, California, and extend the existing withdrawal of land for the Chocolate Mountain Aerial Gunnery Range in California as well as purchase private property to expand the Townsend Bombing Range in Georgia. So I just wanted to give you an opportunity to talk about why this is so important.

General AMOS. Thank you. Let me start with one that, I actually know all three of them well. I have operated and trained out of all three of them over my time as a marine. So let me start on the East Coast, Townsend, which is just outside of Savannah. And it is used primarily by the Air Force that flies in and around South Carolina as well as the Marines that fly out of Beaufort. And as Congressman Wilson was talking about we have got F-18 squadrons, soon to be F-35 squadrons up there, as well as up in Cherry Point.

The Townsend Range right now is, I use it a lot. I have probably operated out of there over 100 times. Very limited. It is nice, it is convenient. It is about 70 miles away from the air station. And it literally is the only range within that kind of proximity to be able to deliver air-to-ground ordinance. All we are trying to do is expand the property around there, not to drop live ordinance. But to be able to actually drop the new family of weapons, JDAMS [Joint Direct Attack Munitions Systems] and these kinds of things, not using high explosive heads on these things.

So it actually will bring that range into the 21st century. Because right now we are flying 20th century weapons in there because we are restricted. So that is what that would do.

If you go to the Chocolate Mountain area just outside of Yuma, we have been using that for decades. The SEALs [Sea, Air, and Land] use that, we share that with them. And it is the only place that we have in that part, the only place, that either the Air Force out of Luke or the Marines or the Navy have an opportunity to drop the entire array of ordinance in a live configuration.

The last place you want to do it for the first time is in combat. When you are actually trying to deliver a live piece of ordinance, it is very complicated. So all we are doing is ask that be renewed.

And then the Twentynine Palms land expansion we have been working for 6 years, when I was a three-star, we started working it. It is a recognition that as we come out of Afghanistan and this counterinsurgency operation mindset, we need to get back to our bread and butter which is combined arms. We have asked for a, what we call a Marine Expeditionary Brigade-size force, which is three infantry battalions maneuvering on the ground with aviatational logistics. And we need that land expansion to be able to do that.

The record of decision, they made a choice about a year or so ago, saying that we could use both, not only a shared use area but a use that is specifically for us. So we are excited about it. We hope that that is able to come through and we ask for Congress's support on it.

Mrs. ROBY. Thank you very much.

And Admiral Greenert, I was in Mobile 2 weeks ago and I had the opportunity to tour and spend time on the JHSV, the joint high-speed vessel, that is currently in production. And so if you could, would you just give us your vision about how you see use and utilization of this in your fleet?

Admiral GREENERT. Thank you, ma'am. I will.

The joint high-speed vessel, a catamaran, is about speed and volume, with fuel efficiency, if you will. So what we have is an opportunity. There will be 10 produced. We will deploy them. They will be forward-deployed, so on this little chartlet out there, they will be out around the world. Civilian mariners will operate them, but we will have a military detachment on board, somewhere around 40 people.

But what is extraordinary about it is it has got a lot of volume. You can move a lot of vehicles on board. So, as General Amos was saying earlier, how do we tailor the force of sailors and marines to do that. It is fast. You can put some armament on it and it can do counter-piracy operations, counter-drug operations. It can do things that we weren't sure about whenever we started.

It has a good medical facility, so it can do theater-security cooperation. So it resonates with Southern Command. It resonates with Africa Command. And it also has—can carry 300 soldiers or marines on board with gear. Now, this isn't overnight. This is place to place. But if you are going 40 knots, you can get a lot of places in a short amount of time.

Add on top of that, it has—its been—the backbone is in there for command and control. So it can direct operations. And I would see perhaps mine counter-measure operations, counter-smuggling, that sort of thing where you bring in small boats and direct them around. It is a pretty agile vessel, ma'am.

Mrs. ROBY. Thank you. I yield back.

Mr. NUGENT. Thank you.

Ms. Speier is recognized for 5 minutes.

Ms. SPEIER. Thank you, Mr. Chairman.

Thank you, Secretary Mabus, Admiral Greenert, and General Amos, for your extraordinary leadership on behalf of our country.

I would like to start, Secretary Mabus, by focusing on the Littoral Combat Ship program. Congress was initially promised a speedy, flexible, lightly manned and cheap ship. But as you know, we have discovered that the module concept is not as flexible as we thought it would be, and the manning requirements have had to be substantially revised, all of which is resulting in a ship that has doubled in price.

It also concerns me that we have had problems with corrosion and doors that wouldn't close. And I am very concerned that taxpayers are not getting the kind of ship that they should be getting. And I am wondering, from your perspective, is it time to re-think moving forward with the LCS?

Secretary MABUS. Congresswoman, straightforward answer to your question is absolutely not. The LCS program had some problems in the early part of the last decade. But since I have been there, and I will give you a very quick snapshot, when I got there, we had one ship in the water of each variant. They were research ships. They were the first of the class. They were experimental ships. There was one of each class being built.

We put three more out for bids and the bids came in absolutely unacceptably high. So I made the decision that while we wanted both versions, each one brought something unique. Both met all our requirements. And so they were going to have to compete based partly or primarily on price.

Over the course of—and we would award one shipbuilder 10 ships over 5 years. We would get a technical package from that shipbuilder. We would then award nine ships to a second shipbuilder to keep competition in the program, but only one version.

The prices came down by 40 percent over the course of that competition. I came back to Congress, asked for permission, and Congress gave that permission to buy both ships. They are being bought under a block buy. They are firm, fixed-price contracts. We got 20 ships, 10 of each version instead of 19, and we saved \$2.9 billion on that program.

Ms. SPEIER. All right, Secretary, let me ask you this. It has been reported that, and I quote—"the boat deck configuration for both LCS types for launching and retrieving small boats can be quite dangerous and lead to injuries or fatalities." Are you familiar with that?

Secretary MABUS. One of the things that the CNO has done is as you begin to use these ships, and LCS-1 is right now on her way to Singapore in our first deployment overseas. As we begin to use these ships, and as the concept of operations begin to be developed, and as we begin to do things like boat operations or unmanned systems operations, and in the different weapons systems, that are on-track today, exactly where we thought they would be for all three modules.

CNO has set up the LCS Council, the Littoral Combat Ship Council, to take a look at any issues, come up with an operating concept and design, come up with the manning. And we still have the same core crew on LCS of 40. The weapons systems crew will be anywhere from 40 to 50. So we are still under 100 sailors on that ship.

As issues arise, this LCS Council takes a look at them, sees if it is a design issue; sees if it is an operational issue; sees how we can change it or mitigate it. The first ship of the class in any ship is going to have some of these issues. But I am confident—I am absolutely confident that we are meeting all those issues and that this ship is going to be one of the backbones of our fleet for years and years to come.

Ms. SPEIER. Well, I am glad you have that kind of confidence. I am just reminded of the Air Force finally pulling the plug on an IT [information technology] project that cost over \$1 billion, coming before Congress a number of times. Congress indicating its concern about it. They continued to say, “Oh, no, we are going to make it work even though it is now 12 years in the making.” And then finally, they pulled the plug. I just hope that we are not in that kind of position with the LCS.

Secretary MABUS. Congresswoman, the LCS program today is one of our very best programs. It is coming in under budget. It is coming in on schedule. And it is coming in with capabilities that we have to have.

Ms. SPEIER. My time is expired. Thank you.

Mr. NUGENT. I want to recognize myself.

General Amos, I truly do commend you in what you are facing, particularly as it relates to this fast reaction force that we need to have. And what I am concerned about, from—and Admiral Greenert you can I am sure respond to this also—but when the fact that the Marine Corps I believe thought that we should have 38 amphibious warfare ships, amphibs, available to meet the demands particularly as it relates to our expeditionary brigades.

But last year, if I am not mistaken, and correct me if I am wrong, we only had 22 of those ships actually available that were out at sea or could be at sea. How do we deal with that? Particularly—let’s forget about sequestration for a minute—when we have a need for the Marine Corps to have this fast reaction team, which I absolutely agree with, particularly when this is—and we have heard this testimony all day in regards to the fact that the world is not getting safer. It is getting more dangerous. We saw it in Benghazi, in Africa.

How do we reconcile ourselves to the fact that with the shipbuilding that the Navy is talking about doing, where does that put the amphibs? I haven’t heard any discussion in regards to upping the ante as it relates to how do we support the Marine Corps and the mission that they have.

Admiral GREENERT. Well, the way we deploy our ships and employ our ships is called the Fleet Response Plan. And what I will get you to is the numbers—why aren’t the numbers out there. So, the Commandant, and I agree with this, has a requirement—the Marine Corps has a requirement, the country has a requirement for 33 ships to support a two-MEB joint force—joint forcible entry.

At any given time, we have a certain number of ships in what we call a “sustainment phase.” And it is almost a conveyor belt. You are in maintenance. Then you do basic training, integrated training and sustainment. And so the need for 33—we need to have 30 ships—we commit that—available for a joint forcible entry operation at a certain time.

And that is the key. You have to have them there by day X in a scenario that we think is appropriate. And that is what we benchmark against. And so when you say there might be 20 ships at any time, I would say: “Well, how many can I have?” And we track this daily—how many ships can I have available if called upon by 60 days or 45 days? And they are, again, benchmarked to different operations. That is what we track it against.

We are not there at the 33, and as I have spoken before, we are endeavoring to get there with the help of the Congress. We have two LSDs [landing ship, dock] through this fiscal year 2014. And we are working to build the amphib ships to get there.

One of the items is, and if you said to me, “Hey, Admiral, what is your number one shipbuilding concern at this time?” It is completion of and integration of the ship—of our amphibious shipbuilding.

Mr. NUGENT. General Amos, with 22 ships that were available last year, what position does that put you in in fielding the force that we need to have available at any given time? Because we don’t know—if we could plan exactly where we are going to be in regards to, you know, hostile actors against us, it would be great. But we have never been able to do that. I don’t see that happening.

Obviously, you have come up with a number based upon possible hostile scenarios in regards to having those forces available to meet the demands that the President may set out. Where does that put us if, in fact, we only had 22 ships available last year?

General AMOS. Congressman, the reality of availability for ships is a lot like airplanes. It is a lot like—a little bit better than my MRAPs [Mine-Resistant Ambush Protected vehicles], and my MRAPs are not doing bad in some cases; excuse me, MRAPs are probably doing better. But it is availability. One of the things that is happening that actually I think is a bright and shining light on the horizon is the new ships that are coming online. You remember when we built LPD 17, the *San Antonio*. It was the quality assurance issues and all that. It didn’t—there were issues with it. It was harder to get out of the blocks than it should have been.

Those have been resolved. Two weeks ago, I think I said, and I don’t know whether you were in here, but I was down there when we commissioned LPD 24, which is the, you know the seven ships later on down the road, and it is just a beautiful ship, and everything works on it.

So what we are doing is we have got a large deck being built at Pascagoula LHA 6, we have got LHA 7. I mean you could actually—it looks like a ship. We have got some in the FYDP that we are—that General—or Admiral Greenert and the Secretary of the Navy are buying. We are going to get newer ships. The availability will—just like an airplane, a new airplane, will actually be better than some of our 25- and 30-year-old ships. I anticipate the availability will go up. Because also, and I want to give credit where credit is due. My shipmate here has actually kind of put his money where his mouth is, so to speak.

He has put money in ship availability to repair and maintenance. He is fixing some things that maybe should have been fixed some time ago, and he is working hard at it. So the truth of the matter is we are where we are, Congressman. If something happens, we

have never guessed it right as you said, something happens, we are going to put marines on anything we can. Even if it is that Italian cruise liner that was laying on its side off of the coast of Italy.

We will right that baby and put marines on it, we will go to war. That is just what we do. But I am not trying to be funny here, but I am actually optimistic for the future.

Mr. NUGENT. I am glad to hear that and I am glad to see the cooperation, not only between the Marines and the Navy, but all our service warfighters. One last question, and I hear this—I heard General, you say this, obviously our readiness, as it relates to those that are deployed, and those that are near deployment will be at the highest level. Obviously my concern is for all those troops that we have sitting around, where are they at in the mix? Because if in fact something happens, and we have to muster them all out, we want to make sure that they are ready to go, just like the guys that are ready to go, that are leaving for Afghanistan, or wherever, today.

General AMOS. Congressman, the fact is they will not be as ready to go as those that we are training that are in the queue. It just—it is not going to be that way. I said a little bit ago that come January and February and March of 2014, those units that are not in the queue to get ready to go will be at a readiness rating of what we call, C3 and below. So, they are not as ready. They will go if the balloon goes, I just, I want to be clear about that. We will go, and we will turn out a good performance.

But it will be painful. There is another—let me just give you an—not an anecdote, let me declare the truth of this thing. When the full effects of sequestration take place, as we roll into next year, if I take a look at my F-18 squadrons that I have. And remember I am flying, I have got legacy F-18 squadrons now, and we are trying to milk those along until we stand up the F-35s. Here are some numbers. We have 257 F-18s today that have USMC [United States Marine Corps] painted on the side of them; 102 of those, 40 percent, are at depot-level maintenance as we meet here this morning.

There are 23 that are scheduled to go into depot-level maintenance towards the third and fourth quarter of this year. Furlough happens. That is 11 percent of lost workdays in that depot. So I just—you know you need to understand that because what that is going to result in, it is going to result in more airplanes being in depot in an out of reporting status and not being repaired to the number of 125.

So, 125 of 257 Hornets in the Marine Corps will be in, what we call, out of reporting status. So that is almost half. If you take the six squadrons that I have forward deployed in Iwankuni, in the Persian Gulf and on U.S. Navy aircraft carriers, that leaves—and then you take the airplanes out of the reporting status, out of that mix, I will have about, no more than six airplanes per squadron back home in the United States of America. That rates a 12-plane squadron. I grew up flying Phantoms when we would get 10 or 11 hours of flight time per month. And we thought actually it was pretty okay.

Those were pretty austere times. We are headed to times that will be less than that for those squadrons that are back home.

Mr. NUGENT. Just one comment, and then I am going to recognize Mr. Andrews. Just if you would, for the record, it is the—I think extremely important for this committee, but other Members of Congress to know exactly where we are going to be when sequestration, you know the ugliness actually hits us next year. Because if we don't know that, what I am concerned about is that we have Members that are just going to kind of march along and say everything is going to be okay. Because what I am hearing, it is not going to be okay. And I want to make sure that every soldier, marine, sailor that we have out there has the best possible training, best possible equipment. As a parent of three soldiers, I want to make sure that they have the best possibility of surviving anything that we may throw them into, and the same goes for our marines and sailors. So I will now recognize Mr. Andrews.

Mr. ANDREWS. Thank you Mr. Chairman, I thank you gentleman for your service to our country. Heartened this morning to hear that some of our Navy bomb personnel have been deployed to Boston to try to help with that situation. I know they will do a great job. In the wake of the Oklahoma City bombing in 1995, then President Clinton talked about what had just happened. He said, the threat is not isolated. And you must not believe it is. We see that threat again in the bombing of the World Trade Center in New York, 1993, he was referring to. In the nerve gas attack in the Tokyo subway. The terrorist assault on innocent citizens in the Middle East.

He said then, we see it even on the Internet where people exchange information about bombs and terrorism even as children learn from sources all over the world. He goes on to say that, like the vigilant generations that brought us victory in World War II, we must stand our ground. In this high-tech world, we must make sure that we have the high-tech tools to confront the high-tech forces of destruction and evil. Pretty prescient given some of the things that have happened since 1995. Something else has happened here in the last 10 years that is not your responsibility, it is ours.

Not yours, it is ours. For every \$100 we were spending in 2004 on research and development, we are now spending \$85.00. If you adjust the spending for inflation in the RDT&E [research, development, test and evaluation] lines, we are about 15 percent shy of where we were 10 years ago. Now again, that is because of decisions people on this side of the podium made, not that you made. I wonder if you could tell us in this unclassified setting, given the rules that we have, what we are giving up in that 15 percent? What research and development aren't we doing today, that you think we should be doing today that would protect us against risks that perhaps we can't see 10 or 20 years down the road? What are we giving up?

Secretary MABUS. Congressman, I think the statement that you made that we just don't know what those risks are going to be. We don't know what is going to be required. And I think more than what specific R&D that we are giving up, is we are stretching out the time. We are having to—we are not being able to turn as fast in some of the R&D capabilities that we have.

And it is one of the things that we are fighting, working hard to protect the most. Because two things give us our combat edge. One is our people, and the amount of responsibility that we push down and expect great performance, and get every single time.

But second is our technological superiority. And because of that, in the budgets going forward, we have tried to the maximum extent possible to protect and in any case that is possible, increase research and development into new cutting-edge weapons, like the directed energy weapon.

Mr. ANDREWS. What are we doing we can talk about in an unclassified setting, about electronic pulse shock? In other words, something would take down our computer systems. What are we doing about that potential problem?

Admiral GREENERT. Well what, we are looking at hardening what we have. In other words, that they can recover. That the systems can withstand in an EMP [electro-magnetic pulse] and then recover. So you have kind of hit the nail on the head, Congressman. Okay, so we are doing something to undo in a defensive nature, what is done to us. I would comment, I would like to see more investment in asymmetric capabilities that we have. Things that we are unique on. The Secretary mentioned one, people. To make our people more effective at what they do.

And the Commandant is all over this for the Marine Corps. The electromagnetic spectrum to me is somewhere that we have fallen behind. We did it purposely because we had no equal in that arena, and we were unchallenged. Well, we are challenged today, and we are behind. So I would like to see a lot more in there. The undersea domain is ours. We have it, we own it, we have got to keep it. We need unmanned autonomous vehicles, but we need the propulsion system in there. It is coming along slowly.

Mr. ANDREWS. I see my time is almost expired. I appreciate that. I would simply say, and it is probably appropriate to say this given the fact that only two members I think are here now. Everybody here has their pocket speech about base closings and how much they deplore them and how terrible it is. And I don't relish base closings. I have been through them in my district. But the members of this committee have to take an honest look at the trade-off between excess overhead. And look, everybody thinks the excess overhead is in somebody else's district, I get that.

But we have to take an honest look between excess overhead, and what we are giving up by losing the RDT&E edge that I think is perilous to lose. And I appreciate the fact you are struggling with limited dollars. We have made that decision, not you. But this is an area where I think we will deeply regret not staying current, not staying ahead of the rest of the world if we don't make some unpleasant choices about base structure. I appreciate your time, and attention.

Mr. NUGENT. Mr. Andrews, thank you very much for your comments. Secretary Mabus, Admiral Greenert, and General Amos, we really do appreciate you appearing in front of this committee. On behalf of the chairman, seeing no other members present, the committee stands adjourned.

[Whereupon, at 12:48 p.m., the committee was adjourned.]

A P P E N D I X

APRIL 16, 2013

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

APRIL 16, 2013

**Statement of Hon. Howard P. "Buck" McKeon
Chairman, House Committee on Armed Services**

**Hearing on
Fiscal Year 2014 National Defense Authorization Budget Request
from the Department of the Navy**

April 16, 2013

Before we start today, it is only appropriate that we pause for a moment of silence in remembrance of the victims of yesterday's Boston attacks. I know the thoughts and prayers of everyone on this committee are with the families.

Thank you for joining us today as we consider the President's Fiscal Year 2014 budget request for the Department of the Navy. I appreciate our witnesses' testimony here today and their support of our naval forces.

The Navy and Marine Corps team continue to serve in a stressed environment and in my estimation, the fundamentals are unsustainable. The "sustained surge" that the Navy continues to employ to meet the combatant commander requirements have driven our force structure to the ragged edge. Surface ship deployments of seven to nine months are the new normal. While the material readiness of our surface forces has shown some improvement over the last year, these improvements will be reversed as we begin to implement sequestration.

As to the Marine Corps, they continue on a path of contraction, reducing to a force structure of 182,000 marines. Their material readiness after a decade of war is at abysmal lows. At this force structure level and with this material readiness, the Marine Corps will be challenged to meet our global commitments and make no mistake about it, these challenges will invariably lead to placing more and more of our service members at risk in future conflicts.

Ironically, this sustained Navy force deployment model and Marine Corps force structure reductions will be further exacerbated with the administration's fiscal year 2014 budget request. Instead of adding ships and force structure to reverse this sustained surge, the Navy is preparing to accelerate the retirement of ships and reduce the combat force structure to an all time low of 273 ships. This reduced force structure is in contravention to even their own goal of 306 ships and calls from the Independent Panel Assessment of the 2010 Quadrennial Defense Review to support a navy force of 346 ships. And the Marine Corps continues their general reductions that will be further challenged as diminishing budgets threaten red line determinations.

Further aggravating this diminution of our force structure, Secretary Hagel has initiated Strategic Choices and Management Review that is expected to report out later this spring. This

review will be used to inform the next Quadrennial Defense Review and will serve as a seminal document to inform other strategic documents and operational plans. Once again, we are allowing our budget process to drive strategy, a dangerous direction for our nation.

My friends, our fiscal decisions have real consequences. Using the Department of Defense budget allocations as a tool in a grand budget bargain will only serve to further shrink our force structure. Our ability to project power in times of global instability will continue to atrophy. The risk that our marines and sailors will not return in times of future conflict will continue to grow. As America steps back, someone else will step forward.

Now is a time for some real leadership. I hope to do my part and reverse this general decline of our Navy and Marine Corps. I am pleased that my committee led the way during last year's legislative cycle and provided the authority to retain four cruisers in fiscal year 2013 that were slated for early retirement. I look forward to continuing this restraint on the administration to ensure that our nation is able to retain the programmed service life of our naval fleet.

I understand that our committee, a reflection of our national ideals, is appropriately assessing the direction of our military. I think that we can lead from behind and quietly support a weakening of our military or we can seek to retain a military force that best serves the strategic interests of our nation. I would urge the administration to share in my vision and ensure that our forces, if ever called to conflict, will not just win but will strategically deter future aggressors from even trying to assess whether military conflict with the United States is a reasonable alternative. We cannot fail in this endeavor.

NOT FOR PUBLICATION UNTIL
RELEASED BY THE
HOUSE ARMED SERVICE COMMITTEE

**STATEMENT OF
THE HONORABLE RAY MABUS
SECRETARY OF THE NAVY
BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
ON
16 APRIL 2013**

NOT FOR PUBLICATION UNTIL
RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Secretary of the Navy

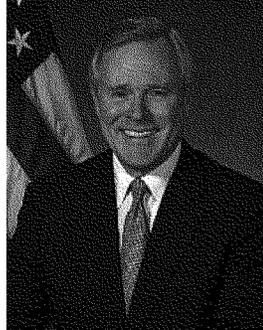
5/19/2009 - Present

Ray Mabus

Ray Mabus is the 75th United States Secretary of the Navy and leads America's Navy and Marine Corps.

As Secretary of the Navy, Mabus is responsible for conducting the affairs of the Department of the Navy, including recruiting, organizing, equipping, training and mobilizing. Additionally, he oversees the construction and repair of naval ships, aircraft, and facilities, and formulates and implements policies and programs consistent with the national security policies established by the President and the Secretary of Defense. Secretary Mabus is responsible for an annual budget in excess of \$170 billion and leadership of almost 900,000 people.

Upon assumption of office and throughout his tenure, Mabus has prioritized improving the quality of life of Sailors, Marines and their families, decreasing the Department's dependence on fossil fuels, strengthening partnerships and revitalizing the Navy's shipbuilding program.



Leading the world's only global Navy, Mabus has traveled almost 670 thousand miles to over 95 countries to maintain and develop relationships with national and international officials and visit with Sailors and Marines forward deployed or stationed around the world. He has traveled to Afghanistan on ten separate occasions, in recognition of the sacrifice and service of Sailors and Marines deployed in combat zones.

To prepare service members and their families for the high tempo operations of today's Navy and Marine Corps, Mabus announced in 2012 the "21st Century Sailor and Marine" initiative, designed to build and maintain the most resilient and ready force possible.

Mabus also directed the Navy and Marine Corps to change the way they use, produce and acquire energy, and set an aggressive goal that no later than 2020, the Navy and Marine Corps obtain at least 50% of their energy from alternative sources. In pursuit of that goal the Department has achieved several milestones. In 2012, President Obama announced in his State of the Union address that the Department will purchase or facilitate the production of 1GW of renewable energy for use on Navy and Marine Corps installations. The Navy also demonstrated the Great Green Fleet in 2012, a carrier strike group in which every participating U.S. Navy ship and type of aircraft operated on alternative energy sources including nuclear energy and biofuels.

Secretary Mabus has made increasing the size of the naval fleet and protecting the industrial base a top budget priority of the Department. During his tenure, the Navy went from building fewer than five ships a year to having more than 40 ships under contract, most of them in fixed-price, multi-year deals that assure value for taxpayers, certainty for industry partners and strength for our nation.

In June 2010, as an additional duty, President Obama appointed Mabus to prepare the long-term recovery plan for the Gulf of Mexico in the wake of the Deepwater Horizon oil spill. Mabus' report was released in September 2010 and met with broad bi-partisan support with most recommendations passed into law by Congress as the Restore Act. Included in the legislation was a fund to aid in the Gulf Coast's recovery by distributing 80 percent of any civil penalties awarded as a result of the damage caused by the disaster. To date, civil penalties total more than one billion dollars.

Before his appointment, Mabus held a variety of leadership positions. From 1988 to 1992, Mabus served as Governor of Mississippi, the youngest elected to that office in more than 150 years. Mabus was Ambassador to the Kingdom of Saudi Arabia from 1994-1996 and later was Chairman and CEO of a

manufacturing company.

Secretary Mabus is a native of Ackerman, Mississippi, and received a Bachelor's Degree, summa cum laude, from the University of Mississippi, a Master's Degree from Johns Hopkins University, and a Law Degree, magna cum laude, from Harvard Law School. After Johns Hopkins, Mabus served in the Navy as an officer aboard the cruiser USS Little Rock.

Updated: 16 January 2013

Chairman McKeon and Ranking Congressman Smith, and members of the committee, today I have the privilege of appearing on behalf of the Sailors, Marines, and civilians who make up the Department of the Navy. This is the fifth time that I have been honored to report on the readiness, posture, progress, and budgetary requests of the Department. With my shipmates—Commandant of the Marine Corps, General James Amos, and Chief of Naval Operations (CNO), Admiral Jonathan Greenert—I take great pride in the opportunity to both lead and serve the dedicated men and women of the Department. This statement, together with the posture statements provided by CNO Greenert and Commandant Amos, present a comprehensive overview of the state of the Department of the Navy.

For 237 years the United States Navy and Marine Corps have been deployed around the globe, conducting missions across the full spectrum of military operations. Whether ashore, in the air, on or under the world's oceans, or in the vast cyberspace, The Navy-Marine Corps team operates forward, as America's "Away Team," to protect our national interests, respond to crises, deter conflict, prevent war or, when necessary, fight and win. The past year has been no different. Among myriad missions, our Sailors and Marines have continued to conduct combat operations in Afghanistan; maritime stability and security operations around Africa; ballistic missile defense with our allies in Europe, the Middle East and the Pacific; and humanitarian assistance and disaster relief missions from the archipelagos of Southeast Asia to the streets of Staten Island.

Today we continue to transition from a decade of war and counter-insurgency ashore to a time of increased global uncertainty. Eighty percent of the world's population live a short distance from the sea and 90 percent of global trade moves by sea, so our naval forces play a vital role in delivering the security needed to help address today's global challenges. The Nation's Defense

Strategic Guidance, as announced by President Obama, directs focus toward the maritime-centric regions of Western Pacific and Arabian Gulf and uses innovative, low-cost, light footprint engagements in other regions. These are tasks tailor made for the Navy-Marine Corps Team. The Commandant, CNO, and I are confident that with proper resourcing, the U.S. Navy and Marine Corps will meet today's and tomorrow's missions.

Almost a century ago the United States began a fruitful period of profound military development between the First and Second World Wars. Vice Admiral William Sims, commander of our naval forces in England during World War I, wrote that "we must be on our guard against the dangers of a lack of vision." As then, strategic thinking and innovative development of our operating concepts will be central to our success now and in the future. The ability to think and adapt to changes in the fiscal and operational environment has been and will be the key to the success of American naval forces.

The Department of the Navy has a proven track record of effective and efficient management of our nation's most important maritime resources: people, platforms, power, and partnerships. The most resilient and capable force in our history protects the Nation. In the past four years, we have stabilized the size of the Fleet, and we are building more capable ships with greater accountability and at a better value to the taxpayer and we are on a trajectory to restore the Fleet to 300 ships by 2019. The Navy and Marine Corps are seeking ways to lessen dependence on fossil fuel and volatile oil prices, some of our greatest military vulnerabilities, by using more efficient and varied forms of power. And we are building and maintaining the global partnerships that are so critical to the Navy and Marine Corps' ability to project power throughout the world through forward deployment. As we sail into a new maritime century, the

Navy and Marine Corps team is the most formidable expeditionary fighting force the world has ever known.

Naval Operations in 2012

Operational tempo in 2012 was high. On a daily basis, almost half the fleet was at sea and more than 70,000 Sailors and Marines were deployed; our reserve components mobilized over 3,700 Sailors and 5,000 Marines to support operations. Our forces conducted combat and maritime security operations, bi-lateral and multi-lateral exercises with our international partners, and humanitarian assistance missions.

Pacific Command (PACOM)

The Asia-Pacific is fundamentally a maritime region, and over 50 percent of the world's population and the world's five largest armed forces lie within the operating area of the U.S. SEVENTH FLEET. Emphasizing our existing alliances while also expanding our networks of cooperation with emerging partners is central to the defense strategy articulated by the President in January 2012. Our mission is to provide security with combat ready units, demonstrated by the forward basing in Japan of USS GEORGE WASHINGTON and her strike group as well as the USS BONHOMME RICHARD amphibious ready group and 31st Marine Expeditionary Unit. Destroyer Squadron 15 continues to conduct Ballistic Missile Defense (BMD) patrols that contribute significantly to this mission. When North Korea conducted launches using ballistic missile technology in both April 2012 and December 2012, our ships were on scene to monitor the situation and defend our forces and allies if needed.

The first Marine rotational force arrived in Darwin, Australia early last year. The Marines, part of the 3rd Marine Expeditionary Force (MEF) soon after embarked USS GERMANTOWN and began operations in the region. Working with naval assets like the destroyer USS LASSEN and the submarine USS BUFFALO the Marines participated in the long standing Cooperation Afloat Readiness and Training (CARAT) exercises with a number of our allies and partners including Thailand, Singapore and Bangladesh. Marines from 3rd MEF also participated in Mongolia's KHAAN QUEST 2013 exercise as part of a joint force that included the U.S. Army. The multinational exercise started ten years ago as a bi-lateral training opportunity between U.S. Marines and Mongolian forces and has grown to include participants from ten countries.

Exercise MALABAR, an annual bi-lateral exercise between U.S. and Indian Forces, continued to expand in 2012 and comprised training in numerous mission areas including maritime security operations and strike missions. U.S. units, including the USS CARL VINSON strike group, conducted operations both at sea and ashore with our partners from the Indian Navy. In cooperation with the Armed Forces of the Philippines in 2012 we expanded our annual BALIKATAN exercise to include 20 participating partners from the Association of South East Asian Nations (ASEAN). This year's exercise focused on Humanitarian Assistance, Search and Rescue, and helped develop interoperability with the participating forces.

In 2012 our west coast hospital ship, USNS MERCY executed a five-month PACIFIC PARTNERSHIP humanitarian assistance deployment, conducting medical and civic assistance missions in Indonesia, Vietnam, the Republic of the Philippines, and Cambodia. PACIFIC PARTNERSHIP began as a humanitarian response to one of the world's most catastrophic natural disasters, the 2004 tsunami that devastated parts of Southeast Asia. The PELELIU

Amphibious Ready Group and Marines from the 15th Marine Expeditionary Unit (MEU) conducted Exercise CROCODILO with the Defense Forces of Timor-Leste, demonstrating the importance of working with all partner nations, no matter the size of their naval forces, which share our commitment to peace and security.

Our largest operation in the Pacific this year was the biennial Rim of the Pacific Exercise (RIMPAC). The largest maritime exercise in the world, RIMPAC in 2012 had participants from 22 nations, including for the first time the Russian Navy. RIMPAC provides a unique training opportunity that helps foster and sustain the cooperative relationships that are critical to maritime safety and security not only in the Pacific, but across the globe. This year's exercise also displayed the Navy's commitment to energy security with the Great Green Fleet demonstration. USNS HENRY J. KAISER conducted an underway replenishment with USS NIMITZ, USS PRINCETON, USS CHAFEE, and USS CHUNG-HOON, refueling all the ships and types of aircraft in the NIMITZ Strike Group with a 50/50 blend of advanced biofuels and petroleum based fossil fuels. Every type of aircraft that flew from the strike group flew on this blend and all the surface ships sailed on this blend. No engines were changed in any way. This demonstrated the effectiveness and seamlessness of the use of advanced biofuels during operations at sea.

Central Command (CENTCOM)

Marines and Sailors, active and reserve, remain engaged in operations in Afghanistan. They have denied the Taliban safe haven and substantially calmed the violent Helmand Province. Along with Coalition partners from eight nations and the Afghan National Security Forces (ANSF), Marines have succeeded in pushing enemy initiated attacks outside populated areas, diminishing

the enemy's ability to disrupt governance efforts by Afghans and bringing increased security to population centers.

As 9,000 Marines have been drawn down in Helmand over the course of the year, our forces there helped to standup the 215th Corps of the Afghan National Army as well as units of the Afghan National Police and Afghan Local Police. Through these efforts, ANSF has increasingly taken responsibility for securing this area. ANSF units currently conduct 80 percent of operations on their own while leading 85 percent of all operations in Helmand Province.

Aircraft from Carrier Strike Groups in the Indian Ocean conducted thousands of sorties supporting combat operations in Afghanistan with Intelligence, Surveillance and Reconnaissance (ISR) and close air support. With two Carrier Strike Groups in the region for much of the year, regular flight operations were also conducted in the Arabian Gulf. USS PONCE also deployed to the region to demonstrate and employ the capabilities of our future Afloat Forward Staging Bases (AFSB).

Off the Horn of Africa, we continue to work with partners in Combined Task Force 151 and other counter-piracy missions. Primarily as a result of these efforts, there was a dramatic drop in the number of pirate attacks during 2012. While the primary purpose and goal of counter-piracy operations is to enhance maritime security in the region, an additional benefit is the development of operational relationships with a wide range of partners. For example, in September USS WINSTON S. CHURCHILL conducted exercises to expand counter-piracy expertise and promote interoperability with the Chinese frigate YI YANG, the first bi-lateral exercise of its kind between the navies of the United States and the People's Republic of China.

European Command/Africa Command/Southern Command (EUCOM/AFRICOM/SOUTHCOM)

US Navy ships teamed with 11 European and African partners for PHOENIX EXPRESS 2012, a maritime security exercise in the Mediterranean. AEGIS ships in EUCOM continued their BMD patrols for the European Phased Adaptive Approach to missile defense and planning continues to forward base four guided missile destroyers in Rota, Spain. The High Speed Vessel (HSV) SWIFT circumnavigated Africa for AFRICAN PARTNERSHIP STATION, making 20 port calls to conduct security cooperation missions and humanitarian assistance. Marines from Special Purpose Marine Air-Ground Task Force (SPMAGTF) Africa trained counter-terrorism forces and provided support to forces across the Maghreb region of North Africa.

In the Caribbean, western Atlantic, and eastern Pacific work continued with our regional partners to counter transnational organized crime. Aircraft from Helicopter Anti-Submarine (Light) and Carrier Airborne Early Warning squadrons flew detection and monitoring missions while our ships, working with the U.S. Coast Guard, helped confiscate millions of dollars of illegal drugs and illicit cargo.

SOUTHERN PARTNERSHIP STATION provided both military to military training opportunities and humanitarian assistance missions to countries in Central and South America. The Navy also supported the annual UNITAS exercises, multinational naval exercises designed to enhance security cooperation and improve coalition operations. UNITAS exercises are typically conducted annually in Atlantic and Pacific waters around South America, and in 2012 U.S. Southern Command conducted bilateral training opportunities with nations including Guatemala, Honduras, and Belize. PANAMAX, the annual U.S. Southern Command-sponsored multinational exercise series, focused in 2012 on ensuring the defense of the Panama Canal.

Personnel from 17 nations, including the United States, participated in simulated training scenarios from various U.S. locations.

Northern Command (NORTHCOM)

When Hurricane Sandy came ashore in October, the Navy and Marine Corps immediately gathered resources to support the Federal Emergency Management Agency (FEMA) and other Federal agencies in the response to this disaster. USS WASP, USS SAN ANTONIO, USS CARTER HALL, and USNS KANAWHA steamed to the coast of New York and New Jersey and became logistics bases for relief efforts following the storm, working in concert with units deployed to Lakehurst Naval Air Station in central New Jersey. Marines from 26th MEU went ashore from WASP at Staten Island to clear debris and reopen streets, while Seabees ran supply convoys into hard hit areas and set up generators, removed beach sand from city streets, pumped over a million gallons of water from homes and removed tons of debris. Sailors from Mobile Diving and Salvage Units worked with FEMA and State officials in dewatering the World Trade Center site and the New York subway system, while members of the Coastal Riverine force cooperated with FEMA at the Hoboken Ferry Terminal to restore service.

Our sea-based strategic deterrent force of ballistic missile submarines continues to provide the most survivable leg of the nation's strategic deterrent triad. For 50 years, and for more than 4,000 strategic patrols, our Navy's submarine force has patrolled, undetected, below the sea. Our OHIO-class ballistic missile submarines promote global stability and provide credible and reliable deterrence.

There are countless other examples of Navy and Marine Corps units on, above and under the seas, on land both in the United States and in every corner of the globe, standing watch protecting this Nation.

Developing Capabilities for Future Operations

The 21st century presents us with new challenges or threats to both our national security and to global stability. The Navy and Marine Corps are working to develop new concepts and capabilities that will help address sophisticated anti access/area denial (A2/AD) networks, irregular and cyber threats, and the proliferation of precision guided munitions. The Navy, Marine Corps, Air Force and Army are working together to implement the Air-Sea Battle concept, which seeks to improve integration of air, land, maritime, space, and cyberspace forces. The Navy and Marine Corps are also developing the concept of an integrated battle force, taking many of the lessons we have learned about joint and combined operations, combining them with the results of exercises like BOLD ALLIGATOR 2012, the largest amphibious exercise in over a decade which was conducted on the coast of North Carolina in early 2012, and developing new frameworks for naval warfare and expeditionary operations.

Air Sea Battle

In order to ensure that U.S. forces remain able to project power on behalf of American interests, the Departments of the Navy, Air Force, and Army continue to develop the Air-Sea Battle concept and its capabilities. The Air-Sea Battle Office, jointly manned by all four services, is working on a series of initiatives to achieve the capabilities and integration required in future Joint forces so that Combatant Commanders have the tools they need, delivered with the most

efficient use of resources. Air-Sea Battle is building on the lessons learned by the joint force over the past three decades to enhance efficiency while confronting the challenge of A2/AD systems in all theaters of operations.

DON continues to work on the integration of advanced air and cruise missile defense capabilities, the development of BMD enhancements, and “soft-kill” capability. A new generation of Anti-Ship Cruise Missile (ASCM) remains a priority, which will increase the range and speed at which we can engage enemy surface combatants, the most capable of which are armed with advanced ASCMs. We are also developing the Virginia Payload Module for the VIRGINIA-Class submarines, to mitigate the loss of the undersea strike capacity of our guided missile submarines when they retire in the mid-2020s.

Defending Freedom of the Seas: Law of the Sea Convention

By custom, experience and treaty the traditional concept of freedom of the seas for all nations has developed over centuries. This vital part of the global order has been codified within the Law of the Sea Convention (LOS Convention). The DoD and DON continue to strongly support this important treaty. The LOS Convention 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. Nearly every maritime power and all the permanent members of the UN Security Council except the United States have ratified the convention. Our absence as a Party weakens our position and impacts our military, diplomatic, and economic efforts worldwide. Remaining outside the LOS Convention also undercuts our ability to challenge expansive jurisdictional claims that, if unchallenged, could undermine our ability to exercise our navigational rights and freedoms, conduct routine naval operations in international waters, and

provide support to our allies. Additionally, only as a Party to the Convention can the United States fully secure its sovereign rights to the vast resources of our continental shelf beyond 200 miles from shore. The uniformed and civilian leaders of the Department strongly support accession to the LOS Convention.

Departmental Priorities

Maintaining the world's most capable expeditionary fighting force means developing our Navy and Marine Corps as a strategic asset that provides our Commander-in-Chief with the broadest range of options in a dynamic and complex global security environment. As Secretary, I continue to charge the Department to focus on four key priorities: people, platforms, power, and partnerships, by ensuring we do the following:

Support our Sailors, Marines, civilians, and their families;

Strengthen shipbuilding and the industrial base; Promote acquisition excellence and integrity; Continue development and deployment of unmanned systems;

Recognize energy as a strategic national security issue; and

Build partner capacity to help distribute the burden of securing the global maritime domain based on alliances, shared values and mutual trust.

From training our newest Midshipmen and recruits, to supporting ongoing operations in Central Asia and the Pacific, to preparing for the future force, these principles will guide the Department in all of its many tasks.

Supporting Our Sailors, Marines, and their Families

Operational tempo is high and getting higher. The BATAAN Amphibious Ready Group and 22d Marine Expeditionary Unit's spent almost eleven months at sea, the longest amphibious deployment since World War II. Personnel with JOHN STENNIS Carrier Strike Group spent only five months at home between her two most recent seven-month deployments. Sailors, Marines, civilians and their families are being asked to do more with less, and it is the job of the Department's civilian and military leaders to provide them with the resources to maintain readiness, both physically and mentally, and to support families while loved ones are forward deployed.

The naval strategist and historian Alfred Thayer Mahan once wrote that being ready for naval operations "consists not so much in the building of ships and guns as it does in the possession of trained men." The Department is committed to our most important asset and the most critical combat payload for our ships, aircraft, and units ashore—our people. Over the last four years, I have visited with Sailors and Marines deployed in 96 countries across the globe. When our U.S. Navy and Marine Corps team is on the job, they are far from home and from the people they serve. One of my core missions is to remind them we are grateful for their service, and humbled by their sacrifice.

Pay and benefits are the most tangible example of our commitment to our Sailors and Marines, and an important focus for the Department. The President's budget includes a one percent pay raise for Sailors and Marines. The amount of this raise reflects the commitment to our Sailors

and Marines, while adhering to the current budget constraints faced by DOD. We support the modest TRICARE fee increase in the FY14 budget, which Congress has allowed the Department of Defense to link to CPI to help ensure an efficient and fair benefit cost, as well as efforts to introduce efficiency and cost savings into military pharmacies. These are important steps that help us introduce reform to the Department's personnel costs. The promise of a military retirement is one of the solemn pledges we make to compensate our service members when they volunteer for a full career. However, it is time for a review of this system. We fully support Congress's establishment of the Military Compensation and Retirement Modernization Commission to conduct a comprehensive review of military compensation and retirement systems. The commission must maintain a focus on ensuring any suggested changes support the required force profiles of the services. Keeping faith with those currently serving is a high priority, and the Commission and Congress should ensure that any resulting reforms protect our current service members through grandfathering those who prefer the current retirement structure.

We must manage resources to ensure support for the most combat effective and the most resilient force in history. The standards are high, and we owe Sailors, Marines, and civilians the services they need to meet those standards. I am very proud of the dedicated service provided by our civilian workforce, who despite economic sacrifices, continue to deliver outstanding products and services in support of the DON mission. The continued development of the 21st Century Sailor and Marine Initiative will help ensure that Sailors and Marines maximize their professional and personal readiness with initiatives that cut across previously stove-piped programs. In March 2012, aboard USS BATAAN, I outlined the five "pillars" of the 21st

Century Sailor and Marine which are: readiness and protection, safety, physical fitness, inclusion, and the continuum of service.

Readiness and protection will ensure Sailors, Marines, and their families are prepared to handle the mental and emotional rigors of military service. Ensuring the readiness of the force includes continuing campaigns by both services to deglamorize, treat, and track alcohol abuse.

It also means maintaining the standard of zero tolerance for sexual assault. The DON Sexual Assault Prevention and Response Office (SAPRO) is responsible for keeping the health and safety of our Sailors and Marines at the forefront. SAPRO has developed training initiatives, opened new lines of communication, and worked to ensure that offenders are held accountable while reducing the number of attacks. In the last year, SAPRO conducted dozens of site visits to Navy and Marine Corps installations world-wide. Their sexual assault prevention programs for leadership reached over 5,000 Navy and Marine officers and senior enlisted personnel at eight operational concentration sites. Simultaneously, live-acted and vignette-based programs, emphasizing the importance of bystander intervention in preventing sexual assault, were presented to packed theaters totaling roughly 15,000 Sailors and Marines. The Commandant of the Marine Corps has personally championed a Sexual Assault Prevention and Response (SAPR) Campaign Plan that engages his senior leadership in top-down, Corps-wide training initiatives anchored on the core values of Honor, Courage, and Commitment. He and the Sergeant Major of the Marine Corps have been tireless in conveying their expectations in special forums and personal visits to virtually every Marine Corps installation. Across both Services, literally every Sailor and Marine is receiving special SAPR training that emphasizes the concept of Bystander Intervention to prevent sexual assaults, and additional training tools are in development.

To enhance capabilities in the area of sexual assault prevention and prosecution, Naval Criminal Investigative Service (NCIS) created an advanced adult sexual assault training course. They have also launched a multidisciplinary Adult Sexual Assault Program, which synchronizes the efforts of investigators, prosecutors, and victim advocates. NCIS has continued its campaign to train the Department's leaders, conducting 389 briefings world-wide to over 48,000 service members. Last year they also introduced a 24-hour text-tip capability to enhance responsiveness to criminal allegations including sexual assault, receiving 1,300 web based referrals.

A ready force is also a force that understands how to respond to our shipmates in need in order to help stem the tide of military suicides. The Department will continue to work to improve suicide prevention programs to eliminate suicide from the ranks. This will not be easy. The complexities surrounding suicide requires an "all-hands" effort and comprehensive approach. New training programs, like the Marine Corps' R.A.C.E. (Recognize suicide warning signs, Ask one another about suicide, Care for one another through listening and support, and Escort fellow Marines to help), are just the start. Navy and Marine Corps commanders are fully engaged in promoting the psychological health of our Marines, Sailors, and family members and are receiving training on how best to provide solutions in their units. The message to all Navy and Marine Corps leaders is to look out for each other and to ask for help.

The fiscal uncertainty we live with today not only affects operational readiness; the impact may also manifest itself in safety performance. More than ever, we must emphasize safety and risk management, both on- and off-duty as operational tempo increases and our Sailors and Marines are asked to do more with resources that are being stretched. Efforts to ensure the safest and most secure force in the Department's history include more targeted oversight of our high risk

evolutions and training. To improve risk assessment, the Department is analyzing safety and safety-related data from a variety of sources and in 2012 committed to establishing a secure funding stream for the Risk Management Information System. The Department is also employing System Safety Engineers in the hazard and mishap investigation process.

Physical fitness is central to the ability of our Sailors and Marines to complete their missions. More than just another program, it is a way of life and supporting it resonates throughout the 21st Century Sailor and Marine Initiative. Throughout the force personal fitness standards will be emphasized and reinforced. That commitment extends to improving nutrition standards at Navy dining facilities with the “Fueled to Fight” program, developed and used by the Marines. Fueled to Fight emphasizes the importance of nutrition and healthy food items, and ensures their availability.

A cornerstone of the Department’s commitments to individual Sailors and Marines is to ensure DON is inclusive and, consistent with military effectiveness, recruits, retains, and promotes a force that reflects the nation it defends. The aim to increase the diversity of ideas, experiences, expertise, and backgrounds to ensure the right mix of people to perform the variety of missions required of the services. With military requirements as a guiding tenet, the Department will reduce restrictions to military assignments for personnel to the greatest extent possible.

An officer corps must be representative of the enlisted force it leads. The United States Naval Academy, our Reserve Officer Training Corps programs, and Officer Candidate School have all continued to achieve high ethnic diversity rates as minority applications remain at historic levels. In recent years NROTC units have reopened at some Ivy League schools, and new units have opened at State Universities with large minority populations, including Arizona State University

and Rutgers University. The first group of women assigned to the submarine force have deployed aboard their boats. Three of these trailblazing officers already earned their qualifications in Submarine Warfare and were presented their "Dolphins" in a ceremony last fall. With success aboard Ohio Class ballistic missile submarines (SSBNs) and guided missile submarines (SSGNs) women will now be assigned to the attack submarine fleet and enlisted women will soon be included in the submarine force.

The final pillar, continuum of service, will provide the strongest transition support in the Department's history. The Navy and Marine Corps develop future leaders of our nation, in and out of uniform. For that reason, and for their service, individuals separating or retiring from the Naval Service should be provided the best assistance programs and benefits available to get a positive start in civilian life. The Department's education benefits, transition assistance, career management training, life-work balance programs, and morale, welfare, and recreation programs are keys to their future and have been recognized by human resource experts as some of the best personnel support mechanisms in the nation. Our transition efforts also bolster our ability to maintain a highly skilled Reserve force, ensuring those highly trained service members who want to continue to serve in a Reserve capacity are smoothly and appropriately aligned within the Reserve component.

Both the Navy and Marine Corps reached our recruiting goals again in the past year. The Navy is on track to meet its active duty-manning ceiling of 322,700 Sailors by the end of this fiscal year. The Marine Corps continues to draw down from 202,001 to the goal of 182,100 by FY2016 and stood at about 198,000 at the end of 2012. The quality of our recruits continues to rise, with high levels of physical fitness and increasing numbers of recruits with a high school diploma rather

than a GED. With high quality recruits the attrition numbers in Boot Camp have dropped, and more Sailors and Marines are successfully completing their follow-on schools, where they learn the basics of their military specialty.

In order to address many of the asymmetric military scenarios we face, the Department has initiated programs in our Special Operations and Cyber Forces to ensure we have the right personnel for the mission. For instance, the Department conducted a Cyber Zero-Based Review and developed a Cyberspace Manpower Strategy. Operating in and strategically leveraging cyberspace requires a sophisticated and technically savvy force and we must invest in their training and development. We also need an equally sophisticated officer corps to lead this force and therefore, I will make the construction of a cybersecurity studies facility at the U.S. Naval Academy a top priority in developing the FY 2015 military construction program. With respect to Special Forces, the Department continues to work closely with U.S. Special Operations Command (USSOCOM) on their manpower priorities, including emphasis on targeted recruiting of personnel with language capability and ethnic diversity, compensation issues, and ensuring the proper balance of SOF manning during times of fiscal austerity.

The Department constantly evaluates its success at reintegrating the combat-wounded Sailor or Marine into civilian life. The Navy and Marine Corps have pressed forward in their efforts to support our wounded, ill, and injured (WII) Sailors and Marines. The Marine Corps' Wounded Warrior Regiment, based at Quantico, provides and facilitates non-medical assistance throughout all phases of recovery. With Battalions located on both coasts and detachments around the world, it has the global reach needed to support our men and women. The Navy has established the Safe Harbor Program to coordinate the non-medical care of WII Sailors, Coast Guardsmen,

and their families. The program provides a lifetime of individually tailored assistance designed to optimize the success of our shipmates' recovery, rehabilitation, and reintegration activities and has representatives at military treatment facilities all over the world, including partnering with some Veteran's Affairs facilities.

A key to successful integration is meaningful employment and the Department continues to lead by example in providing employment opportunities for Wounded Warriors and veterans. Civilian careers within the DON offer a wealth of opportunities that allow Wounded Warriors to apply the wide array of skills and experience gained from their military service. Last year, veterans represented more than 50 percent of new hires, with nearly one in ten having a 30 percent or more compensable service-connected disability. Additionally, nearly 60 percent of the Department's civilian workforce has prior military experience. The Department also continues to share best practices across the federal and private sector, and annually hosts the Wounded Warrior Hiring and Support Conference.

In addition to the successful efforts to help employ transitioning Sailors and Marines, the Department has also made tremendous strides to improve overall career readiness through the implementation of the newly designed Transition Assistance Program. . Both the Navy and Marine Corps have reported compliance with the mandatory components of the transition program required by the Veterans Opportunity to Work to Hire Heroes Act (VOW Act) and implemented new and revised curriculum to facilitate pursuit of post-military goals. By the end of this year, program enhancements will also include the program's three individualized tracks for education, technical training, and entrepreneurship. The Department also continues to share

best practices across the federal and private sector, and annually hosts the Wounded Warrior Hiring and Support Conference.

Strengthening Shipbuilding and the Industrial Base

Much has been said and written about the size of our Fleet. A few facts are in order. On September 11, 2001, the Navy's battle force stood at 316 ships. By 2008, after one of the great military buildups in American history, our battle force had shrunk to 278 ships. In 2008, the Navy built only three ships, and many of our shipbuilding programs were over budget or over schedule or both. Over the past four years, the Fleet has stabilized in the mid-280s and many problems in our shipbuilding programs have been corrected or arrested. There are now 47 ships under contract, many under fixed-price contracts that ensure the Department receives the best value for our shipbuilding programs.

Maintaining and increasing current Fleet numbers is a challenge in the current fiscal environment. However, it is important that we succeed in this effort as our defense strategy calls upon us to focus on the maritime-centric theaters of Pacific and Central Command, while still remaining engaged globally. This is why building up the number of ships in our Fleet has been my priority from day one. With your support it will continue to be a priority as we allocate our resources moving forward.

The FY13 shipbuilding plan projected that, by the end of the five years of the Future Years Defense Plan (FYDP), the Fleet, because of a large number of retirements, would have 285 ships, about the same number as exist today. Beyond the FYDP, the Fleet would again experience growth reaching 300 ships before the end of the decade. The plan maintains a

flexible, balanced battle force that will prevail in combat situations, including in the most stressing A2/AD environments, while living within the reduced means allocated.

Furthermore, our shipbuilding plan aims to build a Fleet designed to support the new defense strategy and the joint force for 2020 and beyond. A force structure assessment was recently completed and it found, due to the new defense strategy, forward basing and other variables that about 300 ships will be needed to meet the Navy's future responsibilities.

Regardless of the final battle force number, the Fleet's ship count will begin to rise as major surface combatant and submarine building profiles are sustained and as the Littoral Combat Ships (LCS) and Joint High Speed Vessels (JHSVs) built during the next five years begin to enter fleet service.

A healthy industrial base is necessary to support the Department's priorities going forward. Our nation faces tough economic times, so our plan, as we noted earlier, to grow the Fleet to 300 ships by 2019 means we have to work closely with the shipbuilding industry to ensure we maintain their skill and capability while growing a fleet affordable to the American people. The industrial base also includes our aircraft manufacturers, and the industry teams that develop the payloads aboard our ships. We will work to ensure diversity in supply as we move ahead, and we will look for opportunities to compete.

Promoting Acquisition Excellence and Integrity

One of the most important obligations of public service is a responsibility to be good stewards of the American people's money; it is particularly important given today's fiscal realities.

Rebuilding the fleet with the right platforms continues to be a top priority, and requires efficient

and smart spending based on a realistic vision of the future force. At the heart of the Department's improved stewardship and leadership is the acquisition excellence initiative in force since 2009.

The central role Navy and Marine Corps play in the Nation's defense strategy drives the acquisition programs currently underway and those planned in the future. Contract requirements, aggressive oversight, and competition drive affordability. At every appropriate opportunity the Department pursues fixed price contracts like those in use for the LCS program, or multi-year procurements like those used to purchase the Virginia Class Submarines, MV-22 Ospreys and MH-60 helicopters. The Department continues to look for other innovative funding strategies that help ensure a consistent workload for the industrial base, as well as focus on increasing productivity and fostering innovation both in industry and government. Total ownership costs, eliminating unnecessary bureaucracy, and unproductive processes are always considered as programs are developed. Using these methods to inject affordability and refine requirements in the LCS and DDG 51 programs, the Department cut over \$4.4 billion from the projected cost of the ships, and over \$4.9 billion in projected life-cycle-costs.

To be responsible with the taxpayer's money also means we must take action against fraudulent contractors and shoddy work. The DON has greatly strengthened our suspension and debarment system, and enhanced its ability to protect the Department from unscrupulous and irresponsible contractors. NCIS has made significant investments in our major procurement fraud program and has realized a 300 percent return on investment through fines and recoveries associated with criminal prosecutions this year. During FY 12, the DON Suspending and Debarring Official (SDO) suspended or debarred 344 contractors, a 75 percent increase from the previous year.

Most of this increase was the result of aggressive pursuit of "fact-based" debarments of contractors who had been terminated for default or poor performance under a DON contract or who had mischarged costs against DON contracts, but also includes conviction-based debarments taken against contractors for fraud associated with Government contracts. The Government Accountability Office (GAO) has recognized the DON for its very active procurement fraud program, which actively pursues leads of contractor misconduct from numerous sources, and effectively carries out its suspension and debarment responsibilities under the Federal Acquisition Regulations.

To protect the Department's research, development and acquisition (RDA) process from a counterintelligence (CI) perspective, NCIS has partnered with intelligence community members at locations of special interest. For example, integration of NCIS resources at University Applied Research Centers (UARC) and the Applied Research Laboratories has allowed NCIS CI agents and analysts to intensify their operational efforts and investigations that protect these prioritized programs and technologies. Operation "Bigger Game", an integrated RDA CI effort, resulted in the arrest of seven individuals affiliated with a UARC for illegally exporting high-tech microelectronics from the United States to Russian military and intelligence agencies.

Over the past decade and a half the acquisition workforce was downsized. As a result, our expertise and experience was stretched too thin. With your support the Department has been slowly increasing the number of acquisition professionals, restoring the core competencies inherent in their profession and to our responsibilities in the Department to organize, train and equip the Navy and Marine Corps. Since starting the effort three years ago, the Department has grown the acquisition work force by 4,700 personnel, which has been key to increasing the

necessary technical authority and business skill sets, and improving the probability of program success.

Additionally the Department is keeping program managers in place longer to build up their expertise in and oversight of individual programs, which also contributes to program stability and success. The Department also invests in education for our program managers, who are sent to an intensive short course at the graduate business school at the University of North Carolina specifically targeting a better understanding of defense contractors. A pilot for mid-level managers began last year for a similar graduate level course at the University of Virginia Darden Business School. The Department is also changing the way program leaders are evaluated and now incentivizes them to work with their industry counterparts to manage costs. Finally, acquisition workforce professionalization is receiving the attention it deserves, and more resources are targeted to individual training, education and experience for individuals in key leadership positions.

Developing and Deploying Unmanned Systems

Unmanned systems will continue to be key military platforms, both in the maritime domain and ashore. Successful integration of the unmanned systems begins with the Sailors and Marines who support the effort. In October 2012, we established Unmanned Helicopter Reconnaissance Squadron 1 (HUQ-1), the first dedicated rotary-wing UAV squadron in the Navy, to train Sailors on the aircraft as well as provide deployable detachments. Across the entire spectrum of military operations, an integrated and hybrid force of manned and unmanned platforms is the way of the future. In the past year the Department has made significant movement forward in the development of unmanned systems.

In 2012 USS KLA KRING deployed with four MQ-8B Fire Scouts operated by Helicopter Anti-Submarine Squadron (Light) 42 to conduct operations in the FIFTH and SIXTH Fleets. The ship and squadron, which deployed with a Fire Scout detachment in 2011 in support of counter-piracy operations and operations off of Libya, continued to develop the tactics, techniques and procedures to integrate the Fire Scout helicopters into fleet operations. Another detachment of three Fire Scouts flew over 3,000 hours of ISR missions for Marines engaged in combat operations in Afghanistan. The next generation Fire Scout, the MQ-8C, made its first flight in 2010 and began production in 2012. It has greater range and payload capacity and it will fly its first missions to serve with Naval Special Warfare.

In unmanned rotary-wing aviation, the Marines have continued experimenting with the Cargo Resupply Unmanned Aerial System (CRUAS), using unmanned K-MAX helicopters for resupply in Afghanistan. These UAVs carry cargo to patrol bases and forward operating bases, eliminating the need for dangerous convoys. The contract was extended for another six-month deployment in Afghanistan, in order to build on the system's success.

A good example of integrating manned and unmanned systems is the Mine Countermeasures (MCM) Mission Module in LCS. This module includes the Remote Multi-Mission Vehicle (RMMV), which will tow the AN/AQS-20A mine hunting sonar to find mines, paired with a manned MH-60S helicopter with the Airborne Mine Neutralization System (AMNS) system to neutralize them. The development team is working with unmanned surface craft for autonomous mine sweeping and shallow water mine interdiction, as well as vertical take-off UAVs for detection and neutralization. USS INDEPENDENCE (LCS 2) has already conducted

developmental testing of the RMMV and continues to develop operating concepts and procedures.

This spring will bring the first flight of the MQ-4C Triton, the unmanned element of Navy's maritime patrol system of systems. Based on the proven Global Hawk, the Triton will play a central role in building maritime domain awareness and prosecuting surface targets. Further testing and evaluation will occur in 2013. Its experimental predecessor, the BAMS-D demonstrator aircraft, continues to provide maritime surveillance in FIFTH Fleet and to develop operating concepts for the aircraft.

The Unmanned Carrier Launched Airborne Surveillance and Strike system, or UCLASS, is changing the way reconnaissance and strike capabilities are delivered from our aircraft carriers. Designed to operate alone in permissive environments or as part of the air wing in contested environments, UCLASS will conduct ISR&T and/or strike missions over extended periods of time and at extreme ranges. Unlike manned carrier aircraft, UCLASS will not require flights solely to maintain pilot proficiency. The UCLASS airframe will be employed only for operational missions and operators will maintain proficiency 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 tanker availability, ordnance expenditure, or the need to conduct maintenance. At NAS Lakehurst, the X-47 Unmanned Combat Air System, Aircraft Carrier Demonstrator (UCAS-D) conducted its first launch via catapult. In December, the X-47 went to sea for the first time aboard USS HARRY S. TRUMAN and conducted integration testing and evaluation with the flight deck crews for taxi checks and flight deck operability. Increased autonomy will continue to evolve and will continue to expand the

possibilities of what can be done with unmanned systems flying from a carrier. Integrated manned and unmanned systems will provide a more effective fighting force while helping to reduce risk to our Sailors and Marines.

Recognizing Energy as a Strategic National Security Issue

How the Navy and Marine Corps use, produce, and procure energy is a critical operational element. From the adoption of steam power over sail, the development of oil burning power plants, or the move to nuclear power more than half a century ago, the Navy has a history of leading in energy innovation. In this fiscally constrained environment we must use energy more efficiently and effectively. This fiscal environment also means that the Department must continue to lead on and invest in alternative energy. Failure to do so will leave a critical military vulnerability unaddressed and will expose the Department to price shocks inherent in a global commodity like oil.

The Department's energy initiatives are about combat and operational effectiveness. In wartime, energy is a tactical and operational vulnerability. Because of the massive amount of fuel that the Department uses, price shocks in the global market have a significant impact on budget resources. Every time the cost of a barrel of oil goes up a dollar, it effectively costs the Department an additional \$30 million in fuel costs. These price spikes are mostly paid out of operational funds, which mean less steaming time, less flight time, less training time for our Sailors and Marines and lack of facilities sustainment. To help address these operational vulnerabilities and threats to our combat effectiveness, in 2009 I established energy goals for the Department. These goals drive the Navy and Marine Corps to strengthen our combat capability by using energy more efficiently and by diversifying our sources of power.

Efficiency and innovation are key starting points to changing the way we use energy. USS MAKIN ISLAND, the fleet's newest amphibious assault ship, is a great example. Designed with energy efficiency in mind, it has a unique hybrid electric power plant instead of the steam plant powering the rest of the WASP class. The ship returned from its maiden deployment last year and, between the highly efficient systems and the energy awareness of the crew, saved the Navy \$15 million in fuel costs out of a budgeted \$33 million over the seven-month deployment. Plans for the two following ships, USS AMERICA and USS TRIPOLI, include hybrid electric systems like MAKIN ISLAND and we are working on a similar system to back-fit it onto Flight IIA BURKE Class DDGs.

The Marine Corps has proven and is proving that energy efficient and renewable energy equipment increases combat effectiveness. Recognizing a combat multiplier, the Marines Corps came up with an innovative process to shorten the timeline from concept to combat. In just a year, using the Experimental Forward Operating Base (ExFOB) process, the Marine Corps equipped Marines with new capabilities that reduce the burden of fuel and batteries. Since Third Battalion, Fifth Marines deployed to Helmand Province in fall of 2010 with solutions identified through ExFOB, this equipment has become a standard part of the Marine Corps kit. Marine Battalions in Afghanistan are equipped with these energy technologies so we now have sniper teams, Special Operations teams, Communication units, Infantry and Artillery Units, and teams training our Afghan partners employing ExFOB-proven gear, from solar blankets to power radios, LED lights to illuminate tents, and solar generators to provide power at forward operating bases and combat outposts. These capabilities have made a real impact: enabling a foot patrol to operate for three weeks without battery resupply, reducing the backpack load on Marines, and increasing self-sufficiency at operations centers. Continuing to aggressively pursue solutions,

ExFOB deployed hybrid power solutions to Patrol Base Boldak in Afghanistan. With the lessons learned at Boldak, the Marine Corps is now writing requirements to redefine how they power the Force-with hybrid power systems and fewer generators that are right-sized for the mission. Capabilities that increase combat power through greater energy performance have become fundamental to Marine Corps modernization.

The Department continues to develop the drop-in, advanced biofuel initiative for our ships, aircraft, and shore facilities. Under the Defense Production Act, the Department of the Navy has teamed with the Departments of Agriculture and Energy to fund the Advanced Drop-in Biofuel Initiative to help the development of multiple, geographically dispersed biorefineries. Last fall, DoD issued a multi-stage solicitation under Title III of the Defense Production Act (DPA) that sought to construct or retrofit through public-private partnerships multiple, commercial-scale next generation bio-refineries geographically located and capable of producing cost-competitive, ready drop-in biofuels that meet or exceed military specifications. Soon, DoD will finalize negotiations with several companies that have met the criteria, including demonstrating the ability to domestically produce alternative fuels by 2016-2017 that are very cost-competitive with petroleum.

This past year the Navy purchased a B20 blend (80 percent conventional/20 percent biodiesel) for the steam plant at the St. Julien's Creek Annex, near Norfolk, VA. The cost of the B20 is 13 cents per gallon less expensive than conventional fuel, and is projected to save the facility approximately \$30,000 over the 2012-2013 heating season.

Drop-in fuels are necessary so that no changes to our engines, aircraft, ships, or facilities are needed to burn the fuel and so we retain operational flexibility to use whatever fuel is available.

After testing individual platforms in 2011, in 2012 the Department took an important leap forward toward the goal of globally deploying ships and aircraft in maritime operations on competitively priced biofuels by 2016. At RIMPAC, the entire NIMITZ Carrier Strike Group, from the surface escorts to the helicopters flying patrol and logistics missions, conducted operations on a 50/50 conventional and biofuel blend. The ships of the strike group also demonstrated energy efficient technologies to reduce the overall energy use, including solid-state lighting, on-line gas turbine waterwash, and shipboard energy dashboards.

This year I issued the Department's "Strategy for Renewable Energy" to outline our path to procuring one gigawatt (GW) of renewable energy for our shore facilities by 2020. For reference, one GW can power a city the size of Orlando. This strategy will help us achieve the goal of obtaining 50 percent of our power ashore from alternative energy sources, at no additional cost to the taxpayer. The Department chartered a 1GW Task Force to create an implementation plan, calling on each region of our shore establishment to develop their own energy plans to help achieve these goals. In FY12 we initiated four power purchase agreements for large scale renewable energy including three photovoltaic projects, each of which will provide electricity cheaper than conventional sources and will save a total of \$20 million over the lives of the agreements, and a waste-to-energy facility at MCAS Miramar that is cost neutral when compared to conventional power. All four of these projects have been developed with third party financing.

Continued leadership in this field is vital to the Nation's future. Our allies and friends around the world are actively exploring the potential of efficiency and alternative energy to increase combat effectiveness and strategic flexibility. The Australian Navy is drafting an alternative fuels

policy, and the Department is working closely with them to ensure interoperability so that our forces can use alternative fuels together. The British Army, partnered with Marines in Afghanistan, has begun to use alternative energy equipment developed by the Marines in their ExFOB program at the bases they operate in theater. These partnerships are emblematic of the types of engagements with our allies around the world on important topics such as alternative fuels, energy efficiency and renewable energy that we must continue to lead to provide secure alternatives, improve reliability of fuel supplies, and enhance combat and operational effectiveness.

Energy, fuel, and how we power our ships have always been a vital issue for the United States Navy. Those who question why the Navy should be leading in the field forget the Navy's leadership in energy throughout history. From John Paul Jones rebuilding the sailing rig of USS RANGER in France in order to make the ship faster and more efficient before raiding the British seacoast, to the deployment of our first nuclear powered aircraft carrier USS ENTERPRISE, which was just decommissioned, the energy and fuel to propel the Fleet has been a key element of the U.S. Navy's success.

Maritime Partnerships and Forward Presence

For almost seven decades, U.S. Naval forces have maintained the stability and security of the global maritime domain, upholding the two key economic principles of free trade and freedom of navigation, which have underwritten unprecedented economic growth for the global economy. As ninety percent of worldwide trade and over half of global oil production are moved at sea, this system, and the sophisticated set of international rules and treaties upon which it is based, has become central to the economic success of the global marketplace. However its efficiencies,

and the demanding timelines of a “just in time” economy, place it at risk from the destabilizing influences of rogue nations and non-state actors. While our engagement with and assurance of this global system are not without cost, the risk of instability, stagnant global economic growth and a decline in national prosperity could be dramatic.

Providing security across the global maritime domain requires more capacity and capability than any single nation is able to muster especially within the current fiscal constraints. Building partner capacity helps distribute the burden of securing the global maritime domain based on alliances, shared values and mutual trust. The Navy and Marine Corps are naturally suited to develop these relationships. Trust and partnerships across the globe cannot be surged when conflict looms if they have not been established in times of peace.

Forward presence is the key element of seapower, which can help deter or dissuade adversaries from destabilizing the system or starting a military conflict. U.S. Naval forces operating around the world underwrite the credibility of our global leadership, and give meaning to our security guarantees. They demonstrate shared commitments and concerns, and reinforce regional security without a large and expensive footprint ashore. Forward deployed naval forces allow us to provide a full range of options to the President and the Combatant Commanders; from a single Patrol Craft to a Carrier Strike Group; from a platoon of SEALs to a Marine Air-Ground Task Force; that ensure our leaders have the adaptable and flexible forces needed to respond to any challenge and retain an element of control in the escalation of conflict. The ability to concentrate forces for military operations in times of crisis, or distribute them to engage allies, partners, and friends in times of relative peace, depends on maintaining naval forces forward. As does our ability to be present during a crisis and avoid the appearance of escalation.

In addition to the exercises and operations previously described, senior leader engagement and training opportunities for our allies, partners, and friends are important components of building international relationships and trust. As Secretary, I have had the opportunity to meet with 35 heads of state and government, over 60 ministers of defense, over 80 Chiefs of Navy, as well as additional military leaders and many foreign military personnel. The U.S. Naval Academy, the U.S. Naval War College, Marine Corps University, and the Naval Post Graduate School host international students who return home with not only a first-rate education, but with friendships and new perspectives on the United States and its people that can have a significant impact on future military-to-military relationships.

FY14 Budget Submission

Every strategy is a balance of responsibilities and resources. The Department's ability to meet the demands of today's operations, in support of our Defense Strategic Guidance, depends on anticipating and preparing for the changing geopolitical landscape and having the proper resources ready to deploy. The Department will continue to maintain the capabilities required to ensure that the Navy and Marine Corps is the finest expeditionary force in the world, however proper resourcing is needed to maintain our capacity for global operations.

With the resources as laid out in the FY14 budget request, the battle force of 2019 will include the following platforms.

Nuclear-powered Aircraft Carriers and Air Wings.

With the 2016 delivery of USS GERALD R. FORD, the first of a new class of nuclear-powered aircraft carriers, the number of carriers in commission returns to eleven. The Department will

sustain that number at a minimum through the middle of this century. The Ford class of carrier is a completely new ship within a rearranged NIMITZ hull. The Ford class contains new shipboard systems like an electromagnetic launch system and advanced arresting gear, and with advanced 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, the MH-60 Sierra and Romeo tactical helicopters, and new unmanned aerial systems.

Nuclear-powered Attack Submarines.

There are nine VIRGINIA-class submarines already in commission and seven more at various stages of construction. The planned FY14-18 Multi-Year Procurement (MYP) of nine submarines remains intact, and, with the 2013 congressional action, advanced procurement has been authorized and appropriated for a tenth boat to be ordered in 2014. I would like to thank the Congress for their support of our submarine programs. Your continued support is needed for the advance appropriation required to complete the procurement of the tenth VIRGINIA-class boat. This means that these flexible, versatile platforms will be built at the rate of two per year during the FYDP with the cost-saving benefits afforded by the multi-year procurement contract.

With four guided missile submarines (SSGNs) decommissioning in 2026-2028, the Department will continue to invest in research and development for the VIRGINIA Payload Module (VPM). VPM could provide future VIRGINIA-class SSNs with four additional large diameter payload tubes, increasing her Tomahawk cruise missile capability from 12 to 40 and adding other payload options.

Guided Missile Cruisers and Destroyers.

Modular construction of the DDG 1000 Class Destroyers is proceeding apace, with commissioning of all three ships of this class planned between 2015 and 2019. The Arleigh Burke-class DDGs (DDG 51s) remain in serial production, with plans in place for a multi-year purchase of up to ten ships through FY17. As part of that multi-year purchase, the Navy intends to seek congressional approval for introducing the DDG 51 Flight III aboard the second FY16 ship based on the achievement of a sufficient level of technical maturity of the Air and Missile Defense Radar (AMDR) development effort. The Flight III Destroyer will include the more powerful AMDR providing enhanced Ballistic Missile Defense (BMD) and Air Defense capability. The modernization program for in-service Ticonderoga-class CGs and Arleigh Burke-class DDGs is progressing satisfactorily, with hull, machinery, and electrical system maintenance and repairs; installation of advanced open architecture combat systems, and upgrades to weapons/sensors suites that will extend the service life and maintain the combat effectiveness of these fleet assets.

Littoral Combat Ships.

With their flexible payload bays, open combat systems, advanced unmanned systems, and superb aviation and boat handling capabilities, LCSs will be an important part of our future Fleet. This spring we forward deployed the first LCS, USS FREEDOM, to Singapore and will forward deploy four by CY16. Crew rotation plans 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 multi-mission capable destroyers for more complex missions. The Department remains fully committed to our plan of purchasing 52 Littoral Combat Ships.

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 33 ships total. The objective fleet will consist of 11 big deck Amphibious ships (LHA/LHD), 11 Amphibious Transport Docks (LPD), and 10 Landing Ship Dock (LSD). To support routine forward deployments of Marine Expeditionary Units (MEUs), the amphibious force will be organized into nine, three-ship Amphibious Ready Groups (ARGs) and one four-ship ARG forward based in Japan, plus an additional big-deck Amphibious ship available to support contingency operations worldwide.

Afloat Forward Staging Bases (AFSBs).

The 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 requirement for sea-based support for mine warfare, Special Operations Forces (SOF), Intelligence, Surveillance and Reconnaissance (ISR), and other operations. The work demonstrated by the interim AFSB, USS PONCE, has been very encouraging. To speed this capability into the fleet, and to ultimately provide for continuous AFSB support anywhere in the world, we are designing and building the FY12 MLP 3 to 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 and preserving an important part of our shipbuilding industrial base.

Naval Aviation

The Department continues to evaluate the needs of naval aviation to ensure the most efficient and capable force in line with the Defense Strategic Guidance. The Navy procured the final F/A-18 Super Hornet in FY-13 for delivery in FY-15 for a total of 552 aircraft. EA-18 Growler will complete program of record procurement with 21 EA-18G in FY-14 for delivery in FY-16 for a total of 135 aircraft. The Department's review of aviation requirements has validated the decision to purchase 680 Navy and Marine Corps F-35s. The F-35 procurement remains steady, with 4 F-35C and 6 F-35B. The Marine Corps stood up the first F-35 operational squadron, VMFA-121, in November, 2012. The Fleet Replacement Squadron, VFA-101, is expected to receive its first F-35C in April 2013.

The Department of the Navy continues to monitor strike fighter capacity. Changes in the USMC force structure, accelerated transition from the legacy Hornet aircraft to the Super Hornets, high flight hour extensions for legacy hornets and lowered utilization rates resulted in an appropriately sized strike fighter aircraft inventory. Based on current assumptions and plans, strike fighter aircraft shortfall is predicted to remain below a manageable 29 aircraft through 2023, with some risk.

In the long 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. Navy continues to develop the first-generation Unmanned Carrier-Launched Airborne Surveillance and Strike System (UCLASS), which will provide long-range, persistent ISR&T with precision strike capability, enhancing the carrier's future ability to provide support across the range of military operations in 2020 and beyond. UCLASS will utilize the flexibility and access inherent in carrier operations to provide

the Joint Force and Combatant Commanders with on demand intelligence and strike capability against time-sensitive targets while on station.

In FY14 the DON is seeking approval for a MYP of 32 E-2D aircraft over a longer term than originally proposed. Over the FYDP, purchases of P-8s have been reduced by eight aircraft, which reflects the Department's intent to procure all the aircraft originally planned, but at a slower rate in order to distribute the costs more evenly.

Marine Corps

As the Nation's ready response force, the Marine Corps, by definition, remains at a high state of readiness. The demands of a ready force require careful balance across these accounts to avoid a hollowing of the force. The Department is executing an approved multi-year plan to draw down the Corps from an end strength of 202,100 in early 2012 to 182,100 by the end of FY16. The drawdown is on pace at approximately 5,000 Marines per year and anticipates that voluntary separations will be adequate to meet this planned rate. The Marines will resort to involuntary separations only if absolutely necessary. But, no matter how a Marine leaves, we remain committed to providing effective transition assistance and family support.

The Joint Strike Fighter continues as the Marine Corps number one aviation program. The F-35 will replace the Marine Corps' aging legacy tactical fleet; the F/A-18A-D Hornet, the AV-8B Harrier and the EA-6B Prowler, bringing the force to one common tactical fixed-wing aircraft. The integration of F-35B will provide the dominant, multi-role, fifth-generation capabilities needed across the full spectrum of combat operations, particularly to the Marine Air Ground Task Force (MAGTF) and the Joint Force. Having successfully completed initial ship trials,

dropping a variety of ordnance and completing hundreds of successful test flights, the F-35B continues to make significant progress, culminating with the standup this past November of the first operational JSF squadron, VMFA-121, in Yuma, AZ.

The Marine Corps' ground vehicle programs are also a critical element of revitalizing the force after age and operational tempo have taken their toll on the equipment. Two key programs for the Ground Combat Elements are the Joint Light Tactical Vehicle (JLTV) and the Amphibious Combat Vehicle (ACV). The JLTV will provide the Marine Corps tactical mobility with a modern expeditionary light utility vehicle. The initial planned purchase of 5,500 vehicles has been reduced based on our constrained fiscal environment, and the Marine Corps will need to refurbish the remaining High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) fleet in order to fill out less dangerous missions. The ACV is central to the Marine Corps role as an amphibious force providing forcible entry and crisis response. The ACV program will develop the next generation amphibious, armored personnel carrier that will help ensure the Marine Corps can continue to bridge the sea and land domains. The Marines' Light Armor Vehicle (LAV) Mobility and Obsolescence program is on track to extend the service life of the LAV by replacing or upgrading several components including the suspension and drive systems. The Marine Corps' ability to exploit an obsolete but already produced suspension system from the Army's Stryker vehicles has saved at least \$162 million taxpayer dollars.

Of particular concern is the fact that the Marine Corps modernization accounts represent only 14 percent of the Marines' total obligation authority. Because of this level of modernization funding, even proportional cuts have disproportionate impact on the many small programs essential to modernization of the Corps. Combining this with efforts to reconstitute the force as

it returns from Afghanistan, our reset strategy, which focuses on the most economical way to restore equipment readiness, is vital to the Marine Corps' future.

Keeping faith with our Marines as we reduce the force, maintaining our plans for the modernization of the force, and resetting our equipment after a decade in combat depend on appropriate funding.

Conclusion

The Founding Fathers, in their wisdom, placed in the Constitution the requirement that Congress "provide for and maintain a Navy." In the 21st Century, that force is as vital, or more so, to our national security as it has been throughout our nation's history. As we commemorate the bicentennial of the Battle of Lake Erie, we continue to recognize our Navy's history in the War of 1812. Captain Oliver Hazard Perry led his men through a bloody battle, in the end reporting that "we have met the enemy, and they are ours." It was the first time that an entire squadron of the Royal Navy surrendered to an enemy force. The battle was a critical naval victory and represents more than just the skill and daring of our Navy in the Age of Sail. The joint operations that followed, with Perry's naval forces conducting an amphibious landing and providing naval gunfire support for an Army invasion of Canada, were early examples of joint power projection. It serves as a reminder that the Navy and Marine-Corps Team has a vital role to play in the defense of our nation, but is a teammate with our joint partners who all contribute to success and victory.

The goals and programs we have discussed today will determine our future as a global force. We have worked to streamline our processes and increase efficiency, to work toward innovative new

solutions to our 21st Century problems, and to eliminate programs that no longer apply in the current strategic environment. We have done this to ensure that we retain the ability to deter regional conflict and respond rapidly and decisively to emerging crises.

Our specific requests are reflected in the President's FY14 budget submission. Today's economic environment and our nation's fiscal constraints demand strict stewardship and leadership. The process by which we arrived at the Department's budget requests was determined, deliberate, and dedicated to our responsibility to you and the taxpayer. I can assure you that the Department has thoroughly considered the risks and applied our available resources efficiently and carefully to align our request with the President's Defense Strategic Guidance.

Today, your Navy and Marine Corps are deployed across the spectrum of military engagement around the world, from direct combat operations to providing security in the maritime domain to humanitarian assistance. Our Sailors and Marines often seem to be everywhere except at home. Their hard work and success are based on the unparalleled professionalism, skill, and dedication that ensure their dominance in every clime and place. The Commandant, CNO, and I look forward to answering your questions. This Committee's continued and enduring support for our policies, payloads, platforms, and people enables us to fulfill the historic charge of the Founders to sail as the Shield of the Republic.

Thank you.

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
ARMED SERVICES COMMITTEE

**STATEMENT OF
ADMIRAL JONATHAN GREENERT**

**U.S. NAVY
CHIEF OF NAVAL OPERATIONS**

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

ON

FY 2014 DEPARTMENT OF NAVY POSTURE

16 APRIL 2013

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Chief of Naval Operations**9/23/2011 - Present****Admiral Jonathan W. Greenert**

Adm. Jonathan W. Greenert is a native of Butler, Pa. He graduated from the U.S. Naval Academy in 1975 and completed studies in nuclear power for service as a submarine officer.

His career as a submariner includes assignments aboard USS *Flying Fish* (SSN 673), USS *Tautog* (SSN 639), Submarine NR-1 and USS *Michigan* (SSBN 727 - Gold Crew), culminating in command of USS *Honolulu* (SSN 718) from March 1991 to July 1993.



Subsequent fleet command assignments include Commander, Submarine Squadron 11; Commander, U.S. Naval Forces Marianas; Commander, U.S. 7th Fleet (August 2004 to September 2006); and, Commander, U.S. Fleet Forces Command (September 2007 to July 2009).

Greenert has served in various fleet support and financial management positions, including deputy chief of Naval Operations for Integration of Capabilities and Resources (N8); deputy commander, U.S. Pacific Fleet; chief of staff, U.S. 7th Fleet; head, Navy Programming Branch and director, Operations Division Navy Comptroller. Most recently he served as 36th vice chief of naval operations (August 2009 to August 2011).

He is a recipient of various personal and campaign awards including the Distinguished Service Medal (6 awards), Defense Superior Service Medal and Legion of Merit (4 awards). In 1992 he was awarded the Vice Admiral Stockdale Award for inspirational leadership. He considers those awards earned throughout his career associated with unit performance to be most satisfying and representative of naval service.

Greenert became the 30th Chief of Naval Operations Sep. 23, 2011.

Updated: 23 September 2011

Chairman McKeon, Ranking Member Smith, distinguished members of the committee; it is my pleasure to appear before you today to testify on the Navy's Fiscal Year (FY) 2014 budget and posture. I am honored to represent the approximately 613,000 active and reserve Sailors and Navy Civilians serving today, as well as their Families.

Establishing the baseline for FY2014

Before discussing our FY2014 budget submission, we have to clarify our current situation in FY2013. This will form the baseline for our FY2014 program. When I last testified to this committee in February, Navy faced a shortfall of about \$8.6 billion in our FY2013 operations and maintenance (O&M) account due to a combination of requirements growth, the Continuing Resolution and sequestration. Since then, thanks to the Congress' efforts, we received an FY2013 appropriation in March as part of the Consolidated and Further Continuing Appropriations Act of 2013. This appropriation restored about \$4.5 billion toward our total need in operations and maintenance. As a result, we have a FY2013 shortfall in operations and maintenance of about \$4.1 billion, approximately 10 percent of the planned amount for this fiscal year.

In accordance with our priorities and strategy, we are applying our remaining O&M funds to the following:

- Pay personnel and "must pay bills": Ensure we have funding for bills such as utilities and civilian pay.
- Reconcile FY13 readiness: Sustain operations and maintenance for the priority forces in accordance with the defense strategy that will deploy to meet the current approved FY2013 Global Force Management Allocation Plan (GFMAP), which describes the forces required to be provided by the services to the Combatant Commanders (CCDR) as directed by the Secretary of Defense. Our remaining spending plan for FY2013 will reduce furloughs of Civilians and sustain non-deployed ship and aircraft operations so appropriate forces prepare to deploy, and other forces operate enough to be able to safely respond if needed to support homeland defense.

- Prepare to meet FY2014 GFMAP: Conduct training and maintenance for forces that will deploy as part of the FY2014 GFMAP, including guided missile destroyers (DDG) transferring to Rota, Spain as part of the Forward Deployed Naval Force (FDNF).
- Restore critical base operations and renovation: Sustain base infrastructure and port and airfield operations to support training and deployments needed for the FY2013 and FY2014 GFMAP. We will also conduct health and safety-related facility repairs and continue high-return energy efficiency projects.

However, sequestration will result in a fleet and bases less ready than planned. For example, at sea we were compelled to recommend the FY2013 GFMAP be changed to cancel one ship deployment to the Pacific, two ship deployments to Europe and all but one FY2013 ship deployment to U.S. Southern Command. We continue to evaluate opportunities to add deployments to these regions as our fiscal position becomes clearer. In addition to reducing overseas operations, we also reduced the amount of operations our ships and aircraft will conduct when not deployed.

And we reduced maintenance, including deferral of depot maintenance on 84 aircraft and 184 engines, and reducing the scope of two ship maintenance availabilities. We plan to recover this backlog during FY2014. We will restore all of our planned ship maintenance availabilities remaining in FY13.

The impact of reduced fleet operations and maintenance will be less surge capacity, but we will retain the ability to support the FY2014 GFMAP. All our forces deploying in FY2013 and FY2014, including two carrier strike groups (CSG) and two amphibious ready groups (ARG) (one each in the Middle East and the Asia-Pacific), will be fully mission-capable and certified for Major Combat Operations. All our forces supporting operations in Afghanistan, where Navy aircraft fly about 1/3 of all tactical sorties, will also be fully mission-capable and certified. For surge, we will retain one additional CSG and ARG in the United States that are fully mission-capable, certified for Major Combat Operations and available to deploy within 1-2 weeks; this is about one-third of our normal surge capacity. Overall, due to reduced training and maintenance, about 2/3 of the fleet will be less than fully mission capable and not certified for Major Combat Operations. Historically, about half of our fleet is in this status since ships and squadrons are in training or maintenance preparing for their next deployment. While these forces will not be ready

or certified to deploy overseas, they will remain able to respond, if needed, to support homeland defense missions.

Ashore, we deferred about 16% of our planned FY2013 shore facility sustainment and upgrades, about \$1 billion worth of work. Recovering these projects will take five years or more and in the meantime, our shore facility condition will degrade. We were able to sustain our Sailor and Family Readiness programs through FY2013, including Child Development Centers, Fleet and Family Support Centers, and Sexual Assault and Prevention programs. We also fully funded Tuition Assistance for our Sailors. Despite these efforts to reduce the impact of sequestration on our people, however, we are still compelled to consider furloughs for our Navy Civilians during FY2013 because of shortfalls in our operations and maintenance funding and in compliance with DoD direction. We will continue to pursue savings elsewhere in the operations and maintenance account that would enable us to reduce and eventually remove the need for this furlough measure.

Sequestration reduced the FY2013 funding for each of our investment programs by about eight percent, or about \$6.1 billion total. We are still reconciling the impact of this reduction, but due to the mechanics of sequestration and limited reprogramming authorized by the FY 2013 Defense Appropriations Act, it is likely we will be compelled to reduce the number of weapons we purchase and the number of aircraft we buy in some of our aviation programs due to the reduction – including one E-2D *Hawkeye*, one F-35C *Lightning II*, one P-8A *Poseidon* and two MQ-8C *Firescout*. Our ship construction programs will need to restructure schedules and shift some outfitting costs to future years to address the nearly eight percent sequestration reduction in FY2013. This will pass on “costs to complete” that will need to be reconciled in future years. These costs will not be an insignificant challenge as they may compel Navy to cancel the procurement of future ships to complete ones that are nearing delivery.

The impact of continued uncertainty

Over the past four months we slowed our spending, stopped new program starts, and proceeded very deliberately in choosing our operations, deployments and investments. We brought “all hands on deck” to work on revised plans for everything from how we provide presence to what we buy in FY2013. In the Fleet, this is standard procedure for proceeding through a fog bank – slow, deliberate and with limited visibility ahead; effectively, most other

operations and planning stop because of the dangerous near-term situation. With a FY2013 appropriation, we are now coming out of this “fog,” increasing speed, getting back to future planning, and reestablishing momentum behind our top priorities.

This momentum, however, may be short-lived. While the FY2014 budget submission includes deficit reduction proposals beyond that called for by the Budget Control Act of 2011 (BCA), it requires the BCA’s lower discretionary budget caps are replaced in FY 2014 and beyond. If the discretionary caps are not revised, our FY2014 obligation authority could be reduced \$10-14 billion. This would compel Navy to again dramatically reduce operations, maintenance and procurement in FY2014, preventing us from meeting the FY2014 GFMAP and negatively impacting the industrial base. While military personnel compensation was exempted in sequestration during FY2013, if the lower discretionary budget caps of the BCA are retained, we will evaluate options to reduce personnel and personnel costs, including compensation and entitlements.

The uncertainty inherent in our fiscal outlook prevents effective long-term planning and will begin to affect the “Health of the Force.” We can ill-afford the distraction of planning for multiple budget contingencies, stopping and restarting maintenance, changing operational schedules and restructuring investment programs. This constant change negatively impacts our Sailors and Civilians and their Families here at headquarters and in the Fleet. It also precludes us from looking long-term at how we should build, train, develop and posture the future force as we end two land wars in Middle East and rebalance our effort toward the Asia-Pacific.

To begin planning for the long-term and ensure we are realistically confronting our strategic and fiscal challenges, the Secretary of Defense ordered a Strategic Choices and Management Review (SCMR). The review does not assume or accept that deep reductions to defense spending, such as those from sequestration, will endure or that they could be accommodated without a significant reduction in military capabilities. The review does reflect the Secretary’s view that the Department of Defense must constantly examine the choices that underlie our defense strategy, posture, and investments, including all past assumptions.

The SCMR will consider the 2012 Defense Strategic Guidance as the point of departure. It will define the major strategic choices and institutional challenges affecting the defense posture in the decade ahead that must be made to preserve and adapt defense strategy and

management under a wide range of future circumstances. The results of this review will frame the Secretary's guidance for the Fiscal Year 2015 budget and will ultimately be the foundation for the Quadrennial Defense Review due to Congress in February 2014.

Our strategic approach

Our first responsibility is to ensure Navy is able to deliver the overseas presence and capabilities required by our Defense Strategic Guidance (DSG) *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, as manifested in the GFMAP.

Our mandate per the DSG is to be present overseas where it matters, and to be ready when it matters. A central element of the DSG to Navy is to field a smaller, more ready force, with the right capabilities, postured in each region. The DSG concludes that a prompt, credible response by forward U.S. forces can demonstrate American resolve and can blunt the initial actions of an aggressor. This can in turn deter, assure, and – if necessary – control escalation, contain the conflict and prevent it from growing into a larger war.

Our fundamental approach to making decisions and implementing the DSG is unchanged since I assumed the office of the Chief of Naval Operations. We organize, man, train and equip the Navy by viewing our decisions through three lenses, or tenets. They are: *Warfighting First*, *Operate Forward*, and *Be Ready*. Regardless of the size of our budget or our fleet, these tenets are the key considerations we apply to each decision.

Warfighting First

Warfighting First is a first principle. It is our fundamental responsibility; each decision inherent in our FY2014 program was viewed in terms of its impact on warfighting. Our forces must have relevant warfighting capability today to be credible – not at some point in the future. If the credibility of our forces is lost (or perceived lost) they cannot rebuild it easily or quickly. In developing our FY2014 budget submission we did not “let perfect be the enemy of good – or good enough.” For example, if a new system or capability would provide a probability of successfully defeating a threat 60 percent of the time, we will deploy it, particularly if today's probability of success is zero percent.

To develop future capability, *Warfighting First* compels us to look for the most effective way to defeat a threat or deliver an effect that can be realistically fielded, efficiently. The logic we use to identify our most effective capabilities is to analyze the adversary's "kill chain" or "effects chain" and pursue an asymmetric means to "break the chain." For example, to execute a successful attack, an adversary has to:

- Find the target
- Determine the target's location, course and speed (or relative motion)
- Communicate that information coherently to a platform or unit that can launch an attack
- Execute an attack using anything from a kinetic weapon to electromagnetic systems to cyber

Each (or any) of these "links" in the chain can be broken to defeat the threat. But some are more vulnerable than others and kinetic effects are not always the best way to break the chain. So instead of overinvesting and trying to break every part of the effects chain, we focus on those where the adversary has a vulnerability we can exploit or where we can leverage one of our own advantages asymmetrically.

Similarly, we analyze our own effects chains for strengths and weaknesses; our FY2014 budget submission emphasizes proven technologies that limit the adversary's ability to defeat our ability to project power.

We addressed challenges in the Arabian Gulf throughout 2012 and into this year by emphasizing *Warfighting First*. For example, in response to a Central Command urgent request and with the help of Congress, we rapidly outfitted the amphibious ship USS PONCE, previously an amphibious ship slated for decommissioning, to be an Afloat Forward Staging Base-Interim (AFSB-I) in support of mine warfare and special operations forces in the Arabian Gulf. To improve our mine warfare capabilities we rapidly deployed Mark 18 mine-hunting unmanned underwater vehicles (UUV) and SEAFOX mine neutralization systems to PONCE and our minesweepers (MCM). These systems became force multipliers and enable our forces to find and / or clear mines twice as quickly as the forces we deployed to the Arabian Gulf in 2012 – taking 1-2 weeks instead of 1-2 months depending on the size (and our knowledge) of the minefield.

We tested these new capabilities and improved our ability to operate with a coalition by organizing and conducting an International Mine Countermeasures Exercise (IMCMEX) with 34 other navies in the Arabian Gulf last September.

In addition to improving our mine warfare capability in the Arabian Gulf, we increased our surveillance capability and our ability to counter fast attack craft and submarines in the region. Through rapid fielding efforts supported by the Secretary of Defense and the Congress, we added new electro-optical and infra-red sensors to our nuclear aircraft carriers (CVN), upgraded the guns on our Patrol Coastal (PC) ships based in Bahrain, fielded upgraded torpedoes for our helicopters deployed in the Arabian Gulf and deployed additional anti-submarine warfare (ASW) sensors in the region. Each of these initiatives and our mine warfare improvements continue into FY2014 as part of our budget submission.

We also continued implementing the Air-Sea Battle concept as part of *Warfighting First*. We practiced and refined the concept in war games and real-world exercises including VALIANT SHIELD and Rim of the Pacific (RIMPAC) last summer. RIMPAC brought together 40 ships and submarines, more than 200 aircraft and over 25,000 personnel from 22 nations, including Russia and India for the first time. RIMPAC enabled forces to practice high-end ballistic missile defense, surface warfare and anti-submarine warfare in simulations and more than 70 live-fire missile and torpedo events. RIMPAC 14, supported by our FY2014 budget submission, will include as many or more live-fire events and nations, including China for the first time.

We reinvigorated our efforts to conduct integrated operations with the Marine Corps as the war in Afghanistan draws down and demands for naval crisis response grow in the Mediterranean and Middle East. The Navy-Marine Corps team conducted BOLD ALLIGATOR in 2012; our largest amphibious exercise in more than a decade, yielding dozens of lessons learned which we are incorporating into our capability development efforts. Some of these changes, particularly in command control organizations and communications systems, are reflected in our FY2014 program. BOLD ALLIGATOR 14, supported by our FY2014 budget submission, will build on the results of last year's exercise and will explore the concepts and capabilities needed for a range of amphibious operations from single ARG up to large-scale amphibious assaults.

Operate Forward

The Navy and Marine Corps are our nation's "away team" and first responders to crisis. History has demonstrated that the Navy is at its best when we are forward and ready to respond where it matters, when it matters. To *operate forward* we focus our deployed presence at strategic maritime crossroads such as the Straits of Malacca and Hormuz or the Suez and Panama Canals. It is in these areas and others where sea lanes, resources and vital U.S. interests intersect that influence matters most.

On any given day, about 50,000 of our Sailors are underway on 145 ships and submarines, 100 of them deployed overseas as depicted in Figure 1. They are joined by about 125 land-based patrol aircraft and helicopters, 1,000 information dominance personnel, 1,000 Naval Special Warfare operators, and 4,000 Naval Combat Expeditionary Command sailors on the ground and in inland waters.

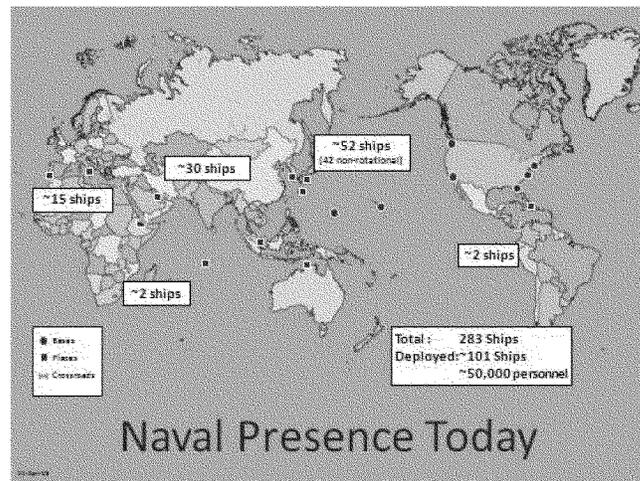


Figure 1

The tenet *Operate Forward* compels us to look for new ways to increase the amount of presence we can deliver at the right places – and to do so more efficiently. Each of these ways places ships overseas where they deliver continuous (“non-rotational”) presence, instead of

having to deploy from the continental United States (CONUS) to provide “rotational” presence. One ship operating from an overseas port in this manner provides the same presence as about four ships operating from homeports in the United States.

There are two basic ways in which we can sustain ships overseas. Both of these ways of operating forward rely on “places” overseas where our partners and allies allow us to use their facilities to rest, repair, resupply and refuel:

- Ships can be homeported overseas as part of the Forward Deployed Naval Force (FDNF) with their Sailors and their Families as we do in Japan and will soon do in Rota, Spain. This provides continuous presence, immediate response to crisis, and the means to build a strong relationship with the host nation.
- Ships can also Forward Station overseas and be manned by civilian or military crews that rotate out to the ship. Rotating civilian crews man our Mobile Landing Platform (MLP), Joint High Speed Vessel (JHSV), Afloat Forward Staging Base (AFSB) and Combat Logistics Force (CLF) ships. Rotating military crews man our Littoral Combat Ship (LCS) and nuclear guided missile submarines (SSGN).

Our posture in the Arabian Gulf will improve this year with the addition of three PCs in Bahrain for a total of eight. Further, our FY2014 program supports the homeporting of two more PCs there for a total of 10 by the end of FY2014. During FY2013 we will permanently homeport all our PCs and our four MCMS in Bahrain, instead of manning them with crews rotating from the United States. This will increase the crews’ proficiency and continue to build our relationship with partners throughout the Arabian Gulf.

In Europe, we continued preparations for the planned move of four destroyers to Rota, Spain, which highlights the benefit of FDNF ships. Conducting the European ballistic missile defense (BMD) mission today takes 10 ships deploying from CONUS. This same mission can be done with four destroyers based forward, freeing up six rotationally-deployed destroyers to deploy to other regions such as the Asia-Pacific.

In the Pacific, we deployed our first LCS, USS FREEDOM, to Singapore where it will remain for two crew rotations (8 months) to evaluate LCS operational concepts. Our posture in the Asia-Pacific will increase as part of the Department’s overall rebalance to the region. Our

FY2014 program supports the basing of another nuclear attack submarine (SSN) in Guam (for a total of four) and the increase in the number of LCS operating from Singapore to four by FY17. In addition to the increase in rotational forces made available by FDNF DDG in Rota and the introduction of new ships such as JHSV in Africa and South America, our efforts to shift 60 percent of our fleet to Pacific homeports will increase our day-to-day presence there by 15-20 percent.

Fundamentally, *operate forward* is about making the most effective and efficient use of what we own. Each of these initiatives reflects that idea.

Be Ready

Our fleet must be ready to meet today's challenges, today. This means more than ensuring maintenance is done and parts and fuel are on hand. Those elements are essential to readiness, but our tenet to *Be Ready* requires that our Sailors be confident in their abilities and equipment and proficient in their operations. *Be Ready* compels us in our decision making to always consider what our Sailors need to be confident and proficient. We will buy proven technology that our Sailors can use and depend on instead of new, unproven equipment. We will use empirical data, such as Board of Inspection and Survey reports, as much as possible in our decision making. This is what our Sailors experience and we must work to make them as confident as possible in the warfighting capability of themselves and their gear. Applying our tenet to *Be Ready* requires that we consider all the factors that will detract from our Sailors' ability to effectively fight when the time comes.

In the past year we increased the proficiency of our Sailors by conducting more live-fire and practical training events. In addition to exercises such as RIMPAC and BOLD ALLIGATOR, we increased live-fire air defense and surface warfare and practical ASW training in our preparations for deployment and purchased additional training missiles, sonobuoys, ammunition and targets. To enhance the proficiency of our operators more efficiently, we funded completion and installation of trainers for new systems such as the P-8A *Poseidon*, E/A-18G *Growler* and LCS.

Current concerns

We are encountering four major factors now that detract from our Sailors' readiness and hinder our ability to make progress in line toward the vision described in *Sailing Directions*. They are: High operational tempo; at-sea manning shortfalls; sexual assault and suicide.

High Operational Tempo (OPTEMPO). Over the last decade, our fleet shrank by about 10% while our deployed presence remained about the same. As a result, each ship and aviation squadron spends on average about 15% more days away from home per year now than it did 10 years ago. This is an average, however; our increased OPTEMPO is not evenly distributed. Our CSGs and ARGs will deploy on average 7-8 months in FY2013, but several will deploy for 9 months or more due to emergent maintenance or the effects of sequestration on operational schedules. Our BMD ships are similarly deploying for about nine months at a time. To address this, we are shifting to a "supply-based" model to prepare forces for deployment starting in FY2014. As part of this we will revise our Fleet Readiness Training Plan (FRTP) to make it more predictable and provide more presence from the same size fleet.

At-sea manning shortfalls. Our goal for at-sea manning is 95 percent of billets filled and 90 percent "fitted" with a Sailor having the right specialty and seniority. At the start of FY2013, we were at about 90 percent fill and 85 percent fit – 5 percent short of our goal in each measure and about 7,000 short of our goal in at-sea manning. We put in place a number of initiatives to shift more Sailors to sea including Sea Duty Incentive Pay, changes to Sea-Shore rotation and shifts of Reserve Component Sailors to Active Duty. We expect to reach our fit and fill goals by the end of FY2013. An enduring factor behind at-sea manning shortfalls is the fact we are about 4,000 Sailors below our planned and budgeted end strength. To permanently address our end strength shortfall we increased accessions by 6,000 per year and broadened and increased reenlistment bonuses for undermanned ratings, adding bonuses for 18 specialties and increasing them for 42 more. We expect to reach our end strength goal by the end of FY2013.

Sexual assault. One of the most significant near-term challenges to our Sailors' ability to be ready is sexual assault, a crime that happens to about two Sailors every day. Sexual assault creates an unsafe workplace and degrades the readiness of our ships and squadrons. Last year we implemented a comprehensive strategy for countering sexual assault. This year we completed a comprehensive training plan for every Navy service member focused on recognition of the

events which may lead to sexual assault and how to deter it and prevent it. We also put in place new requirements for reporting and adjudication of sexual assaults, including review and assessment by the first flag officer in the victim's chain of command and enhanced capability and capacity to investigate and prosecute sexual assault cases. Our FY2014 program continues and expands these initiatives.

Our assessments find that most sexual assaults involve junior Sailors; that alcohol is often a contributor; and that assaults occur most frequently in Navy settings such as barracks, on board ships or at command-related events. We are putting in place measures to address these common factors, including "Resident Advisors" in barracks – not unlike college dormitories – and increasing the frequency of senior leader visits to junior Sailor housing and gathering places. This year we began fielding alcohol detection devices to each Navy command. These devices are not designed to provide evidence or support prosecution. They are designed to educate Sailors about their alcohol use. Our analyses also confirmed the importance of command climate in creating an environment that contributes to or deters sexual assault. By enforcing professional standards at work and holding our people accountable for not meeting them, we can reduce situations in Navy-controlled settings in which sexual assault becomes more likely.

We are implementing and refining our sexual assault prevention strategy by building on our successful pilot program for preventing sexual assaults at our training command in Great Lakes (which reduced sexual assaults by 60 percent over two years). We expanded this model to our base in San Diego starting last December. We will establish a similar program in Naples, Italy this month and in Pensacola, Florida and Yokosuka, Japan later this year.

Suicide: Suicide is a growing problem in our nation, our military and our Navy. The number of suicides per 100,000 Sailors per year has risen steadily from 13 two years ago to 16 in the last 12 months. To help address this troubling trend, Navy stood up a task force to examine Navy suicide prevention and resilience-building programs as well as evaluate DoD, other service, and non-DoD approaches and programs. The task force completed their assessment this month and is providing a comprehensive set of actions for implementation. Their findings showed that while no program to date has stopped suicides in the military, there are some key factors contributing to suicide that we can address. Their recommendations are being

incorporated into our existing efforts to prevent suicide, focused on education and awareness; intervention; Sailor care; and continued assessment of our progress.

In particular, the task force will revise our current collection of 123 programs designed to improve resiliency or prevent suicide and focus them on the factors they found to be most effective at preventing suicide. We will implement many of these recommendations in FY2013 and into FY2014. The Navy also works with DoD's Defense Suicide Prevention Office to promote awareness of the Military Crisis Line, a service that provides 24/7 confidential crisis support to those in the military and their families. This line provides immediate access to care for those who may be at risk for suicide, along with additional follow-up and connection with Mental health services.

Our Course for FY2014

Our FY2014 budget submission implements the DSG and continues our current efforts by making decisions based on our three tenets. Our approach to building our FY2014 program focused on three main areas, in order:

- *First*, we ensured sufficient forces and readiness to provide the presence required to meet the current and projected future GFMAP.
- *Second*, we sustained our FY2013 investments required to support our critical near-term capability to perform DSG missions.
- *Third*, we addressed our most relevant future capability requirements to support the DSG missions.

The resulting FY2014 program and associated plans implement DSG direction to rebalance our effort toward the Asia-Pacific region, support our partners in the Middle East, sustain our alliance commitments in Europe and employ low-cost, small footprint approaches to security on other regions.

I. Delivering presence: Our FY2014 submission includes the investments in force structure needed to meet the presence requirements of the FY2014 GFMAP. Our investments in ships and aircraft are complemented with the funding for training, maintenance and operations necessary for readiness today and to ensure they can continue to provide presence over their expected service life. Figure 2 depicts the presence levels generated by our planned investments

in the FY2014 Future Years Defense Program (FYDP). Figure 2 also includes the number of “non-rotational” ships that are either homeported in the region or are Forward Stationed in the region and manned by rotational crews from CONUS.

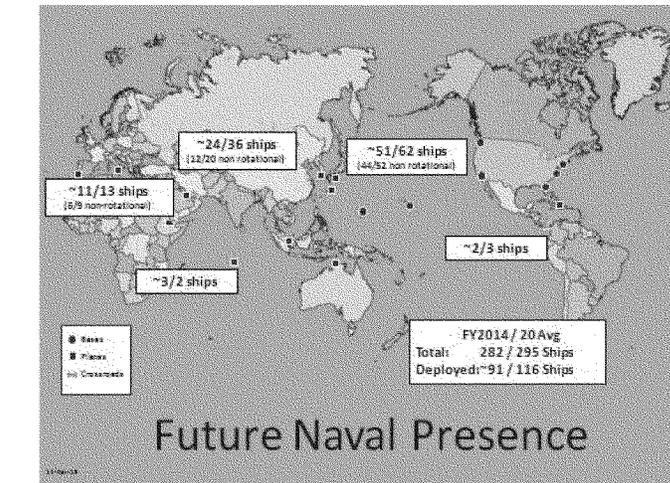


Figure 2

Shipbuilding: We determined the number and type of ships required over the long-term through a comprehensive, analytically-driven Force Structure Assessment (FSA). The FSA determined the day-to-day presence required to execute the DSG, informed by today’s GFMAP and the introduction of new ships, systems or payloads, and concepts that deliver presence more efficiently or that better match capabilities to their theater. The FSA resulted in a required number of each type of ship to meet the projected presence requirements. Although presence is the governing factor for Navy force structure requirements, the FSA also ensured Navy’s force structure would be sufficient to meet the surge requirements of CCDR operational plans and DoD Defense Planning Scenarios, informed by the DSG direction to reevaluate those plans in view of our resource limitations.

The FSA analysis resulted in a battle force requirement of 306 ships. This requirement is different from our previous 313-ship requirement because of: (1) reduced presence requirements resulting from the DSG’s priorities; (2) increased forward basing of ships; (3) introduction of

new payload capacity for SSNs (replacing the SSGNs) and; (4) the increased use of ships manned with rotating civilian and military crews which provide more presence per ship.

Our FY2014 long-term shipbuilding plan is designed and planned to deliver the fleet, by ship type, required per our FSA over the long term. Our investments are not programmed to reach the precise number and mix of ships within this FYDP, but do deliver a fleet of 300 ships by 2019 with increased capability and flexibility compared to the fleet of today. To meet the required force mix and number, however, Navy will need the means to resource, in particular, construction of the next generation nuclear ballistic missile submarine (SSBN). Deputy Secretary of Defense Carter acknowledged this resourcing challenge in his memo of March 2012 that forwarded the FY2013 Shipbuilding Plan to Congress.

Our FY2014 program continues the construction of ships that employ rotational military or civilian crews to improve their ability to operate and stay forward. Our FY2014 budget submission funds the final MLP, which will be configured as an AFSB and manned by rotating civilian crews with military detachments, and four LCS that will employ rotational military crews. During FY2014 we will deploy the first JHSV, USNS SPEARHEAD, and continue the first deployment of USS FREEDOM. We will use these deployments to integrate these new, highly adaptable platforms into the fleet and evaluate the ways we can employ their combination of persistent forward presence and flexible payload capacity.

During FY2014, seven ships will enter the fleet, including two new classes of ships. The first *Zumwalt* class DDG will deliver next year, bringing with it an all-electric integrated propulsion system and the Advanced Gun System, able to reach targets with precision up to 60 miles away. The amphibious assault ship USS AMERICA will join the fleet in FY2014 and empower new concepts for amphibious operations that take advantage of its expanded aviation capacity. Over the next five years, we will deliver 46 ships, including the GERALD R. FORD, the first of a new class of CVN that will provide much higher sortie generation with about 500 fewer Sailors.

Aviation: Our aviation requirements are tied to requirements for the ships from which they operate, and on our required forward presence of land-based aircraft such as the P-8A *Poseidon*. Our FY2014 program invests in aircraft to meet those requirements. To support our carrier air wings and independent deploying ships, our FY2014 budget submission continues

construction of the proven and adaptable MH-60R/S *Seahawk* and E-2D *Hawkeye*. We also continue investment in development and low-rate production of the F-35C *Lightning II* to replace our older F/A-18 *Hornet* models (A-D).

Readiness: Our funded operations and maintenance in FY2013 will complete the manning, training, maintenance and other preparations necessary to enable Navy to meet the FY2014 GFMAP. Our FY2014 budget submission, combined with anticipated Overseas Contingency Operations (OCO) funding, fully funds our planned ship and aircraft maintenance and the ship and aircraft operations needed to execute the FY2014 GFMAP.

Our overall FY2014 readiness is dependent on OCO funding. OCO funding subsidizes about 20 percent of our ship and aircraft maintenance costs in FY2014, including depot maintenance, as our fleet supports operations in Afghanistan. We are requesting OCO funding for about 20% of our planned ship operations to support training and certification for deployment and deployed operations. Our dependence on OCO funding for baseline operations has decreased from \$3.3 billion in FY2011 to \$2.3 billion FY2013 as we “migrate OCO to base” funding. A more enduring funding strategy will eventually be required for Navy to maintain its current readiness and level of overseas presence into the future.

The Navy also continues to develop more efficient ways to generate presence. Our FY2014 budget submission requests investments needed to modify the Fleet Readiness Training Plan (FRTP), which is the means Navy uses to train and maintain ships and aircraft in our CSGs and ARGs in preparation for deployment. This change, called “Enhanced CSG Presence,” will enable increased overseas presence of rotationally-deployed CSGs by: lengthening the overall FRTP cycle; adding time for maintenance and training; and increasing the total deployed time of each CSG per operating cycle. This transition will take two years to complete but at the end we will have established a more sustainable process for training and maintaining our rotationally deploying ships, aircraft and crews.

Enhanced CSG Presence addresses increased use and overseas presence of CSGs over the last decade since the current FRTP was first developed. The current FRTP organizes the training and maintenance of ships and aircraft in the CSG to conduct one deployment (nominally seven months) per 32-month cycle; the CSG is then available to deploy for contingencies for another 12 months. In the last several years, Requests For Forces (RFF) added to the GFMAP compelled

Navy to routinely deploy CSGs twice in each operating cycle. This caused personnel to exceed DoD personnel tempo limits and expended the CVNs nuclear fuel at a higher rate than planned – causing some CVN to be constrained in the amount of operations they can do before they are refueled. Enhanced CSG Presence is designed to deploy CSGs twice each operating cycle while providing the time at home needed to stay within PERSTEMPO limits and maintain ships and aircraft. This model is more efficient because it trains and maintains the CSG once for two deployments. It is also a “supply-based” model because it delivers a set amount of overseas CSG presence and does not include “on demand” surge capacity except in most extreme contingencies. Our FY2014 program includes the near-term investment in personnel and shipyard capacity needed to implement Enhanced CSG Presence, but future investment in CVN and aircraft recapitalization may be needed to address increased usage over time.

Arctic. Emerging projections assess that the Arctic will become passable for shipping several months out of the year within the next decade – about 10 years earlier than predicted in 2009 when we first published our Arctic Roadmap. This will place new demands on our fleet for presence in the Arctic and capabilities to operate in the Arctic environment. Between now and the start of FY2014 we will update our Arctic Roadmap, and accelerate many of the actions Navy will take in preparation for a more accessible Arctic. During FY2014 we will implement this revised roadmap, including developing with the U.S. Coast Guard plans for maintaining presence and search and rescue capability in the Arctic and pursuing exchanges with other Arctic countries to familiarize our Sailors with Arctic operations.

2. Fielding near-term capabilities: Mine warfare continues to be a significant emphasis in the near-term. Our FY2014 program increases investment in the new AQS-20 towed mine hunting sonar and the new unmanned surface vehicle that will tow it, freeing up manned helicopters and ships and further expanding our mine hunting capacity. Our budget submission funds upgrades for our existing helicopter-towed mine hunting sonar and MCM hull-mounted sonar and accelerates fielding of the Mk-18 UUV and Sea Fox mine neutralization system. To support our MCMs and PCs in Bahrain, Navy’s FY2014 program sustains USS PONCE as an AFSB-I in the Arabian Gulf and funds the outfitting of its replacement – the first MLP modified to be an AFSB.

To address the near-term threat from submarines, our FY2014 program sustains accelerated procurement of Mk-54 torpedoes, improves sustainment and replacement of today's fixed and mobile undersea sensors and further accelerates fielding of the surface ship torpedo defense system, which is scheduled to deploy in FY2014.

Small boats with explosives or anti-ship missiles remain a potential threat to our forces in the constrained waters of the Arabian Gulf. Our FY2014 program funds integration of the Advanced Precision Kill Weapon System (APKWS) onto our MH-60R helicopters to counter this threat. We also will test the new Laser Weapons System (LaWS) during FY2014 in the Arabian Gulf aboard USS PONCE. LaWS brings capabilities to defeat small boats and unmanned air vehicles (UAV) for about \$1 a shot compared to thousands or millions of dollars per artillery round or missile. To improve our ability to defeat larger surface combatants, our FY2014 program invests in development and testing of near-term modifications to existing weapons that would enable them to be used for surface warfare.

3. Developing future capabilities: Our development of future capability is benchmarked to support our rebalance toward the Asia-Pacific and is guided in large part by the Air-Sea Battle concept, which implements the Joint Operational Access Concept. Both these concepts are designed to assure U.S. forces freedom of action and access to support deterrence, assurance of our allies and partners, and the ability to respond to crises. Our investments focus on assuring access in each domain, often by exploiting the asymmetric capability advantages of U.S. forces across domains

Undersea. Navy's dominance of the undersea domain provides U.S. forces their most significant asymmetric advantage. Our FY2014 program continues improving our capability to deny the undersea to adversaries, while exploiting it for our own operations. Our ASW concepts combine U.S. air, space, cyber, surface and subsurface capabilities to prevent adversaries from effectively using the undersea domain. Navy's FY2014 budget submission sustains and plans production of proven ASW platforms including MH-60R *Seahawk* helicopters, P-8A *Poseidon* maritime patrol aircraft, *Arleigh Burke* class destroyers and *Virginia* class nuclear submarines (SSN) – including a second SSN in FY2014 thanks to Congressional support in FY2013. Our budget submission also funds Advanced Airborne Sensors for the P-8A *Poseidon*, accelerates torpedo defense systems for our aircraft carriers, transitions the PLUS system to an acquisition

program and improves Navy's Integrated Undersea Surveillance System. To tie these manned and unmanned air, surface and undersea systems together in a networked, our FY2014 budget submission continues development of the Undersea Warfare Decision Support System.

Our submarines and undersea vehicles can exploit their ability to circumvent anti-access challenges to conduct missions such as surveillance, strike, and ASUW into the air and surface domains with near-impunity. In addition to building two *Virginia* class SSNs in FY2014 our budget submission continues development of the Large Displacement Unmanned Underwater Vehicle (LDUUV) and additional payloads for our existing submarines.

Air. Our FY2014 program continues to improve the capability of our CSGs to project power despite threats to access. In FY2014 our budget submission funds two squadrons E/A-18G *Growler* electronic warfare aircraft and the Next Generation Jammer. E/A-18G provides key and critical capabilities to our CVW and expeditionary forces by jamming or deceiving adversary electromagnetic sensors while providing improved capability for sensing of adversary electromagnetic emissions. Our FY2014 budget submission also continues to invest in the development and low-rate production of the new F-35C *Lightning II*. We will continue to evaluate how to best integrate F-35C into our CVW from a training, logistics and operational perspective. In particular, we are concerned about the sustainment model and costs for F-35C and how to manage them. While we expect the F-35C to be able to do all the missions of today's F/A-18 E/F, it will also bring improved C4ISR capabilities that will make possible a number of new operational concepts.

Our FY2014 program funds the fielding of new "kill chains" that are better able to defeat adversary jamming. One chain uses infra-red sensors and weapons to provide air-to-air capability that operates outside the radiofrequency (RF) band and is therefore not susceptible to traditional RF jamming. The other kill chain uses networked sensors and weapons in the Navy Integrated Fire Control-Counter Air (NIFC-CA) system. NIFC-CA uses the Cooperative Engagement Capability (CEC) datalink between Aegis ships and E-2D aircraft and Link-16 between E-2D and F/A-18 aircraft to seamlessly share threat information between Navy ships and aircraft. NIFC-CA enables each platform to engage targets on another platform's data, even if the shooting platform does not even see the target on its own radar due to jamming or extreme range. Since NIFC-CA incorporates Link-16, other Link-16-equipped sensors such as the Army's Joint

Land Attack Cruise Missile Elevated Netted Sensor (JLENS) and Airborne Warning and Control System (AWACS) could also participate in the network. We will field the first NIFC-CA equipped CSG in 2015 and will pursue greater Joint and coalition employment of NIFC-CA as part of the Air-Sea Battle Concept.

Enhancements to our manned aircraft are still limited by the range and persistence of manned platforms. Our FY2014 program continues testing and development of the X-47 Unmanned Combat Air System Demonstrator (UCAS-D) UAV, which completed flight deck trials at sea aboard USS HARRY S TRUMAN, its first land-based catapult launches, and is slated for its first at-sea catapult launch and recovery in late May. This spring we will finalize the requirements for the follow-on Unmanned Carrier Launched Airborne Strike and Surveillance (UCLASS) system, followed by an initial request for proposals from industry. By FY2020, UCLASS will enhance the reach and persistence of our CSGs by conducting surveillance and strike missions several hundreds of miles from the carrier and with two to three times the endurance of a manned aircraft. The UCLASS can also be equipped to take on missions such as tanking that today take several F/A-18 E/F out of the tactical missions for which they were designed.

Electromagnetic spectrum (EMS) and cyber. Future conflicts will be fought and won in the electromagnetic spectrum and cyberspace, which are converging to become one continuous environment. This environment is increasingly important to defeating threats to access, since through it we can disrupt adversary sensors, command and control and weapons homing. Our FY2014 budget submission aggressively supports Navy's efforts to exploit the EMS and cyberspace. In addition to E/A-18G aircraft and Next Generation Jammer, our FY2014 budget submission funds seven SLQ-32 Surface Electronic Warfare Improvement Program (SEWIP) Block 1 upgrades and fields new deployable decoys to defeat anti-ship missiles. The FY2014 program also accelerates research and development on SEWIP Block 3, which expands the frequency range of the SLQ-32 electronic warfare system to address emerging missile threats and provides enhanced electronic attack capabilities. To disrupt adversary surveillance and communications, our FY2014 budget submission continues procurement of improvements to Navy's Ships Signal Exploitation Equipment (SSEE), which will host a growing number of electronic surveillance and attack payloads.

Improving the defense of our computer networks depends on reducing our “footprint” or the number of different networks; reducing the number of different applications on our networks; improving our day-to-day cyber “hygiene”; and developing an effective cyber workforce. Our FY2014 program continues fielding the Consolidated Afloat Network and enterprise Services (CANES) on ships and the Next Generation Network (NGEN) ashore to reduce the number of Navy networks and applications while we continue to expand the inspection of our cyber “hygiene” with improving results. To expand our cyber warfare capabilities, our FY2014 program funds the manpower and training to man and train a cyber force increase of about 1,000 personnel by FY2016 in addition to the 800 billets realigned in FY2013 from other specialties. These cyber specialists will help form 40 computer defense, attack and exploitation teams at U.S. Cyber Command. Navy studied the challenges associated with the EMS and cyber domains in 2012. We are now building on these initial capabilities with a comprehensive plan to improve our ability to exploit the EMS and cyberspace.

Amphibious warfare. Not all threats to access are from enemy missiles or torpedoes. Adversaries will exploit geography and coerce neighbors to not allow our forces to use their facilities. Naval forces also need the flexibility to come ashore in unexpected areas or from less predictable directions to catch the adversary off guard. Amphibious warfare exploits the inherent maneuverability of naval forces to provide an asymmetric advantage against adversary anti-access efforts. Our FY 2014 budget submission funds construction of an 11th “big deck” amphibious assault ship (LHA), LHA-8, which will bring enhanced aviation capacity and a traditional well deck to expand its ability to support the full range of amphibious operations. Our FY2014 program also extends the life of USS PELELIU through FY2015 and sustains our ship to shore connector capacity through life extensions and recapitalization. We are complementing this investment with revised concepts for Marines to operate at sea on a larger number of ships to conduct missions from peacetime security cooperation to wartime amphibious assault.

While developing new Navy-Marine Corps operating concepts, we will address in the near-term the need for improved communications systems on our amphibious ships. Our FY2014 program continues to install the CANES on *San Antonio* class Amphibious Transport Dock ships (LPD) and on LHAs and LHDs. This only addresses a part of our shortfall. We are analyzing the need for upgraded communications on our older amphibious ships and will correct those shortfalls in the near-term. We are also developing changes to our command and control

organizations to enable our amphibious forces to scale their operations from disaggregated Amphibious Ready Groups (ARG) up to large scale operations involving multiple ARGs and CSGs.

Asia-Pacific Rebalance. Our FY2014 program continues rebalancing our efforts toward the Asia-Pacific region in four main ways:

- Increased presence: As indicated in Figures 1 and 2, our FY2014 budget submission enables Navy presence in the Asia-Pacific to increase by almost 20 percent between now and 2020. This is in large part a result of more ships operating from forward locations, including an additional SSN homeported in Guam, LCS operating from Singapore and JHSV, MLP and AFSB operating from ports throughout the region. It also reflects additional DDG and amphibious ships rotationally deployed to the Asia-Pacific after being made available by forward homeporting of DDG in Rota, Spain or because they were replaced by JHSV and LCS in Africa and South America.
- Homeporting: We implemented a plan in FY2013 to shift 60 percent of our fleet to be homeported on the Pacific by 2020. Our FY2014 program continues this plan.
- Capabilities: Our capability investments for the Asia-Pacific are guided by the Air-Sea Battle concept and the future capabilities described above will be deployed preferentially and first to the Asia-Pacific region. For example, the P-8A will conduct its first deployment to the Asia-Pacific in 2014, followed by the MQ-4C and F-35 later this decade. Our improved aviation kill chain capabilities will go first to the CVW in Japan and NIFC-CA will be first fielded to the Pacific Fleet once it completes its operational testing.
- Intellectual Capital: Our investments in education, exercises, interoperability and engagement continue to focus on the Asia-Pacific region. We continue to conduct more than 150 exercises annually in the Asia-Pacific and our plan for RIMPAC 14 is to continue growing in sophistication and participation, including China for the first time. We established a permanent squadron staff to support LCS in Singapore and manage Navy security cooperation activities in the South China Sea.

Conclusion

Budget uncertainties or reductions may slow progress toward our goals, but the tenets which guide our decisions will remain firm. Along with our primary joint partner the U.S. Marine Corps we will remain America's "force in readiness," prepared to promptly respond to crises overseas. On behalf of the approximately 613,000 Navy Sailors and civilians, we appreciate the support that the Congress has given us to remain the world's preeminent maritime force. I can assure the Congress, the American people, and those who would seek to do our nation harm, that we will be focused on warfighting first, operating forward and being ready.

GENERAL JAMES F. AMOS
COMMANDANT OF THE MARINE CORPS

2013 REPORT TO
THE HOUSE ARMED SERVICES COMMITTEE
ON
THE POSTURE OF THE UNITED STATES MARINE CORPS
April 16, 2013

Not public until released by the
House Armed Services Committee

I. Marines and the Nation's Defense

Our nation has long recognized the need for a ready expeditionary force, one able to deter those who would do us harm, swiftly intervene when they act to do so, and fight to win where the security interests of our nation are threatened. I am pleased to report that your Marines remain that ready force. Because of the faithfulness and trust of the American people, Marines are forward deployed today; on ships at sea, at our diplomatic posts, in key security locations, and alongside our allies. They are poised to respond wherever crisis looms. Thousands of your 21st Century Marines and Sailors remain deployed to Afghanistan where they are putting relentless pressure on a disrupted enemy, while setting the conditions for a transition of security responsibilities to the Afghans themselves. Marines here at home are in the field, training at their bases and stations. Wherever they serve, whatever their mission, your Marines are ready, motivated, and eager. Their professionalism and patriotism are undimmed by over a decade of combat. They carry the timeless ethos and deep pride Marines have built over 237 years of service to this nation. You can be proud of their service.

The need for this highly capable and ready force is more pressing now than ever. Today, we see a world marked by conflict, instability and humanitarian disaster. We see the disruptive changes that accompany a rapidly modernizing world; a world in which tyranny is challenged, power is diffused and extremism finds fertile ground in the disenfranchised. While America's continued prosperity and security are found in a stable global order; instability, extremism and conflict create disorder instead. In what has been described as a 'new normal,' extremism, economic disruption, identity politics and social change generate new potential security threats at

an accelerating pace. While we desire peace as a nation, threats to our citizens, allies and national interests compel our response when crisis occurs.

The unpredictable and chaotic security environment in which we find ourselves presents security challenges that are aligned exactly with the core competencies of the Marine Corps. While Marines have acquitted themselves well during two long campaigns ashore, our fundamental ethos and character remains that of the Nation's Expeditionary Force in Readiness. The Marine Corps is purpose-built for the very world we see emerging around us...purpose-built to intervene in crisis, purpose-built to forge partnerships in collective security, purpose-built to defend our nation from the wide range of security threats it faces today.

This unique role is grounded in the special nature of the individual Marine. America's Marines hold to a professional ethos anchored in honor, discipline, fidelity and sacrifice. Today's Marines are ethical warriors, forged in hard training and made wise through years of experience in combat. Courageous in battle and always faithful, Marines stand as pillars of just action, compassion, and moral courage. This ethos defines our warfighting philosophy and is the timeless scale upon which we continually measure ourselves...it has always been this way.

The Marine Corps remains first and foremost a naval service, operating in close partnership with the United States Navy. We share with them a storied heritage that predates the signing of our Constitution. Together, the two naval services leverage the seas, not only to protect the vast global commons, but also to project our national power and influence ashore where that is required. The world's coastal regions are the home to an increasing majority of the human population, and are thus the scene of frequent conflict and natural disaster. These *littoral* regions comprise the connective tissues that connect oceanic trade routes with the activities of

populations ashore. In an era of heightened sensitivities over sovereignty, and where large foreign military footprints are unwelcome, the seas provide maritime forces with a means of less obtrusive access. Maritime expeditionary forces can be located close enough to act when crisis threatens and hours matter, without imposing a burden on host nations. Expeditionary maritime forces can operate in the air, at sea, and on land, without the necessity of infrastructure ashore. They can loiter unseen over the horizon, and can move swiftly from one crisis region to another. Importantly, maritime forces also have the ability to rapidly return to the sea when their mission is complete.

This flexibility and strategic agility make Marine forces a key tool for the Joint force in major contingencies. Operating in partnership with the Navy, the Marine air-ground-logistics task force creates the strategic asymmetries that make the joint force so effective on the modern battlefield. Amphibious and expeditionary capabilities contribute to each of the ten mission areas of the joint force, and are directly responsive to the security demands articulated in the President's *Defense Strategic Guidance for the 21st Century*. By design, Marines smoothly integrate with the other elements of the joint force, enable our interagency partners in response to disaster or humanitarian crises, and provide a naturally complementary team when working with special operations forces.

As the nation prepares for an uncertain future, its expeditionary Marine forces provide a highly-utilitarian capability, effective in a wide range of scenarios. Marines remain a cost-effective hedge against the unexpected, providing a national "insurance policy" against strategic surprise. Thanks to the support of American people, the Marine Corps remains responsive to its Congressional mandate to be the "most ready when the nation is least ready."

2012 Operational Highlights

This past year, Marines have been actively engaged in every corner of the global security environment. The Marine Corps continued to meet operational commitments in Afghanistan, while simultaneously working with more than 90 allies and partners to train, to learn, and to build effective security institutions. In addition to forces committed to Operation Enduring Freedom (OEF), our Marine Expeditionary Units (MEUs), in partnership with Navy Amphibious Ready Groups (ARGs), continued to patrol regions of likely crisis. Other task-organized Marine Air Ground Task Forces (MAGTFs), operating from expeditionary locations, supported US national security objectives through forward presence, deterrence, multinational theater security cooperation exercises, and building partner capacity. Marines have been active in every geographical combatant command, serving as a key component of the joint force. Even under fiscal restraint, we will continue to support these strategically important activities to the greatest extent possible.

Afghanistan

Our number one priority remains providing the best-trained and best-equipped Marine units to Afghanistan. As long as we are engaged there, this will not change. Active and Reserve Marines continue operations in Helmand Province, comprising approximately 7,000 of the 16,000 Coalition personnel in Regional Command Southwest (RC-SW). By the end of this year, we expect our contribution will be closer to half its current size. Through distributed combat operations conducted with their Afghan counterparts, Marines have continued to deny the Taliban safe haven. Your Marines, with Coalition partners from nine nations and the Afghan National Security Force (ANSF), have restored stability in one of the most critical regions of

Afghanistan, creating breathing space for the establishment of effective tools of governance. These combat operations have been marked by the continued bravery and sacrifice of American, Coalition, and Afghan service members.

One measure of our battlefield success is the continued progress in implementing the mechanisms of effective governance in Helmand Province. In 2012, citizens of Helmand conducted three successful elections for district community councils, with more than 5,000 participants vying for approximately 45 council seats. There are new district governors in twelve of fourteen districts, and new provincial authorities in the capital of Lashkar Gah. Within the provincial judicial system, the numbers of judges, prosecutors and defense counselors are steadily growing.

Provincial social conditions also show marked improvement. Marines have helped open 86 schools, providing a new normal of daily classroom participation by over 121,000 children. This total includes more than 28,000 female students, a 432 percent increase since 2005.

Healthcare is another area of vast improvement. In 2006, only six health clinics served the needs of the population of Helmand province, an area nearly twice the size of Maryland. Six years later, 57 health care facilities provide basic health services to more than half of the population. Infrastructure improvements currently underway include a \$130 million major electrical power system project and additional major road construction projects.

Transitioning from counter-insurgency operations to security force assistance in Afghanistan, we are adjusting our force posture into an advisory role in support of the ANSF. US-led missions have given way to US-Afghan partnered missions; and now are transitioning once again to missions conducted entirely by Afghan forces with only advisory support from US

forces. As nearly all Districts in RC-SW have entered the transition process, the next year remains a delicate and extremely important time. Afghan local authorities, supported by the ANSF and their citizens, have welcomed their responsibility to lead and are taking it upon themselves to contribute to the transition process.

I recently returned from visiting your Marines in Helmand province, and I can attest to the progress there. Marines have given the people of Helmand a vision for a secure and prosperous society, and the responsibilities that come with that freedom. The Marines are proud of what they and their predecessors have accomplished, and want to see this mission through to completion.

That mission is not complete until the massive project of retrograding our equipment from our dispersed operating locations across southern Afghanistan is completed. I am happy to report to you the tremendous progress our Marines have made in recovering and redeploying our equipment. Our logisticians have spearheaded a recovery effort that has been proactive, cost-effective, and in keeping with the high stewardship of taxpayer resources for which the Corps is known. Much of our equipment, unneeded in Afghanistan but required for home-station training, has been successfully returned to the United States, where it can be refurbished and reissued. We are proud to preserve our reputation as the frugal force.

Global Crisis Response

Concomitant with our Afghan commitments, Marines have been vigilant around the globe, responding to crises ranging from civil conflict to natural disasters. Crisis response is a core competency of your expeditionary force in readiness. The Marine Corps provides six MEUs operating from the continental US, and one operating from its bases in Japan. Teamed

with Navy ARGs, these expeditionary forces provide a rotational forward presence around the globe. Special-purpose MAGTFs, capable of rapidly responding when conditions deteriorate, augment the MEUs from forward security locations in key regions. The recent deployment of our 24th MEU and the Iwo Jima ARG is instructive. As this Navy-Marine expeditionary team transited the Mediterranean Sea and operated off the horn of Africa, they participated in their normal syllabus of exercises and operations to include African Lion with the Moroccan military, Eager Lion with the Jordanian Navy and the International Mine Countermeasures Exercise that included more than 30 international partners. While forward deployed participating in these partnership initiatives, however, they also provided an essential response capability for our national leadership when US interests or citizens were threatened due to violence in Syria, Gaza, Sudan, Libya, Egypt and Yemen. These forces planned against a variety of scenarios and were poised to swiftly intervene from the sea in each of these cases. Although past the end of their scheduled deployment, this Navy-Marine team was extended on-station, and maneuvered throughout the region in order to ensure our nation could respond if crisis necessitated intervention to protect our citizens. If even one of these smoldering situations had ignited into the flames of crisis, our Marines would have been quickly on the scene, protecting human life, preserving our interests, and evacuating our citizens. For our diplomats and citizens in these troubled parts of the world, there is no substitute for the capabilities brought by forward deployed Marines and their Navy partners. Their ability to quickly respond to a variety of missions gave decision makers at all levels time to develop their plans, created options for execution, and provided assurance that there was a force ready to be called-on if needed. This utility, flexibility and forward presence is an essential feature of our nation's ability to respond to crisis at a moment's notice.

In 2012, our diplomatic posts and embassies remained highly visible symbols of US presence and commitment. In the threat environment posed by the new normal, the protection offered by host states is often threatened by groups and organizations that do not respect the conventions of the state system. Marines are a key component in ensuring the security of these most vulnerable nodes of US presence. Marine Security Guards are currently deployed to 152 embassies and consulates around the world. With Congressional guidance, we are seeking to increase this number in close coordination with the State Department. Marine Embassy Security detachments and Fleet Anti-terrorism Security Teams (FAST), alongside their State Department colleagues, also protect our diplomatic missions against a range of threats. During 2012, specialized FAST Marines deployed to reinforce U.S. diplomatic missions abroad, providing physical security and force protection. Last year we provided each Geographic Combatant Commander with FAST support to aid in protecting U.S. interests worldwide. These teams provided immediate relief in Libya following the deadly terrorist attack on the consulate that claimed the lives of the Ambassador and three other Americans. As demonstrations spread across the Middle East and North Africa, Marines from an additional FAST platoon deployed to Yemen when violent protests threatened American diplomatic personnel. These specially trained Marines remain forward deployed at naval commands around the globe, poised to respond on short notice when our citizens and diplomats are threatened.

Humanitarian Assistance and Disaster Relief

Over the past decade, in the Asia-Pacific Area alone, major natural disasters have claimed the lives of an average of 70,000 people each year. American leadership in response to global natural disaster is a clear and unambiguous demonstration of our strength, our values, and our good intentions. This demonstration gives credibility to our security promises, strengthens the value of our deterrence, and creates goodwill among our potential partners. Although built for war and maintained forward to protect our security interests, the utility of expeditionary Marine forces makes them a natural response option when disaster strikes. Forward deployed Marines responded to numerous natural disasters over the past year, smoothly integrating as a contributor to multiagency and multinational relief efforts. As an example, just this last December, Marines from the III Marine Expeditionary Force supported a USAID-led response by providing disaster relief in the aftermath of super typhoon Pablo in the Philippines. When hours mattered and the survival of large populations was at stake, Marines from their forward bases in Japan quickly organized and executed their participation in the US relief effort. KC-130J Hercules transport planes delivered critical food packages and other supplies to Manila for distribution by the Philippine military. This is but one example of a regular feature of the global security environment, and the utility of your forward-postured Marines.

Defense Support to Civil Authorities

In a similar vein, when Hurricane Sandy struck our own nation in October 2012, more than 300 Marines and Sailors from the 26th Marine Expeditionary Unit provided critical recovery and relief operations in support of Americans in need in New York City and Long Island. Marines were one part of a multiagency response that included ships of the USS Wasp

ARG and other military assets. Marine aviation conducted disaster relief assessments and provided the necessary airlift for Marines to deploy into the hardest-hit areas. On the ground, Marines successfully coordinated with local leaders and residents for priority relief requirements, providing critical supplies and assisting with clearing debris and helping restore normalcy to people's lives. The swiftness of the Marine response, and their ability to conduct relief efforts from the sea made them an important contributor, without imposing additional strain on the roads, airfields and infrastructure supporting the broader relief effort.

Security Cooperation

In 2012, Marines participated in more than 200 security cooperation engagements, including multilateral and bilateral exercises, training, and military-to-military engagements. Forward-deployed MEUs participated in joint and coalition exercises around the globe from Morocco to the Philippines, strengthening our partnerships with allies such as Kuwait, Oman, Saudi Arabia, United Arab Emirates, Jordan, Thailand, Malaysia, Indonesia, Korea, and Japan.

In Europe, Marine trainers deployed to support battalions of the Georgian Army, strengthening a decade-long partnership with that nation. Because of this small investment of Marines, Georgian battalions have been effectively fighting alongside US Marines in Afghanistan since 2008. Marines continue to provide forces and leadership to activities such as the Black Sea Rotational Force, an annual US European Command initiative with the Romanians, Bulgarians, and other Black Sea regional allies.

In Africa, a Special Purpose MAGTF, tailored to conduct theater security cooperation in support of OEF-Trans Sahara, trained counter-terrorism forces and supported coalition forces combating al-Qaeda affiliates across the Maghreb region. This MAGTF also trained with forces

from the African Union Mission in Somalia (AMISOM), providing well-trained African peacekeeping forces that are currently countering the Al Shabaab terrorist group in Somalia.

In Australia, our new rotational units continued to expand the training and partnership opportunities offered by one of our strongest and oldest allies in the Pacific. This past year, Marine Rotational Force Darwin conducted bilateral training with their hosts on the superb training ranges available in Northern Australia. The partnership of our Australian allies is a cornerstone of our Pacific rebalance. Marines are natural partners for an Australian military that continues to expand its expeditionary capabilities. As the Australians take delivery of their new big-deck amphibious ships, US Marines look forward to more combined training opportunities and reinforced crisis response capabilities. From Darwin, Marines embarked aboard USS Germantown to participate in the annual Landing Force Cooperation and Readiness Afloat Training (LF CARAT) amphibious patrol of the Southeast Asian neighborhood. Through LF CARAT, Marines conducted training exercises with our partners in Thailand, Indonesia and Malaysia.

Maintaining a sound international economic system and a just international order are the foundations of our nation's Defense Strategic Guidance. Your Marines remain forward deployed around the world, projecting U.S. influence, responding to contingencies, and building strong international relationships. By doing so, we significantly enhanced the security and stability of the global commons and contributed to the mechanisms of collective security that underpin the global economy and our own return to prosperity.

II. Fiscal Year 2014 Budget Submission Highlights

As we move into FY 2014 and beyond, our budget submission balances our force structure, our readiness and our capability to meet national security commitments. A critical measure of the effectiveness of our Marine Corps is its readiness. Our readiness is preserved through a careful balance of high quality people, well-trained units, modernized equipment, well-maintained installations and a force level sufficient to accomplish our many missions. Failure in any one of these pillars of readiness begins to set the conditions for an eventual hollowing of the force. We will do everything within our power to avoid this outcome, and request your continued support. The linkage between resources and readiness is immediate and visible, and our fiscal restraint has caused us to pay keen attention to our priorities. To guide us as we optimize investments and readiness in our force, our priorities are as follows:

- We will continue to provide the best trained and equipped Marine units to Afghanistan
- We will continue to protect the readiness of our forward deployed rotational forces within the means available
- We will reset and reconstitute our operating forces as our Marines and equipment return from more than a decade of combat
- We will modernize our force through investments in human capital and by replacing aging combat systems
- We will keep faith with our Marines, our Sailors and our families

This year we are seeking \$24.2 billion to fund our baseline operations. This funding allows the Marine Corps to continue to provide forward deployed and engaged forces, rapid

crisis response capabilities, and the necessary training to ensure readiness for our forces to fulfill strategic demands. In addition, this funding provides adequate resources for us to reset our combat-worn equipment, rebalance to the Asia-Pacific region, and keep faith with our Marines, Sailors and their families.

Two years ago, the Marine Corps initiated a Force Structure Review (FSR) whose mission was to re-shape the Marine Corps for a Post-OEF environment. This FSR sought to find ways to meet our national security responsibilities in the most resource-efficient manner possible. Our goal was to provide the most ready, capable, and cost-effective Marine Corps our nation could afford. Last year, we reported on our approved multi-year plan to draw down the Corps from the end strength of 202,100 in FY12 to 182,100 by the end of FY16. I am pleased to report that these reductions are being made in a measured and responsible way, maintaining our commitment to provide adequate transition time, effective transition assistance, and family support for our Marines who have given so much to our Nation...we remain committed to doing so.

We will continue to reshape the force, ever mindful of our operational requirements and our responsibility to keep faith with the Marines that fulfill them. As the nation's principal crisis response force, we must maintain a continuous high state of readiness in both our forward deployed and ready forces at home station. Maintaining an expeditionary force in a high state of readiness creates a hedge against the unexpected, giving the nation the ability to swiftly contain crisis, respond to disaster, and buy time for strategic decision-makers. For us, a hollow force is not an option. This not only enables joint success, but also allows selected follow-on capabilities of the joint force to be maintained at more cost-effective readiness levels. Marines are poised to swiftly fill the temporal gap between crisis initiation and when the joint force is fully prepared to

conduct operations; buying time for the deployment of the larger joint force in major contingencies. Readiness is a key to making this possible.

This high state of readiness is necessary for security of our global interests, but financing near-term readiness has caused us to continually decrement our modernization and infrastructure accounts. To meet strategic guidance during the current period of fiscal austerity, the Marine Corps has funded near-term manpower and readiness accounts at the cost of significantly increased risk in longer-term equipment modernization. Over the long-term, resourcing short-term readiness by borrowing-forward from long-term investment resources is unsustainable, and will eventually degrade unit readiness to an unacceptable level. Full implementation of sequestration and the associated cap reductions in the coming years will require a top to bottom re-examination of priorities, missions and what it will take to continue to be the Nation's Expeditionary Force in Readiness.

The current period of fiscal austerity significantly pressurizes each of our appropriation accounts, especially operations and maintenance, equipment modernization, and military personnel. Our challenge in balancing modernization and end-strength costs is especially acute, as we invest nearly 60 cents of every appropriated dollar on our most vital assets, our personnel. Our ground materiel modernization investment accounts comprise a mere 10 percent of our baseline budget. Because of this significant variance between personnel and ground modernization funding, even proportional cuts across the Services have disproportionate impacts on our already pressurized small investment programs. In the Marine Corps' ground investment portfolio, the top 25 programs consume 60 percent of the available budget, while the remaining 40 percent supports 171 small programs. These small programs are essential to equipping individual Marines and providing their qualitative edge. These programs, and the small

businesses they support, have limited flexibility to respond to reduced funding, and are increasingly vulnerable as resource shortfalls become more acute.

Sustained combat operations in the harsh environments of Iraq and Afghanistan have also significantly degraded the readiness of our existing ground equipment. Our combat equipment has aged far faster than it would have given normal peacetime utilization rates. Accordingly, we are requesting funding to support the reset and restoration of our equipment to ensure we provide Marines the most combat ready equipment needed to respond to future crisis and contingencies around the world.

We are proud of our reputation for frugality, and will always remain good stewards of every defense dollar we are entrusted with. In a period of budget austerity, we offer a strategically mobile force optimized for forward presence and rapid crisis response for a notably small portion of the Department of Defense (DoD) budget. The Marine Corps will remain ready to fulfill its role as the crisis response force of choice for our nation's leaders.

III. Shared Naval Investments

The Department of the Navy's (DON's) investment in amphibious warships, maritime prepositioning ships, ship-to-shore connectors, mine countermeasures, and the Navy Expeditionary Combat Command (NECC) represent critical Navy investments that also support the Marine Corps. Due to current fiscal challenges, we have agreed to take risk in the number of amphibious ships to a fiscally constrained fleet of 33 amphibious warships, producing 30 operationally available ships if readiness levels are significantly improved. Thirty operationally available amphibious warships allow for the employment of two Marine Expeditionary Brigades

(MEBs), the minimum capability and capacity necessary to fulfill our Combatant Commander commitments for sea-based forcible entry. This represents a minimal capacity for a maritime nation with global interests and key dependencies on the stability of the global system. By way of comparison, a two brigade force was necessary to wrest control of the mid-size city of Fallujah from insurgents in 2004. Two brigades of forcible entry capacity are required to create access for the rest of the joint force should defense of our interests make it necessary. There are no acceptable substitutes for this capability within our national defense inventory. This fiscal year, the total amphibious warship inventory will rise to 31 ships with the delivery of LPD-25. Within the next two years, the inventory will decline before rising to an average of 33 amphibious warships across the 30 year shipbuilding plan.

The Navy's programs and plans to sustain fleet quantities of landing craft include the Landing Craft, Air Cushion (LCAC) Service Life Extension (SLEP), LCAC Fleet Maintenance Program (FMP), and the Ship-to-Shore Connector (SSC) program which will produce the replacement LCAC-100 class craft to maintain the non-displacement ship-to-shore capability of the fleet. The LCU Sustainment Program is the single program to maintain the displacement component of the connector fleet. The Surface Connector (X) is Navy's planned program to replace and recapitalize the aging LCU. These Navy programs are important to Marines, and are essential for our nation's ability to project its influence from the sea. Additionally, we support the Navy's idea to extend the life of select LCAC SLEP craft for 10 years to reduce inventory shortfalls in the 2020s. The Marine Corps actively supports and depends upon these programs.

To complement our amphibious capabilities, the Maritime Prepositioning Force (MPF) program is designed to rapidly deploy the combat equipment and logistics required to support Marine Air Ground Task Forces from the sea. The MPF provides the capability to rapidly equip

MAGTF personnel, who fly in to marry up with their gear. Although Maritime Prepositioning Ship Squadron One (MPS Squadron One) - home ported in Rota, Spain - was eliminated in 2012, efforts are currently underway to enhance MPS Squadron Two (Diego Garcia) and MPS Squadron Three (Guam) to ensure the two remaining squadrons are optimized for employment across the full range of military operations. The current 12-ship inventory has been re-organized into two Maritime Prepositioning Ship Squadrons that possess new sea basing-enabling capabilities, including at-sea selective offload of equipment and supplies, thereby providing Combatant Commanders a greater range and depth of sea-based capabilities. An additional two ships will be added during FY 15, for a total of 14 ships, seven in each MPS Squadron. Additionally, the Marine Corps Prepositioning Program in Norway (MCPN) is being reorganized to provide Combatant Commanders with balanced MAGTF equipment set for training and operations. This combination of prepositioned equipment locations, afloat and ashore, greatly enhances our ability to swiftly establish critical combat capabilities in times of major crisis.

IV. Investing in Our Marines

The core of our overall readiness and combat effectiveness resides in the individual Marine. Recruiting and retaining high quality people is essential to attaining a dedicated and professional Marine Corps. Recruiting provides the lifeblood of our Corps; the foundational step in making Marines. To maintain a force comprised of the best and brightest of America's youth, the Marine Corps uses a variety of officer and enlisted recruiting processes that stress high mental, moral, and physical standards. We retain the most qualified Marines through a competitive career designation process for officers, and a thorough evaluation process for

enlisted Marines. Both processes measure, analyze, and evaluate our Marines performance and accomplishments for competitive retention.

Our ability to attract young men and women is tied directly to our ability to establish and foster a dialogue with the American people. We do this through an aggressive outreach and advertising campaign that seeks to reach all sectors of American society. We continue to seek qualified young men and women of any race, religion or cultural background who are willing to commit to our demanding standards.

Marine Reserve Forces continue to serve as a strong force multiplier of the total force, and are a high-payoff investment in capability. Since September 11, 2001, more than 60,000 Marine Reservists, from all across the United States, have participated in over 80,000 activations or mobilizations. Our Reserve Marines are uniquely well-positioned to seamlessly integrate with the active component, to reinforce our service priorities, and to provide a reservoir of capacity for future national emergencies. Our Reserve Marines are well-equipped and highly trained professionals, providing an essential shock absorber for the active component in the uncertain global environment.

Professional Military Education (PME) is designed to produce leaders who are proficient in the thinking skills necessary to face the complexity of conflict we expect in the future. As such, PME represents a key, cost-effective investment in our most valued resource - our Marines. Marine Corps University (MCU), a part of Training and Education Command (TECOM), is a regionally accredited, degree-granting institution committed to providing world-class educational opportunities through both resident and distance/outreach programs. Marine Corps University is a globally recognized, world-class PME institution that is designed to advance the study and

application of the operational art. Our commitment to improve the quality of our PME programs and advance the PME opportunities for our Marines is unwavering. Beginning in FY11, military construction projects totaling \$180 million have helped dramatically improve MCU's educational facilities, to include staff non-commissioned officer academies across our installations as well as an expansion of our primary campus in Quantico. In addition, we will continue to improve the quality and quantity of our active duty and civilian faculty.

V. Investing in Ready Units

The Marine Corps will continue to meet the requirements of strategic guidance while resetting and reconstituting the force in-stride. Our reconstitution efforts will restore our core combat capabilities and will ensure units are ready for operations across the spectrum of conflict. Sustaining combat operations for more than a decade has required the use of a large share of the available assets from our home bases and stations. This has produced ready forces where they have mattered most, but has taken a toll on non-deployed Marine units. Currently, 65 percent of non-deployed units are experiencing degraded readiness due to portions of their equipment being redistributed to support units deploying forward. While necessary in times of crisis, this commitment of our 'seed corn' to current contingencies degrades our ability to train and constitute ready units for their full range of missions over time. Unbalanced readiness across the force increases risk to timely response to unexpected crises or large-scale contingencies. We will continue to emphasize our reset and reconstitution efforts that cost-effectively restore combat equipment and return it to units for training.

Vital to maintaining readiness is the operations and maintenance (O&M) funding to train in our core missions and maintain our equipment. MAGTF readiness continues to improve with larger scale naval exercises that are maximized to enhance our ability to operate from the sea. Over the next two years, we anticipate incremental increases in the core training readiness of units as Marines return home from Afghanistan and have time to train to their full range of capabilities. The peacetime availability and readiness of amphibious warships and maritime prepositioning ships are critical dependencies for training readiness, and for supporting expeditionary, amphibious operations around the globe.

The Geographic Combatant Commanders (GCCs) continue to register an increased demand for crisis response and amphibious forces in order to meet requirements across the range of military operations. Forward deployments provide deterrence, reassure our allies, posture our forces for crisis response, and enable rapid contingency response to major conflict. GCCs recognize and appreciate the agility and operational reach of ready expeditionary capabilities. As we construct the forces for the next decade, we will continue to seek cost-effective ways of saying 'yes' to joint commanders on the leading edge of our national security effort, while preserving skills and training necessary for larger contingencies. The multi-purpose nature of Marine forces makes them a cost-effective investment for a wide range of application.

In addition to our traditional crisis response and expeditionary capabilities, the Marine Corps has reinforced its contributions to our Marine Special Operations Command (MARSOC) and Marine Forces Cyber Command (MARFORCYBER). The demand for our expeditionary MARSOC forces remains high as these Marines provide critically needed capability and capacity to theater special operations commands supporting both Special Operations Command (SOCOM) and the GCC operational requirements. Marines have excelled as special operators,

combining the Marine ethos with the training and skills of the special operations community. Additionally, the Marine Corps continues to expand its capability and capacity for cyberspace operations; including offensive and defensive cyber capabilities. The Marine Corps Information Operations Command (MCIOC) supports deployed MAGTFs, integrating information operations in support of forward deployed forces and joint commanders.

VI. Investing in Modernization

Across the spectrum of conflict, our adversaries have adapted their tactics to counter our significant technological advantage. Even many 'low-end' threats are now equipped with modern technologies and weapons. Our adversaries oppose us with tools of the information age, including modern communications, intelligence and cyber capabilities. While state-sponsored opponents continue their development of advanced technologies, non-state threats have likewise become increasingly sophisticated and lethal. An increasing number of threats now possess intelligence capabilities, precision munitions, and unmanned systems. This 'rise of the rest' erodes the technological advantage we have enjoyed for decades, making the qualitative advantages of the modern Joint force even more important. This situation creates an imperative for maintaining our investments in new equipment, better technology, research, and development.

Our desire for our Marines to maintain a qualitative edge over their opponents applies equally to both our large-scale weapons programs, and the numerous small programs that equip our individual Marines with modern capabilities. This modernization mandate is a fundamental

pillar of a ready force, shared by all of the services. With the smallest modernization budget in the Department of Defense, the Marine Corps continually seeks to leverage the investments of other services, carefully meting-out our modernization resources to those investment areas which are the most fiscally prudent and those which promise the most operationally effective payoffs.

Innovative war-fighting approaches and can-do leadership are hallmarks of the Corps, but these cannot overcome the vulnerabilities created by our rapidly aging fleet of vehicles, systems and aircraft. Long-term shortfalls in modernization will have an immediate impact on readiness and will ultimately cost lives on the battlefield. At some point, sustaining fleets of severely worn vehicles becomes inefficient and no longer cost-effective. This inefficiency reduces available modernization resources from an already small account, degrading our ability to effectively operate in today's complex security environment. Our modernization investment requires a balanced approach across the Air-Ground-Logistics Team.

Aviation Combat Element Modernization

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, this means two-thirds of Marine Aviation forces are currently deployed or preparing to deploy. This creates an increasing cost burden as we work to sustain our heavily used and rapidly aging fleet of aircraft.

Accordingly, even as we invest in new aircraft as a part of our aviation modernization, we must take every opportunity to drive down operations and sustainment (O&S) costs while ensuring the continued safety, reliability, and operational relevance of our "legacy" and recently fielded platforms. The F/A-18A-D, originally designed for a 6,000-hour service life, has reached an average usage of 6,800 hours. Ongoing upgrades and analysis have extended service life to

8,000 hours, but this buys only limited time. A service life extension program to increase service life to 10,000 hours would rely heavily on depot capacity, rapid engineering assessment, and adequate funding. Our aging AV-8B fleet depends on careful stewardship of its supply chain and targeted capability enhancements to keep it relevant through the mid twenties. Similar oversight and investment in the CH-53E, UH-1N, and AH-1W will keep our helicopter fleet operating while the next generation is fielded. On a positive note, the MV-22 program has continued to excel in combat and crisis environments, even as it has reduced flight hour costs by 18% over the past two years. We intend to find similar savings throughout Marine aviation.

To do so, we will use our Aviation Plan – a phased, multi-year approach to modernization that encompasses aircraft transitions, readiness, aircraft inventory shortfalls, manpower challenges, safety and fiscal requirements. 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 our 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 fifth-generation aircraft possesses. The ability to employ a fifth-generation aircraft from 11 big-deck amphibious ships doubles the number of “aircraft carriers” from which the United States can employ this game-changing capability. The expanded flexibility of STOVL capabilities operating both at-sea and from austere land bases is essential, especially in the Pacific. Once fully fielded, the F-35B will replace three legacy aircraft – F/A-18, EA-6B, and AV-8B. Training continues for our F-35B pilots. In 2012, we

flew more than 500 hours and trained 15 pilots. Just recently, in November 2012, we established our first operational squadron, VMFA-121, at MCAS Yuma. Continued funding and support from 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. This revolutionary tiltrotor aircraft has changed the way Marines operate on the battlefield, giving American and Coalition forces a maneuver advantage and an operational reach unmatched by any other tactical aircraft. The MV-22B has successfully conducted multiple combat deployments to Iraq, six deployments with MEUs at sea, and is currently on its seventh deployment to Afghanistan. In the Pacific, we have fielded our first permanent forward-deployed Osprey squadron, VMM-265, in Okinawa. Our squadron fielding plan continues apace as we replace the last of our Vietnam-era CH-46 helicopters. The MV-22B’s proven combat capability reinforces the necessity that we continue to procure the full program of record quantities. The record of performance and safety this aircraft brings in support of Marines and the joint force on today’s battlefields has more than proven its value to the nation.

CH-53K: The CH-53K is a new-build heavy lift helicopter that improves on the legacy CH-53E design to increase operational capability, reliability, maintainability, and survivability; while reducing cost. The CH-53K will transport 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 naval rotorcraft able to lift all Marine Corps air-transportable equipment from amphibious warships and the Maritime Prepositioned Force. Our Force Structure Review has validated the need for a CH-53K program of record of eight CH-53K squadrons.

UH-1/AH-1: The H-1 program, composed of the UH-1Y utility and the AH-1Z attack helicopters, is a single acquisition program that leverages 85 percent commonality of major components between the two platforms. This commonality enhances 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, 181 H-1 aircraft are on contract, with 72 UH-1Ys and 30 AH-1Zs delivered to date. The UH-1Y has supported sustained combat operations in OEF since November 2009. The AH-1Z completed its first deployment alongside the UH-1Y in June 2012 as part of the 11th MEU. The AH-1Z performed extremely well on its initial MEU deployment. These aircraft had high Mission Capable (MC) readiness rates while deployed (89.9% MC for AH-1Z, 94.4% MC for UH-1Y). All subsequent West Coast MEUs are sourced with UH-1Y and AH-1Z aircraft. 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 48 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, multi-mission assault support platform.

Unmanned Aerial Systems (UAS): Marine Corps operations rely heavily on a layer of small UAS systems that complement the larger systems provided by the joint force. These

smaller systems provide direct support for forces operating from sea-based platforms, and enable critical low-altitude and immediate responsiveness that enable small units on the ground. The RQ-7B Shadow unmanned aircraft system has provided excellent intelligence, surveillance, reconnaissance, and battlefield management capabilities in Afghanistan. The RQ-21A Small Tactical Unmanned Aircraft System is uniquely capable of operating from ship or shore, is transportable by High Mobility Multi-Purpose Wheeled Vehicles (HMMWV), and will be an integral part of the future MAGTF. We remain committed to these two critical programs.

Ground/Air Task Oriented Radar (G/ATOR): The TPS-80 G/ATOR system is the three dimensional short/medium range radar designed to detect low observable/low radar cross section targets such as cruise missiles, UAS, aircraft, rockets, mortars, and artillery shells. G/ATOR replaces five legacy radar systems and supports air surveillance, fire finding, and air traffic control missions. G/ATOR provides fire quality data that supports the integrated fire control concept and the extension of defensive and strike capabilities from the sea to landward in the littorals.

Ground Combat Element Modernization

Age and operational tempo have taken a toll on our Ground Combat Element's (GCE) equipment, creating a requirement to recapitalize and modernize key components. Essential to modernizing the GCE is a comprehensive technologically advanced vehicle portfolio. Two key initiatives to modernize the GCE are the Amphibious Combat Vehicle (ACV) and the Joint Light Tactical Vehicle (JLTV). These systems, coupled with the recapitalization of our Family of Light Armored Vehicles (LAV), a refurbishment of a portion of our legacy High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) fleet, and improvements in advanced simulations systems,

are critical to sustaining individual and unit combat readiness while ensuring core capabilities of the GCE.

Amphibious operations are a core mission of the Marine Corps. Amphibious operations is a category which includes a broad range of missions including reinforcing diplomatic facilities from sea-based platforms, conducting strikes and raids against terrorism targets, delivering aid in the case of humanitarian disaster, and conducting forcible entry where our forces are not invited. The future security environment dictates that we maintain a robust capability to operate from the sea, placing special demands on our equipment. When operating in a maritime environment, Marine systems are exposed to the effects of salt water and extreme weather. Our operational concepts depend on rapid maneuver in littoral waters by which we avoid threat strengths and exploit weaknesses. Thus, our combat systems must bridge the gap between sea and land. Our tactics exploit swift action by Marines ashore, mandating a seamless transition from maneuver at sea to maneuver on land. In every operating environment we must provide a modicum of protection for our Marines while preserving all-terrain mobility and minimizing weight. The specialized craft utilized by Marines support the unique missions of the sea-based crisis response force, and are essential for swift maneuver and forcible entry across a range of environments.

Amphibious Combat Vehicle (ACV): Many of our systems show the signs of age, but none more than the current Amphibious Assault Vehicle (AAV) which has been in service since 1972. The legacy AAV has served the Corps well for over 40 years, but faces multiple component obsolescence issues that affect readiness, sustainment costs, safety, and our ability to respond from the sea. The Amphibious Combat Vehicle (ACV) is needed to replace this aging fleet. To meet the demands of both amphibious crisis response and forcible entry, the ACV program will develop and field an advanced generation, fully amphibious, armored personnel

carrier to Marine Corps expeditionary forces. The ACV will provide the ability to maneuver from the sea and to conduct amphibious operations and combat operations ashore by providing the capability to self-deploy from amphibious ships and to seamlessly transition between sea and land domains. The ACV will enable the efficient, tactical mobility of infantry combat forces from ships to inland objectives across beach landing zones under uncertain, non-permissive, or hostile conditions in order to facilitate the rapid buildup of combat power ashore. Bridging this sea-land gap with surface vehicles is a necessary complement to the maneuver capabilities brought by our MV-22 aircraft. Our objective in the ACV acquisition program is to provide a sufficient quantity of vehicles to ensure we can meet the requirement of the surface assault force for forcible entry and sustain MAGTF operations.

During the interval in which we design, build and field the ACV, we must ensure the continued safety, reliability, and operational capability of our “legacy” AAV. The current AAV platform faces significant maintenance challenges and obsolescence issues. Accordingly, AAV sustainment efforts, to include the AAV Upgrade program, remain a top Marine Corps recapitalization effort priority until fielding of the ACV.

Joint Light Tactical Vehicle (JLTV): The Joint Light Tactical Vehicle (JLTV) will provide the Marine Corps with modern expeditionary light combat and tactical mobility while increasing the protection afforded our Marines in the light utility vehicle fleet. Working closely with the Army as the lead Service, the Marine Corps is a partner in developing this key system for the tactical-wheeled vehicle fleet of the Joint Force. A relatively light system is necessary to retain our expeditionary capabilities aboard amphibious warships, and to support transport by rotary wing aircraft. The program also seeks to provide a level of protection that is an improvement over the HMMWV. As a reflection of a constrained fiscal environment, our initial

planned purchase is 5,500 vehicles, only enough to meet critical needs in the most dangerous combat mission profiles of the light vehicle fleet. The JLTV development will benefit from early user and life cycle cost analysis to ensure its long-term cost-effectiveness. The Marine Corps also seeks funding to refurbish the balance of the HMMWV fleet that will be retained. This is a cost-effective strategy to use these older vehicles in mission profiles where a lack of the advanced capabilities of the JLTV can be mitigated.

Light Armored Vehicle (LAV): The Family of Light Armored Vehicles (LAVs) enables combined arms reconnaissance and security missions in support of the GCE. This family of vehicles has proven itself over more than two decades of combat, and is an essential element of the combat power of the MAGTF. Heavily utilized in crisis response, conventional combat, irregular environments and stability operations, this fleet now requires robust recapitalization and modernization in order to sustain its capabilities. Additionally, obsolescence issues with several critical components threaten the sustainability of the LAVs through the expected end of service. Funding is requested to maintain the operational availability of these platforms and provide upgrades to adapt to the current and anticipated operating environments.

Ground Training Simulation Systems: Modernization efforts in ground training simulation systems have capitalized on advancements in technology developed over a decade of preparing Marines for combat deployments in Iraq and Afghanistan. Leveraging our success with these programs, we will further enhance combat training to maintain our readiness for the current and future security environments. These critical simulation systems develop combat unit proficiency in core skills such as command and control, leadership decision-making, and combined arms coordination. They develop proficiency in individual skills through combat convoy vehicle operator training, advanced gunnery training, and individual marksmanship.

These systems complement necessary live ammunition and range training, but allow the fundamentals of these capabilities to be practiced in a much more cost-effective manner. Training simulation systems conserve training and maintenance funds, reduce ammunition expenditures, and mitigate limited availability of training ranges.

Joint Nonlethal Weapons Program: As DoD's Executive Agent for the Joint Nonlethal Weapons Program, the Marine Corps also continues its efforts, in concert with the other Services, to advance nonlethal technologies, and to provide capabilities in support of operational commanders and our Allies to minimize collateral damage and unnecessary loss of life. These capabilities are becoming increasingly relevant in the security environment of the new normal of instability, non-state actors, and a desire to minimize collateral damage.

Logistics Combat Element Modernization

Our logistics modernization efforts include the Global Combat Support System-Marine Corps (GCSS-MC) as the Information Technology enabler for logistics supply chain management throughout the Marine Corps. When fully developed, GCSS-MC will provide an unprecedented capability for inventory accountability, providing accurate logistics data to commanders and logisticians in near real-time at any location in the world.

The past decade's operational tempo and the continuing evolution of warfare have also emphasized the importance of engineer equipment modernization. Explosive Ordnance Disposal (EOD) capability has become increasingly important with the rise of the improvised explosive device as the enemy's weapon of choice. Development of the Advanced EOD Robotics System and Route Reconnaissance and Clearance Sets have proven themselves in combat, saving lives and preempting casualties.

Energy Modernization

Expeditionary Energy is a multi-year initiative integrated with our approach to amphibious and expeditionary operations. Over the last decade of combat, Marines have increased their lethality and situational awareness, but at the expense of increased requirements for fuel and batteries. These dependencies increase the logistics footprint and combat weight of our force, impairing our expeditionary responsiveness. The Marine Corps takes seriously the necessity to increase energy efficiency, deploy renewable energy technology where it makes sense, and train Marines to employ resources more efficiently. We have made tremendous strides in weaning ourselves from external energy dependencies, and we remain committed to continue our investments in expeditionary energy. For expeditionary Marines operating in austere environments, these energy efficiency measures represent a significant increase in combat effectiveness.

VII. Investing in Installations and Infrastructure**Infrastructure Sustainment**

Marine Corps Installations are a foundational support element to our Air-Ground-Logistics teams. Our bases and stations serve as launch platforms for our combat deployments, and are host to the realistic training and facilities that make our Marines successful on the battlefield. Our installations also provide for the safety and support of our military families, our combat equipment, and our civilian workforce. The quality of life for our Marines, Sailors, and families is measurably impacted by the condition of our facilities. Our installation commanders are required to be good stewards of their properties, to respect natural and cultural resources and to operate in a manner that sustains the environment and their mission. We will continue to

ensure that Marine Corps facilities are well planned, built, and maintained, and that they cost-effectively support Marine Corps readiness. To maintain our physical infrastructure and the complementary ability to train and deploy highly ready forces, we must adequately resource the sustainment and readiness of our bases and stations.

In FY14, the Marine Corps Facilities Investment strategy ensures that our infrastructure can adequately support Marine Corps' needs. The proposed FY14 budget provides \$653 million for facilities sustainment of Marine Corps facilities and infrastructure, maintaining funding at 90 percent of the sustainment model requirement. Our budget request adequately supports environmental compliance, family housing improvements and the replacement of inadequate and obsolete facilities across our installations. The FY14 budget request provides proper stewardship of Marine Corps infrastructure. Sequestration necessitates significant cuts in facilities investments and subsequent degradation in infrastructure conditions and readiness.

With over \$800 million requested in FY14 for required Military Construction projects, we are prioritizing funding to support new mission and new platform requirements, force structure repositioning, replacement of aging infrastructure, and support to enduring missions. Our efforts to improve force protection, safety, and physical security requirements are continuous.

The FY14 budget provides \$69 million for military construction and \$31 million for operations and maintenance funding to continue improvements in our installations energy posture. This funding will target energy efficiency goals established by the Energy Independence and Security Act of 2007 aimed at reducing consumption by 30 percent from a 2003 baseline. Additional efficiencies will be gained by decentralizing older, inefficient steam

heating plants and by improving our energy management and control systems. Overall, our planned investments are intended to increase energy security on our installations while reducing the cost of purchased utilities. Lean and efficient basing infrastructure allows us to put every precious dollar to use making Marines and deploying them where they are needed most.

To enable essential changes in training requirements as well as new weapon systems, we are seeking Congressional support to expand the Combat Center at Twentynine Palms, California, extend the existing withdrawal of land for the Chocolate Mountain Aerial Gunnery Range, California, as well as purchase private property to expand the Townsend Bombing Range in Georgia. At Twentynine Palms, we are requesting the withdrawal of approximately 150,000 acres from the public domain as well as the purchase of approximately 2,500 acres of California State Land and 10,000 acres of privately held land enabling it to support training and exercises for a Marine Expeditionary Brigade size force. The Marine Corps is also requesting to extend the existing withdrawal of land for the Chocolate Mountain Aerial Gunnery Range in southern California. The current withdrawal expires in 2014 and requires renewal by Congress so that this vital range can continue its use for air and ground training. Finally, the current 5,000 acre Townsend Bombing Range, adjacent to Savannah, is not large enough to meet the required safety or space requirements for use of precision guided munitions. We are seeking to purchase privately held land to increase this facility as well, allowing us to drop a wider range of ordnance in training. This is a critically important Marine Corps aviation training requirement that would be safely supported with the proposed expansion by approximately 28,000 acres. For decades, Townsend Range has been used by the joint aviation community as a centrally located and preferred Air-to-Ground training facility on the east coast; the fielding of the F-35 Joint Strike Fighter to all three Services makes the expansion of Townsend Range even more critical.

VIII. Orienting to the Future

Rebalancing Toward the Pacific

As the world's leading democracy and largest economy, the United States is a global nation with economic and security interests inextricably linked to the Asia-Pacific. The arc extending from the chain of our own Alaskan islands down the Asian continent follows a vast littoral and archipelagic swath that is home to close allies, emerging partners and potential threats. It contains vast resources, vibrant populations, and great cities. It continues through the narrow straits of Southeast Asia and extends all the way into the Indian Ocean. Our return to prosperity as a nation (and thus achieve our lasting security) depends on the restoration of global growth. No engine of growth is more powerful than the Asia-Pacific. Rebalancing to the Pacific theater is a central element of strategy. Geographically, culturally, economically, even by name, the "Pacific" is a maritime theater. The vast stretches of ocean, the thousands of small islands that dot its map, and the vast inland waterways that shape its demography are all artifacts of this maritime character, and have implications for the types of forces required to achieve our security there. The tyranny of distance underscores the value of forward deployed maritime forces in the Pacific region. The Navy-Marine Corps team is uniquely suited to operate in this vast blue water and littoral environment. Marines have a long legacy of serving in the Pacific; it is where the Marine Corps 'came of age.' We are proud of our heritage in that theater through a world war and the many smaller conflicts, crises and contingencies that have followed. Strategic imperatives demand that our nation continues to build on the presence of Sailors and Marines who operate daily throughout this region.

As we draw down our presence in Afghanistan we will reset in stride, resuming our Unit Deployment Program in Okinawa and re-establishing our force posture in the Pacific. The Marine Corps has developed a comprehensive campaign for a future force lay down in the Pacific that retains the ability to contribute a stabilizing presence, continues to contribute to deterrence and regional stability in Northeast Asia, revitalizes our traditional partnerships while developing new ones, and postures forces to take advantage of key partnership opportunities in Southeast Asia. Our desired end state through this rebalance is four geographically distributed and operationally resilient Marine Air Ground Task Forces (MAGTFs) trained and prepared to conduct combined arms and amphibious operations in support of the global requirements of the joint force.

In the Pacific, forward presence is a key necessity for timely response to crisis. Where hours matter, a response measured in weeks or months wanes in relevance. Expeditionary Marine forces operating in the Western Pacific can trim two weeks off the response time of units coming from the continental US. Forward naval presence and training with our Pacific allies demonstrates our commitment to the region, and builds trust that cannot be surged during times of crisis.

Innovation and Experimentation

The Marine Corps has remained at the forefront of innovation, especially during the last decade. Through experimentation and realistic training, the Marine Corps has adapted to the challenges of the modern operating environment, and has developed new concepts, tactics, techniques and procedures to ensure Marines are prepared to meet the challenges of the future. Two key components of our training innovation are our Marine Corps' Tactics and Operations

Group (MCTOG) and our Marine Corps Logistics Operations Group (MCLOG). These organizations represent the collective wisdom of years of combat operations rapidly turned directly into our training curricula. Combined with the Marine Aviation Weapons and Tactics Squadron One (MAWTS-1), we are implementing a professionalization syllabus and certification process for our mid-level combat leaders.

Through a rigorous process of wargaming, technological assessment, and experimentation, the Marine Corps Warfighting Laboratory (MCWL), works closely with the Office of Naval Research and other partners to produce material and non-material solutions for our operating forces. This mix of combat veterans, technical experts and forward thinkers conducts timely innovation to meet current needs and emerging threats. We intend to build on this ability to adapt and innovate through MCWL and the Marine Corps University. Leveraging the human capital represented in a combat-proven generation of Marines is essential for our future force.

Large Scale Exercises

Nations around the world, many of whom are our allies, are purchasing and constructing amphibious capabilities at an increasing rate. Even as total fleet numbers decline, the number and tonnage of amphibious fleets is on the rise, and the growth of expeditionary maritime capabilities is similarly resurgent. Our allies and partners, especially in the Pacific, continue to improve amphibious arsenals and realize the importance for this capability, as do our competitors and potential adversaries. The forward deployed Navy-Marine Corps amphibious team continues to be a significant power projection capability and a compelling model for other

countries to emulate. Our ability to train with and mentor this global force development is essential.

In 2012, the Navy-Marine team conducted a number of large-scale amphibious exercises to revitalize, refine and strengthen our core amphibious competencies. Exercises such as Bold Alligator on the US East Coast, Cobra Gold in Thailand, and Ssang Yong in South Korea each draw significant international participation. Our allies have seen the broad utility of expeditionary forces in achieving national security objectives, and are investing to achieve these capabilities themselves. These large exercise series, and others like them, leverage the explosive growth of amphibious capabilities among our allies and partners. They contribute not only to the training readiness of our own forces, but also achieve combined training objectives with our allies. They demonstrate our collective ability to provide the mechanisms of collective security in the global commons. The investment of operating funds to conduct these large-scale exercises not only trains forces, but also builds strong security relationships.

IX. Keeping Faith with our Marines, Sailors and Families

Family Readiness

The Marine Corps remains acutely aware of the critical relationship between quality of life and Marine Corps combat readiness. The strong support of Congress in providing quality of life funding continues to yield needed enhancements in family support programs. Our Marine Corps Family Team Building (MCFTB) trainers and Family Readiness Officers support the Unit, Personal and Family Readiness Program to ensure Marines and their families maintain a high level of family readiness. Over the last year, we have made significant strides in making our entire syllabus of MCFTB training available online via computer based training modules. As of

1 March, families are now able to register for an account and utilize computer based training on our Marine-Net training website. With over 227,000 subscribers and growing, our online family readiness website, e-Marine, continues to be a valuable and innovative tool to securely and safely share family readiness information while improving lines of communication within individual commands. Marines, family members, and unit commanders can access documents, view photos and videos, participate in forums, and receive important information about their Marine's unit from anywhere in the world.

Wounded Warriors

The Marine Corps' Wounded Warrior Regiment (WWR) is a fundamental component of the Marine Corps' pledge to "keep faith" with those who have served. The WWR supports Marines wounded in combat, those who fall severely ill, and those injured in the line of duty. The WWR administers the Marine Corps' Recovery Care Coordination Program that ensures medical and non-medical needs fully integrate with programs such as the Warrior Athlete Reconditioning Program. Facilities such as our new Warrior Hope and Care Centers provide necessary specialized facilities that allow us to support our wounded warriors and their families.

Key to this care is ensuring Marines execute recovery plans that enable their successful return to duty or reintegration to their civilian communities. Around the country, we have established District Injured Support Cell Coordinators who assist Marines transitioning from active duty to veteran status. Our WWR Medical Staff provides medical subject matter expertise, advocacy, and liaison to the medical community. The Sergeant Merlin German Wounded Warrior Call Center conducts an average of 7,000 outreach calls per month and receives calls for assistance 24 hours a day from both active duty and veteran Marines. Our

contact centers conduct outreach to Marines who remain with their parent command ensuring their needs are met. Depending upon the individual Marine's requirements, these programs and services are coordinated for optimal care delivery, proving that Wounded Warrior care is not a process, but a persistent relationship between the Marine Corps and our Marines.

One of my greatest concerns is the long-term care and support for our wounded veterans. Many of our young men and women have sustained injuries that will necessitate support for the remainder of their lives. Given the youthfulness of this wounded population, this represents a debt to our nation's warriors that will have to be paid for several decades. Our Wounded Warrior capabilities are an enduring measure of our commitment to keep faith with our young men and women, and we expect this capability will continue well beyond our return from Afghanistan.

Resiliency

We continue to invest, treat and care for our Marines with Post Traumatic Stress (PTS) and Traumatic Brain Injury (TBI). We are working to ensure that Marines understand that, "it's OK to not be OK." Our efforts will continue to ensure that Marines seek help and are provided effective care when they need it. We stress that all Marines and Sailors have a responsibility to look out for one another and to assist anyone who might be struggling.

PTS and TBI are invisible enemies we cannot ignore. We are thoroughly screening all Marines and Sailors prior to deployment, enhancing the delivery of care in theater and identifying and testing all at-risk personnel as they return from deployment. Enhanced resilience, achieved through training and improved physical, spiritual and psychological fitness, can decrease post-traumatic stress, decrease incidents of undesirable and destructive behaviors,

and lead to greater likelihood for future good health. Most service members who seek and receive psychological health support improve, and are eligible to remain on active duty.

Since January 2010, we have been building Operational Stress Control and Readiness (OSCAR) teams at the unit level. These teams consist of selected unit Marines, leaders, medical and religious personnel, and mental health professionals who work together to provide a network of support. This model empowers Marines with leadership skills to break stigma and act as sensors for the commander by noticing small changes in behavior and taking action early. OSCAR teams strengthen Marines, mitigate stress, identify those at risk and treat those who need support, with the goal of swiftly re-integrating Marines back into the force. This investment comes at a cost, and places increased demand on an already stressed Navy medical capacity.

In Fiscal Year 2013, we will continue to advance our Marine Total Fitness concept to develop Marines of exemplary physical, psychological, spiritual, and social character. Marine Total Fitness infuses fitness-based information and concepts into all aspects of a Marine's training and readiness and prepares Marines to successfully operate in and respond to the rigors, demands, and stressors of both combat and garrison.

Sexual Assault Prevention and Response (SAPR)

Sexual assault is a crime. Like other serious crimes, it is incompatible with our core values, negatively impacts individual Marines, and directly undermines readiness, unit cohesion, and morale. Protecting our Marines and eradicating sexual assault from our ranks are top priorities for me and our Corps. I believe we are making real and tangible progress. Over the last year, we have taken deliberate and substantive steps toward dramatic changes in our sexual assault prevention and response capabilities. The focus of effort has been on changing our

culture - specifically, changing the behavior of those who might commit sexual assault and the actions of those who respond to it. We believe that all Marines are part of the solution, from small unit leaders to peer and bystander intervention, to legal professionals, to unit commanders. In April 2012, I handpicked a two-star general to lead an Operational Planning Team (OPT) comprised of our Corps' most credible officers and senior enlisted Marines. They were tasked with defining the sexual assault problem in our Corps and providing me recommendations on how we could eliminate it from within our ranks. This study led to our Sexual Assault Prevention and Response Campaign Plan. While recognizing that there is no single solution to preventing and responding to sexual assault, this plan makes every Marine accountable in our fight against it. We reconfigured the entire SAPR program at the Headquarters level, assigning oversight to a General Officer and a newly established team of experts. In an unprecedented move, we pulled one of our very best Colonels from his operational command to implement the initiatives outlined in the Campaign Plan. We brought back all of our General Officers to Quantico in July for two days of training and cross-leveling of their responsibilities in turning this crime around. On the heels of that effort, the Sergeant Major of the Marine Corps brought all of his top senior enlisted leaders back to D.C. in August to deliver the same message.

The campaign's first phase consisted of 42 tasks, including new large-scale training initiatives at all levels. It was comprised of Command Team Training for senior leaders, bystander intervention training for Non-Commissioned Officers, and All Hands training for every single Marine. In these training sessions, we employed ethical decision games and interactive discussions to engage all Marines in this difficult topic. To achieve long-term cultural change, this training will be sustained through enhancing the training curricula in all of

our professional schools, customizing the training based on the rank and experience of the individual Marine.

Protection of the victims of sexual assault, even while cases make their way through the legal system, is an immediate and enduring requirement which we take very seriously. Regarding response to sexual assault, we professionalized our victim advocate community by revising our advocacy training and implementing credentialing requirements for SAPR personnel. Additionally, we have added 47 full-time Sexual Assault Response Coordinator and Victim Advocate billets for FY13. We have completely reorganized our legal community to improve our ability to successfully prosecute these complex cases after they have been investigated. The centerpiece of this new model is the Regional Complex Trial Team, which ensures we have the right prosecutor on the right case. Our complex trial teams are staffed with experienced military prosecutors and augmented by civilian - Highly Qualified Experts - giving us a wealth of experience to prosecute complex sexual assault cases. These teams will not only be able to prosecute "special victims" type cases, but all types of complex cases.

This effort complements our Campaign Plan's central Phase II initiative: the establishment of Sexual Assault Response Teams (SARTs). SARTs will be established regionally to prevent a fragmented approach to victim care. This requires continued collaboration with various entities, such as the US Navy Bureau of Medicine and Surgery and Naval Criminal Investigative Service (NCIS), adding to the enhanced training and surge capability that NCIS has already implemented to expedite assault investigations.

Perhaps counter-intuitively, one potential manifestation of our intensified institutional response will likely be an increase in unrestricted reported cases. If this represents an increase in

the bonds of trust between our junior Marines and their chain of command, I will consider that a successful step on the path to eliminating this issue in the Marine Corps. Eliminating sexual assault in our ranks is our ultimate goal, and I will stay personally and actively engaged in leading this campaign.

Suicide Prevention

During 2012, the Marine Corps experienced a rise in suicides and suicide attempts after two encouraging years of declining numbers. During Calendar Year 2010 and 2011, 37 and 32 Marines, respectively, died by suicide. For Calendar Year 2012, the number of suicides increased to 48. We remain committed to preventing this great tragedy. Suicide is an issue that belies simple or quick solutions; it is an important issue that demands our continual attention. We have learned that the most effective methodology for us to prevent suicides is vigilant and persistently engaged leadership at every level. Proactive leaders are alert to those at risk for suicide and take action to help Marines optimize their physical, psychological, social and spiritual aspects of their lives. To counter suicide, affirming and restoring the indomitable spirit of Marines is an enduring mission.

Our primary challenge remains teaching Marines to engage our many services early, before problems worsen to the point where they contemplate or attempt suicide. Last year we signed the first formal policy and procedural guidance for the Marine Corps Suicide Prevention Program. *Never Leave a Marine Behind* suicide prevention training focuses on how Marines can help one another, and how they can seek help early before a situation becomes a crisis. In 2012, we also expanded our successful - *DSTRESS* - Line worldwide, which provides anonymous 24/7 counseling services to any Marine, Sailor or family member. Additionally, we have trained and

implemented Suicide Prevention Program Officers for every battalion and squadron. We will continue focusing our efforts on preserving the health of our greatest and most cherished resource, our Marines, Sailors and their families.

Civilian Marine Workforce

Civilian Marines exemplify our core values. They embrace esprit de corps, teamwork, and pride in belonging to our nation's Corps of Marines. The 95 percent of our civilian workforce that is employed outside the Headquarters element in the Pentagon, are located at our installations, bases, and stations; they are the guards at our gates, the clerks who pay our bills, the therapists who treat our wounded, the experts who repair our equipment, our information technology support, and the teachers who instruct our children. Sixty-eight percent of our civilian Marines are veterans who have chosen to continue to serve our Nation. Of those, a full 13 percent have a certified disability. Still, our civilian workforce is very small in comparison with similar organizations. The Marine Corps maintains a very frugal ratio of one civilian to every ten active duty Marines. Our civilian non-appropriated funded workforce continues to steadfastly provide vital support to our Marines, reserve Marines, their families, and our wounded, ill and injured. Since 2009, the Marine Corps has taken proactive measures to prioritize civilian requirements and realign resources to retain an affordable and efficient workforce directly linked to our mission. In our effort to restrain growth, we implemented a hiring freeze from December 2010 through December 2011 to achieve our appropriated funded civilian end strength commensurate with a goal of 17,501. We started into this era of budgetary uncertainty not fully recovered from the hiring freeze and we have no chance of recovering in fiscal year 2013. In pursuit of the leanest possible institution, the Marine Corps' 2013 budget restrains growth in our civilian Marine workforce; our 2014 and beyond budget plans are based

on a stabilized workforce. Further civilian reductions will severely jeopardize our ability to meet mission requirements.

Women in Service Restriction Review

The Marine Corps continues its efforts to review the laws, policies, and regulations that restrict the service of female Marines. As our policies evolve, we must ensure the effectiveness of our combat units, the long-term physical well-being of all of our Marines, and the broadest possible career opportunities for all. To that end, I initiated a measured, deliberate, and responsible research effort to provide the meaningful data necessary to make fact-based recommendations to the senior leadership of the Department of Defense and Congress. Our research efforts will continue as we implement the 24 January 2013 Secretary of Defense decision to rescind the 1994 Direct Ground Combat Definition and Assignment Rule. Additionally, in order for us to collect performance data in our most demanding and rigorous ground combat skills training environment, female graduates of our Basic Officer Course at The Basic School are afforded the opportunity to volunteer to attend our Infantry Officers Course. That effort is ongoing and will continue into 2016 as we collect the necessary data.

During this past year, we requested and received approval for an exception to the 1994 Ground Combat Exclusion Rule. Under this Exception to Policy (ETP), the Marine Corps opened 371 Marine and 60 Navy positions in combat arms units previously closed to females. These 19 previously closed operational units include artillery, tanks, assault amphibians, combat engineers, and low altitude air defense communities. The assessments and feedback from these units to date has been encouraging.

Following SECDEF's required notification to Congress later this spring, we intend to further expand the ETP beyond these original 19 battalions to include opening Military Occupational Specialties (MOSs) within Air-Naval Gunfire Liaison Company units and the 0203 Ground Intelligence Officer MOS. During 2013, ETP participants and Commanders will continue to provide assessments which will afford our leadership the opportunity to address issues such as optimum cohort size, mentorship and career development. Currently, 90 percent of our military occupational specialties are open to females.

Additionally this year, the Marine Corps will continue our measured, deliberate and responsible research effort by completing our review and validation of standards for those MOSs with the greatest physical demands. Once complete, our goal is to correlate and norm these proposed physical standards with our already established Physical Fitness Test (PFT) / Combat Fitness Test (CFT). The goal is to develop a safe, predictive mechanism to use during the MOS assignment process for all Marines, both male and female, to ensure they are assigned where they have the greatest likelihood to excel to their fullest potential.

Returning Quality Citizens

It is vital that we meet the needs of our Marines who transition from service. In March 2012, we implemented the new Transition Readiness Seminar (TRS) to maximize the transition-readiness of all service members. In accordance with the Veterans Opportunity to Work (VOW) to Hire Heroes Act, TRS revolutionized our approach to meet the individual goals of each Marine as he or she transitions to the next phase in their life. The seminar is a week long program which includes a mandatory standardized core curriculum and also provides four well defined military-civilian pathways: (1) College/Education/University, (2) Career/Technical

Training, (3) Employment or (4) Entrepreneurial. Each pathway has associated resources and additional tools to better prepare our Veteran Marines. An essential feature of the TRS is that it allows Marines to choose and receive transition information and education in line with each Marine's future goals and objectives.

X. Summary

Even in challenging times, our great nation remains the world's largest economy and an indispensable leader in the global community of nations. Our interests span the globe, and our prosperity and security are to be found in the protection of a just international order. That order is threatened daily by the instabilities of a modernizing world, putting our citizens, our interests, and our allies at risk. While we seek peace as a nation, the headlines remind us that those who would do us harm continue to bring conflict to our doorstep. The Marine Corps remains the nation's ready hedge against unpredictable crises, an insurance policy that buys time when hours matter. In special partnership with the Navy, and on the ready leading edge of the larger Joint force, your Marines provide the capability to respond to today's crisis, with today's force...TODAY. The American people can rest assured that their Marines are poised around the globe, ready to respond swiftly when danger, difficulty or disaster strikes.

I pledge that your Marine Corps will continue to work with Congress and the Department to provide the nation's ready expeditionary force with economy, frugality and good stewardship. Through Congress, the American people entrust us with their most-precious capital: their sons, their daughters, and their hard-earned resources. With your continued support, we will carefully invest this capital to provide young Marines with the ethos, training and equipment that have made them successful for over two centuries. We will uphold high standards of training,

leadership and discipline. We will keep faith with our Wounded Warriors. We will care for our families. Most importantly, we will ensure that your Marines are ready when the nation needs us the most. We will do this all with dignity, humility, and a keen sensitivity to the sacred trust the American people have placed in us. Thank-you for your continued faith in us. We remain...Semper Fidelis.

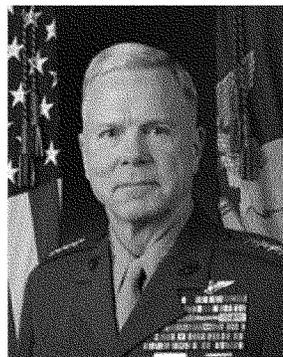


General James F. Amos
Commandant of the U.S. Marine Corps



On October 22, 2010 General James F. Amos assumed the duties of Commandant of the Marine Corps. General Amos was born in Wendell, Idaho and is a graduate of the University of Idaho. A Marine Aviator, General Amos has held command at all levels from Lieutenant Colonel to Lieutenant General.

General Amos' command tours have included: Marine Wing Support Squadron 173 from 1985-1986; Marine Fighter Attack Squadron 312 – attached to Carrier Air Wing 8 onboard USS Theodore Roosevelt (CVN-71) – from 1991-1993; Marine Aircraft Group 31 from 1996-1998; 3rd Marine Aircraft Wing in combat during Operations IRAQI FREEDOM I and II from 2002-2004; II Marine Expeditionary Force from 2004-2006; and Commanding General, Marine Corps Combat Development Command and Deputy Commandant, Combat Development and Integration from 2006 to July 2008. Additional operational tours have included Marine Fighter Attack Squadrons 212, 235, 232, and 122.

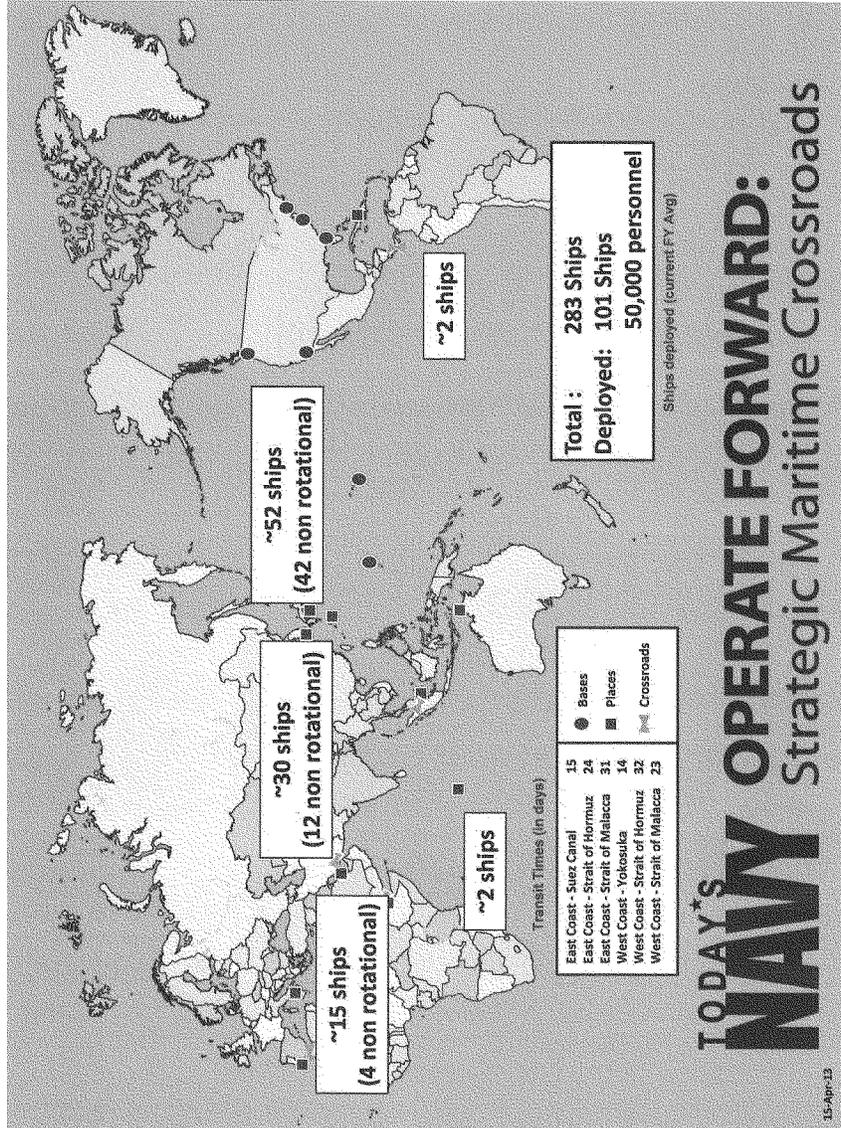


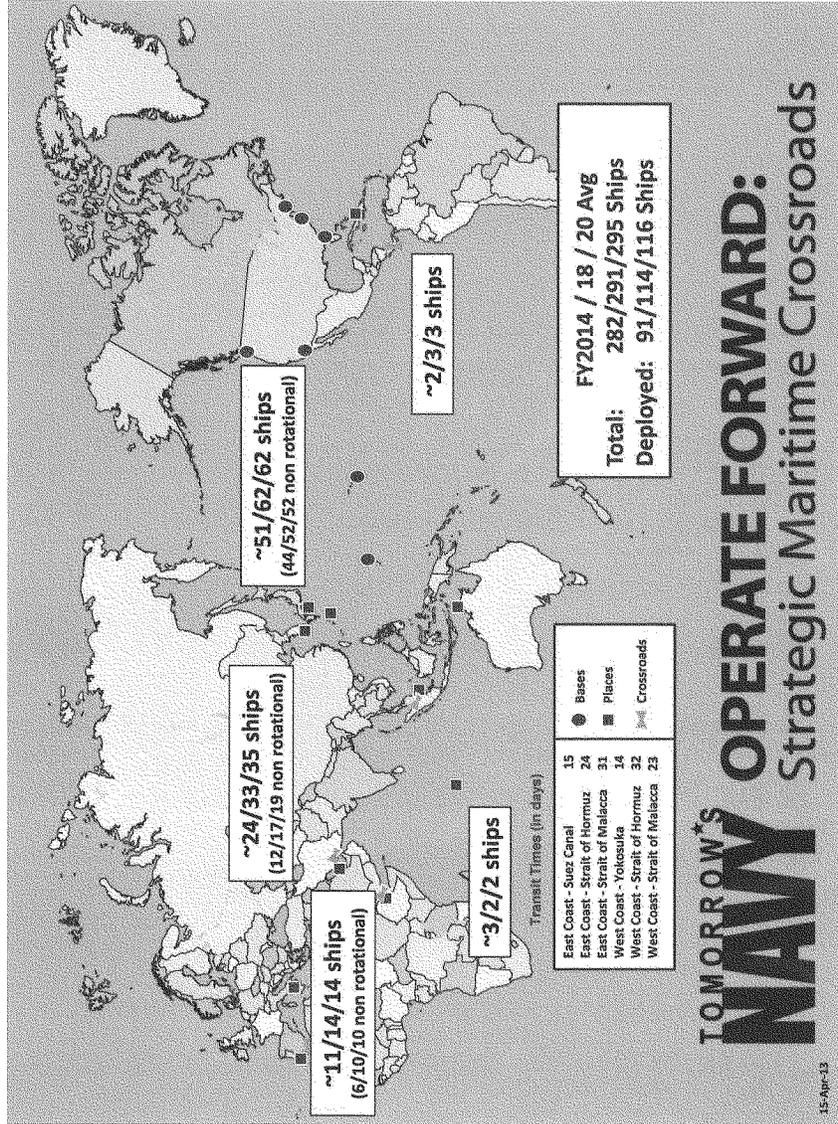
General Amos' staff assignments have included tours with Marine Aircraft Groups 15 and 31, the III Marine Amphibious Force, Training Squadron Seven, The Basic School, and with the MAGTF Staff Training Program. Additionally, he was assigned to NATO as Deputy Commander, Naval Striking Forces, Southern Europe, Naples Italy where he commanded NATO's Kosovo Verification Center, and later served as Chief of Staff, U.S. Joint Task Force Noble Anvil during the air campaign over Serbia. Transferred in 2000 to the Pentagon, he was assigned as Assistant Deputy Commandant for Aviation. Reassigned in December 2001, General Amos served as the Assistant Deputy Commandant for Plans, Policies and Operations, Headquarters, Marine Corps. From 2008-2010 General Amos was assigned as the 31st Assistant Commandant of the Marine Corps.

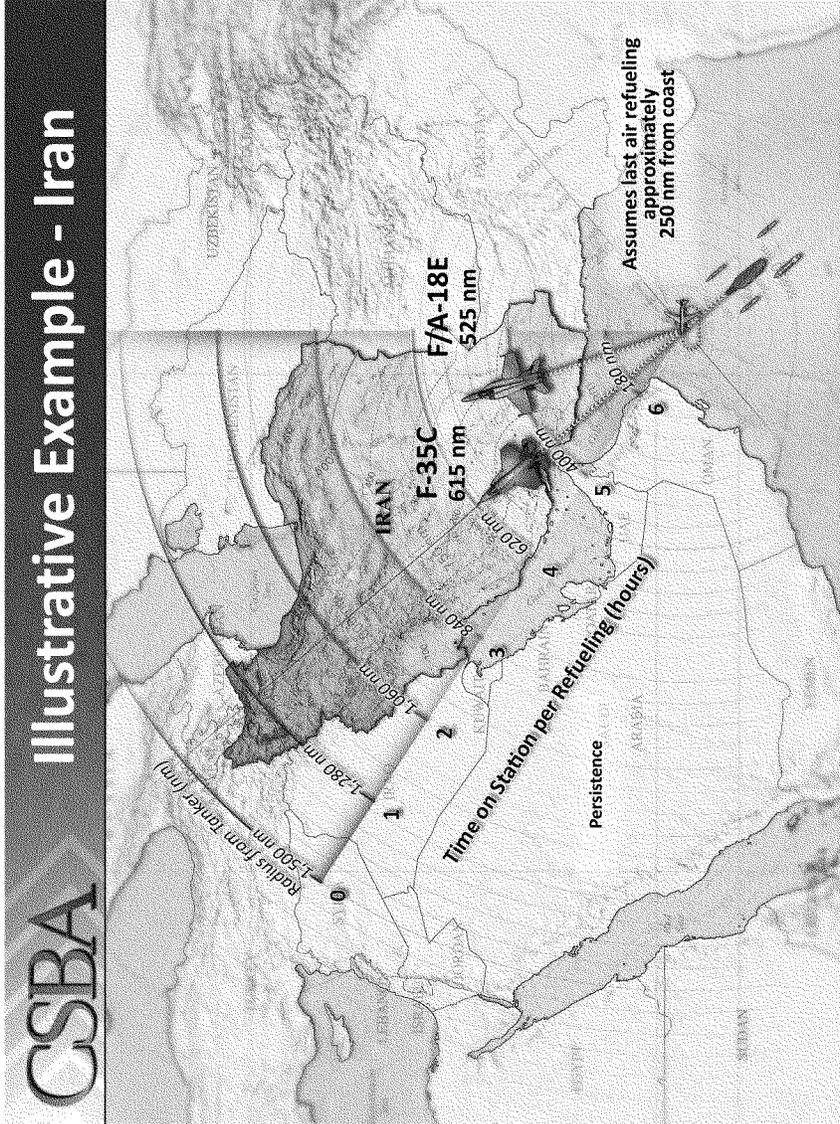
General Amos' personal decorations include the Navy Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit with Gold Star, Bronze Star, Meritorious Service Medal, Joint Service Commendation Medal, and the Navy and Marine Corps Achievement Medal.

DOCUMENTS SUBMITTED FOR THE RECORD

APRIL 16, 2013

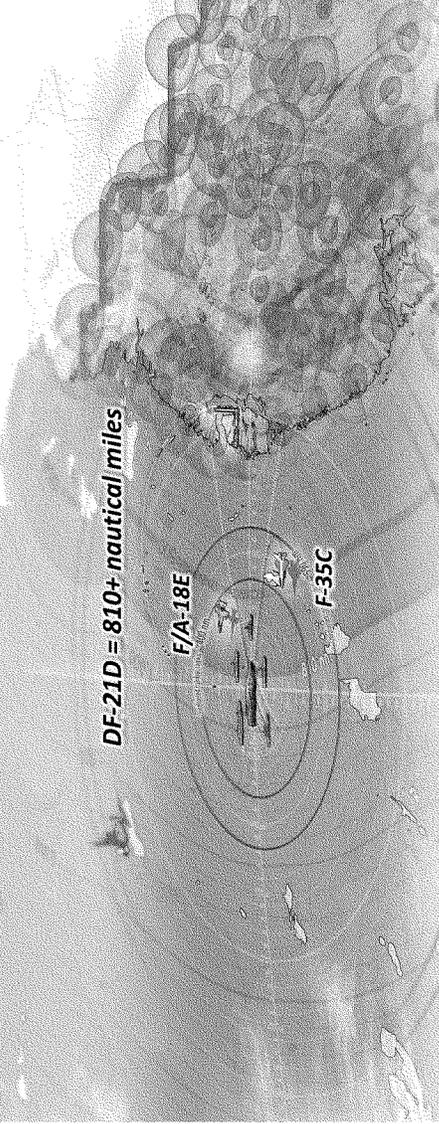






CSBA Illustrative Example – Western Pacific

- Long-range anti-ship weapons may force CSGs to increase their standoff
- Attack and electronic warfare aircraft with insufficient range and persistence may be out of the early fight or relegated exclusively to maritime strikes
- Non-stealth systems (aircraft and cruise missiles) at risk in undegraded threat areas



Drives a need for capabilities with greater mission radius/persistence, all-aspect, broad-band stealth, and useful payload capacity

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

APRIL 16, 2013

QUESTIONS SUBMITTED BY MR. LANGEVIN

Mr. LANGEVIN. Secretary Mabus, looking at the FY14 budget, are we resourcing adequately in order to operate within the cyber domain and ensure our national interests are protected? Does the Navy require additional authorities in order to educate, attract, and retain the very best cyber operators?

Additionally, with regard to cyber, do you feel that we have reached the proper balance with regard to what capabilities and responsibilities rest with 10th Fleet, CYBERCOM, and the regional combatant commanders?

Secretary MABUS. The FY14 Budget sufficiently resourced Navy's aggressive and balanced approach to build our cyberspace operations capability. Navy is committed to providing nearly 1750 personnel in support of the U.S. Cyber Command (USCC) Cyber Force Model build through FY16. These forces will be allocated to support National, DoD, Combatant Command and Service operational requirements, and will be trained to USCC standards. In addition, Navy is committed to the improvement of Service-specific cyberspace capabilities (e.g. Computer Network Defense afloat) with a corresponding workforce that is balanced in both manning and skill levels, and equipped with the necessary tools to achieve success within the cyber domain.

The Navy continues to coordinate with the Office of the Secretary of Defense, USCC, and the National Security Agency to develop standards to recruit, train, and position the cyber workforce to make cyberspace operations a key component of maritime operations. Navy has also taken advantage of its unique ability to leverage the operational forces across the Information Dominance Corps to aggressively increase capacity, capability and expertise in the cyber domain in support of National, Theater, and Fleet missions. Because of these efforts the Navy does not require additional authorities.

A rapidly evolving cyber environment, unconstrained by global boundaries, creates unique challenges to traditional military warfighting integration, synchronization, coordination and deconfliction. As such, Navy's operational arms at Fleet Cyber Command/Commander 10th Fleet and Fleet Forces Command continue to work closely with USCC and regional Combatant Commanders to build and support a common understanding and appropriate balancing of cyber capabilities and defined lanes of responsibility. This will ensure efficient and effective operationalization and employment of Navy's cyber forces across the spectrum of military operations.

Mr. LANGEVIN. Admiral, can you speak to the investments the Navy is making in Unmanned Undersea Vehicles, and what those mean to the Navy's ability to persist in the restricted environments of the future?

Admiral GREENERT. For Large Displacement Unmanned Undersea Vehicles (LDUUVs), the Office of Naval Research (ONR) invested \$42 million toward Research and Development (R&D) in autonomy and endurance in FY12. PB13 contained \$45 million for ONR, and \$7 million for Program Executive Office Littoral Combat Ships to commence acquisition activities focused on the conduct of an Analysis of Alternatives. PB14 includes \$39 million for technology maturation and \$12.2 million for acquisition. \$33.8M has been invested in research, development, test, and evaluation to date for the Littoral Battlespace Sensing-UUV system while PB14 contains \$9.6M for procurement. For the Persistent Littoral Undersea Surveillance (PLUS) system, \$9.0 million has been invested for maturation and fleet transition.

Unmanned Undersea Vehicles (UUVs) are a critical component of the future Navy Force. They augment manned undersea platforms by conducting dull, dirty, dangerous, and distant operations, thus freeing up more valuable manned assets for higher priority missions. UUVs provide capable, minimally manned, and relatively low cost alternatives to operate forward through persistent undersea operations, including:

- Reduced operational risk (i.e., removing the warfighter from harm's way).
- Improved situational awareness in forward areas or an Anti-Access/Area Denial environment since they can reach areas inaccessible to manned platforms.
- Operation of missions in areas inaccessible by manned platforms or especially hazardous to personnel.

- Operation of lower priority missions that allow manned platforms to focus on higher priority tasking.
- Delivery to Operational Commanders of greater tactical flexibility in scheduling (reduced number of) assets.

LDUUV's long endurance, advanced autonomy, and multi-mission modular capabilities allow it to operate autonomously or provide support to manned undersea systems. PLUS' persistent undersea presence provides valuable Anti-Submarine Warfare information to Combatant Commanders.

Mr. LANGEVIN. Admiral, battlespace limitations within anti-access/area-denial environments are likely to place a premium on particular assets, technologies, and competencies, particularly in the Asia-Pacific region where there is a significant proliferation of submarines, advanced tactical fighters, and ballistic missiles, as well as many electronic warfare challenges. Can you speak to how the Navy is resourcing, training, and investing in research and development in order to meet those challenges, particularly with regards to directed energy, undersea warfare, and advanced tactics, techniques, and procedures?

Admiral GREENERT. We continue to evolve our systems and tactics, techniques, and procedures (TTPs) to counter predicted threats in anti-access, area-denial (A2/AD) environments.

For directed energy, the Office of Naval Research's (ONR's) Solid State Laser-Quick Response Capability (SSL-QRC) is currently being deployed. SSL-QRC will support the ONR Solid State Laser Technology Maturation program which will develop and demonstrate a 100kw or greater laser prototype. The first demonstration of this program will deploy on USS PONCE (AFSB-1) in 2014.

For Undersea Warfare the Navy is acquiring and fielding a number of different Unmanned Undersea Vehicle (UUV) systems: the Littoral Battlespace Sensing (LBS) UUV and Glider, the Surface Mine Countermeasure Knifefish UUV, and the Mk 18 Mine Countermeasure UUV. The Persistent Littoral Undersea Surveillance (PLUS) System will add to our Anti-Submarine Warfare (ASW) capability. The Large Displacement UUV (LDUUV) will be a modular, long endurance autonomous platform capable of conducting multiple missions to include: intelligence, surveillance, and reconnaissance; minesweeping; and ASW. The Navy's biggest challenges in the full development of UUVs remain endurance, autonomy, ship integration, and energy certification. The Advanced Undersea Weapon System (AUWS) will be designed to deliver and distribute targeting sensors or autonomous weapons into chokepoints or channels to neutralize maritime threats for extended periods. ONR supports research to improve anti-submarine surveillance, detection, and attack capabilities against quiet adversary submarines operating in noisy and cluttered shallow water environments, enabling new undersea weapon TTPs and training.

ONR's Naval Air Warfare goal is to develop technologies, TTPs, and training to expand Naval weapon system stand-off ranges and reduce engagement timelines to enable rapid, precise, assured defeat of moving land, sea and air targets.

QUESTIONS SUBMITTED BY MR. ROGERS

Mr. ROGERS. Secretary Mabus and Admiral Greenert, has the Navy programmed funds to participate in the interoperable warhead W78/W88 life extension study being conducted in partnership with the National Nuclear Security Administration (NNSA) and the Air Force?

a. Do you have any concerns with NNSA's ability to successfully execute this program?

b. Will the program preserve an option to conduct a straight W88 life extension if the interoperable warhead option fails to happen?

Secretary MABUS and Admiral GREENERT. The Navy is requesting funding in the PB14 submission to support this study and is reviewing reprogramming options to commence this effort in FY13.

The Department of the Navy supports the Nuclear Weapons Council decision to consider an interoperable warhead in the W78/88-1 Life Extension Program (LEP) study. This effort has fiscal and technical challenges, but has the potential to achieve long-term national cost savings.

The Navy's current planning efforts reserve the option to develop a standalone W88-1 LEP. This option would not need to start until the early 2020s.

Mr. ROGERS. Secretary Mabus and Admiral Greenert, the joint explanatory statement of the conference report accompanying the FY13 NDAA requires the Navy and Air Force to brief the congressional defense committees later this year on efforts that can be jointly undertaken and cost-shared. Do you see opportunities for stra-

tegic collaboration or commonality between the Air Force and Navy for sustainment of ballistic missile capability in the long-term?

a. How might this reduce cost across the Service's respective ballistic missile programs?

b. Would commonality between the two ballistic missile programs increase risk that a technical failure would ground both Navy and Air Force ballistic missiles simultaneously? Have these risks been assessed? How [would] DOD manage such risks?

Secretary MABUS and Admiral GREENERT. Yes, there are potential opportunities for strategic collaboration or commonality between the Air Force and the Navy for sustainment of ballistic missile systems, and we are investigating those opportunities. Navy and the Air Force are both addressing the challenges of sustaining aging strategic weapon systems and have begun to work collaboratively to ensure these capabilities are retained in the long-term to meet our requirements and are seeking opportunities to leverage technologies and make the best use of scarce resources. The Navy and the Air Force have established an Executive Steering Group to identify and investigate potential collaboration opportunities and oversee collaborative investments for sustainment of our strategic systems. As a part of this effort, technology area working groups have been established to study collaboration opportunities in the areas of Reentry, Guidance, Propulsion, Launcher, Radiation Hardened Electronics, Ground Test and Flight Test systems, and Nuclear Weapons Security/Surety.

A) While we are in the initial stages of addressing collaboration opportunities, we see potential to reduce costs in the future. Navy is also assisting the Air Force in investigating the potential for including commonality in the intercontinental ballistic missile (ICBM) follow-on as a part of the ground-based strategic deterrent (GBSD) analysis of alternatives (AoA). B) We are assessing the spectrum of potential commonality with the goal of using commonality where appropriate while ensuring essential diversity where needed to reduce the risk of a technical failure impacting both Navy and Air Force ballistic missile systems.

Mr. ROGERS. Secretary Mabus and Admiral Greenert, the *Ohio*-class replacement submarines will provide the nation with its critical core of sea-based deterrence capability until at least 2080. These submarines are being designed to meet potential threats seven decades from now. With regards to the missiles and the entire strategic weapon system, how is the Navy positioning itself within the FYDP and beyond to maintain the weapon system to meet the hull life of the *Ohio*-class replacement? How long do we expect the D5 system to be sustained and what are we looking at to replace it? When might this system be fielded?

Secretary MABUS and Admiral GREENERT. The Navy is extending the life of the Trident II (D5) strategic weapon system (SWS) to match the extended service life of the current OHIO Class SSBNs. The OHIO Class was extended by 12 years (42-year service life) and will begin decommissioning at one SSBN per year in 2027. The D5 Life Extension (LE) program will maintain this strategic weapon system in service until at least 2042 and, pending additional analysis, possibly as far as the 2060s.

The D5 LE program is executing on schedule and within budget. The program consists of the purchase of 108 new missiles and alteration kits to modernize the remaining inventory with a new guidance system and missile electronics components. Additionally, the Navy has continued to fund the low-rate production of solid rocket motors to prevent the age-out of the current inventory. The D5LE is scheduled to meet initial operating capability in 2017.

Plans to support OHIO Replacement long-term requirements will be developed in the future. As the D5 LE program is fielded within the SSBN fleet, the Navy will further analyze the SWS service life. In parallel, the Navy is evaluating follow-on program replacement options in collaboration with the Air Force. These efforts will help ensure that the Navy continues to provide the required strategic capabilities to maintain the sea-based leg of the triad.

QUESTIONS SUBMITTED BY MR. WITTMAN

Mr. WITTMAN. Secretary Mabus, what are the operational impacts of civilian furloughs on fleet maintenance activities particularly in light of civilian hiring freezes and reduction to overtime work?

Secretary MABUS. Furloughs, combined with the ongoing hiring freeze and overtime restrictions, will have an extended impact on Fleet maintenance capacity.

The combination of the civilian hiring freeze, overtime restrictions, and 11 furlough days at the aviation depots is expected to delay the delivery of approximately 66 aircraft and 370 engines and modules from FY13 into FY14. This equates to 80%

of a carrier air wing and will result in fewer aircraft ready for tasking and a commensurate reduction in flight hours for non-deployed units. Recovery of the delayed work will drive additional unbudgeted costs. The Naval Shipyards have been exempted from the furlough, but capacity is still being impacted by overtime restrictions and the hiring freeze. This capacity reduction will result in maintenance availability completion delays.

If the hiring freeze continues through the end of FY13, it will prevent the Naval Shipyards from hiring approximately 1,030 production artisans and engineers. FY13 capacity would be reduced by 87,000 man days, resulting in a two month delay for one Aircraft Carrier maintenance availability; a two month delay for one Ballistic Missile Submarine maintenance availability; and a total of eight month delay for two Fast Attack Submarine maintenance availabilities.

Mr. WITTMAN. Secretary Mabus, in light of the fact that the Navy has spent the last six years operating a significant part of the force above a long-term sustainable tempo level, as the DOD draws down in Afghanistan and re-balances to the Pacific, a predominantly maritime environment, will the Navy be able to sustain its operations and meet enduring GFMAP requirements with base funding? And, by doing so, what risk will you assume?

Secretary MABUS. Navy will source 100% of SecDef adjudicated requirements. Force capacity prevents sourcing 100% of Combatant Commander (CCDR) demand. Navy uses base funding to sustain the presence ordered in the Global Force Management Allocation Plan (GFMAP) base order. Operations beyond the base order will delay maintenance periods and decrease training opportunities, effectively reducing the long-term readiness of the force.

Mr. WITTMAN. Admiral Greenert, can you briefly describe the plan for the replacement of the aging TAO and LSD class? What is the current vision for these platforms? Additionally, can you please touch on whether there is any consideration for hull commonality in future designs or commonality in ops and sustainability with the HM&E of the ships with what is currently operated in the fleet?

Admiral GREENERT. An Analysis of Alternatives (AoA) is in progress for the LX(R) program to evaluate alternatives for the hull-form to fill capability gaps due to upcoming LSD 41/49 class ship retirements. The operation of the LX(R) platform will be consistent with the existing Amphibious Ready Group/Marine Expeditionary Unit missions.

Two of six options currently being evaluated in the AoA utilize existing hull-forms in the fleet today: an LPD 17 variant and an MLP variant. Both of these options could provide some commonality throughout the amphibious fleet.

The AoA is expected to be complete in August 2013. Until the AoA is complete, it is too early to speculate on any details of HM&E commonality between LX(R) and existing assets in the fleet today. The preliminary and contract design phases will offer additional granularity to analyze LX(R) HM&E system commonality.

Mr. WITTMAN. Admiral Greenert, you have now started to begin the needed scheduled maintenance on our fleet. (1) Are there any ships that you anticipate completely skipping a planned maintenance period, if so what is the long term impact of that decision? And (2) Do you plan to have the ships available to deploy and maintain the needed forward presence for the foreseeable future, perhaps the next 5 years?

Admiral GREENERT. Navy does not intend to completely skip any planned ship maintenance periods. Navy's PB14 request, including projected OCO levels, fully funds ship maintenance to execute all planned FY14 availabilities. It also funds the revised Class Maintenance Plan requirements to reset the material condition of surface ships undergoing docking availabilities in FY14.

We plan to fund and execute the final eight scheduled FY13 surface ship availabilities supported in part by reprogramming currently under review by Congress. Any deferred FY13 availabilities will be reconsidered for scheduling and funding in FY14. While this might create a bow wave of maintenance that could take years to recover and higher costs to complete, this is preferable to completely skipping availabilities.

Navy will deploy fully ready forces to the Combatant Commanders in support of the FY14 Global Force Management Allocation Plan (GFMAP). While the uncertainties of the ongoing sequester and future budgets could significantly impact our Operations and Maintenance funding levels, we will continue to prioritize the readiness of deployed and next-to-deploy forces. Any degradation to operational readiness will be taken in non-deployed forces to the maximum extent possible. This will best preserve our ability to support the adjudicated GFMAP in the near term, but will impact our capacity to respond to contingencies or to emergent Requests for Forces.

Mr. WITTMAN. General Amos, how do you measure readiness and what impacts will sequestration have on the Marine Corps' ability to maintain acceptable readi-

ness levels? Can you briefly describe the current risks you are accepting in the force to maintain a combat ready expeditionary force?

General AMOS. The Marine Corps measures the long-term health and readiness of its force by balancing resources across five broad pillars: 1. High Quality People; 2. Unit Readiness; 3. Capability and Capacity to Meet Requirements; 4. Infrastructure Sustainment; and 5. Equipment Modernization. Maintaining balance across all five of pillars is critical to achieving and sustaining Marine Corps readiness. Given the impacts of sequestration, the Corps is being forced to take actions to preserve its short-term readiness at the expense of long term sustainment, investments and readiness. Most recently I have been forced to transfer facilities sustainment funding to support critical operations and equipment maintenance accounts. Over time, these actions will create an imbalance across our readiness pillars that result in both near- and long-term readiness deficits.

As the nation prepares for an uncertain future, its expeditionary Marine forces provide a highly-utilitarian capability, effective in a wide range of scenarios. Marines remain a cost-effective hedge against the unexpected, providing a national “insurance policy” against strategic surprise. The Marine Corps remains responsive to its Congressional mandate to be the “most ready when the nation is least ready.” As such, we will preserve the readiness of our Marines engaged in combat—we will keep deploying units fully manned, trained and equipped—and we will do our best to have the resources necessary for the next mission while preparing for the future. Despite the constrained funding resulting from sequestration, the Marine Corps will meet near-term commitments for deployed and next-to-deploy forces, however we will continue to take risk as this comes at the cost on non-deployed Marine units. Currently, 65 percent of non-deployed units are experiencing degraded readiness due to portions of their equipment being redistributed to support units deploying forward. While necessary in times of crisis, this commitment of our ‘seed corn’ to current contingencies degrades our ability to train and constitute ready units for their full range of missions over time. Unbalanced readiness across the force increases risk to timely response to unexpected crises or large-scale contingencies. We will continue to emphasize our reset and reconstitution efforts that cost-effectively restore combat equipment and return it to units for training.

Mr. WITTMAN. General Amos, how imperative is the reset and reconstitution of the Marine Corps? How does your reset plan support the new strategic guidance’s directed role for the Marine Corps? How will reset be impacted by sequestration? How long will it take to recover?

General AMOS. The Marine Corps plays a special role in protecting our Nation. We are America’s Crisis Response Force—the Nation’s insurance policy. We must always be ready. For most of the past decade, the Corps has been engaged in combat operations that have placed a tremendous strain on our ground equipment. For this reason, resetting and reconstituting our Corps remains my top priority—we must swiftly repair and modernize equipment, while divesting obsolete inventory. These two complementary efforts, reset, and reconstitution are inexorably linked and must be conducted without operational pause. It is imperative that we align reconstitution with reset actions, force structure requirements, acquisition plans and maintenance strategies.

Our Reset Strategy fully supports my strategic guidance to maintain a global crisis response capability that ensures readiness of ground equipment. Although the purpose of the Reset Strategy is to create unity of effort across the Marine Corps with respect to equipment reset planning and execution from Afghanistan, it similarly supports my direction to quickly rebalance to the Pacific, and ensure reset and reconstitution actions are oriented to protect the long-term health and readiness of the warfighter.

With respect to sequestration, potential deferments and cancellations of planned maintenance could negatively impact readiness and operational capability. This situation could also result in a reduction and delay of equipment procurement contract orders. While we remain on schedule with our reset plan for the remainder of FY13, sequestration impacts in FY14 and out could reduce depot workload capability, impact planned procurement actions and cause delay of reset. Such a delay would hinder the Marine Corps’ ability to “reset and reconstitute in-stride” by FY17.

The Marine Corps has a statutory responsibility to be the most ready when the Nation is least ready. As such, we will preserve the readiness of our Marines engaged in combat—we will keep deploying units fully manned, trained and equipped—and we will do our best to have the resources necessary for the next mission while preparing for the future.

QUESTIONS SUBMITTED BY MR. BRIDENSTINE

Mr. BRIDENSTINE. I am concerned about the recent cancellation of multiple ship deployments to the U.S. Southern Command Area of Responsibility. Is sequestration the driving factor behind these short-term cancellations? Does the Navy plan to increase its presence in SOUTHCOM in the future? Please describe the Navy's long-term laydown for SOUTHCOM.

Admiral GREENERT. Sequestration is the driving factor behind recent cancellations/curtailment of FY13 deployments to SOUTHCOM. Six deployments were cancelled and one unit redeployed early. These seven deployments represent 50% of the FY13 Secretary of Defense ordered Navy deployments to SOUTHCOM.

The Global Force Management Allocation Plan (GFMAP) is a Joint Staff led process to determine sourcing solutions to Combatant Commander Requests for Forces (demand). Navy, as part of a larger Joint Staff led effort, is currently evaluating potential Sequestration-related impacts to the FY14 GFMAP.

Long-term sourcing to SOUTHCOM is difficult to predict. Combatant Commander demand for assets routinely exceeds Navy's capacity to source. SOUTHCOM's Request for Forces must be evaluated against global Combatant Commander demand and global priorities, and the Service's capacity to source these requests as part of the GFMAP process.

In the future, new platforms like the Joint High Speed Vessel (JHSV), the Littoral Combat Ship (LCS) and existing Patrol Coastal (PC) ships will operate from bases like Mayport, FL to support the partnership development and maritime security missions that we perform in SOUTHCOM today. Use of ships like these will enable the Navy to maintain a more persistent presence, while high end ships (e.g. destroyers or amphibious ships) are drawn to more challenging missions in other theaters.

Mr. BRIDENSTINE. How much money do you project the E-2D Advanced Hawkeye multiyear procurement will save taxpayers? Please also comment on what threats make the procurement of E-2Ds so important?

Admiral GREENERT. PB-14 includes a Multi-Year Procurement for 32 aircraft (FY14-18) that saves the Navy an estimated \$522.8M and stabilizes the production line to support an efficient E-2C to E-2D Fleet transition plan.

Procurement of E-2D is important because, in the past decade, Anti-Access Area Denial (A2AD) threats have increased as a result of accelerated advanced weapon and platform development, the introduction of low-observable technology and supersonic weapons, and advances in research and development for electronic jamming equipment to deny or deceive U.S. Navy detection capabilities. The E-2D APY-9 radar has advanced waveform and Space Time Adaptive Processing (STAP) techniques that provide enhanced surveillance and tracking against advanced threat aircraft and sea-skimming Coastal Defense Cruise Missiles (CDCM), which are a rapidly growing threat for our Carrier Strike Groups (CSG). E-2D also provides persistent, elevated track data as part of Naval Integrated Fire Control-Counter Air (NIFC-CA). NIFC-CA extends the range, accuracy, and lethality of Navy fires, specifically for our Aegis ships with the SM-6 missile and for our F/A-18E/F aircraft with the AIM-120 missile.

Mr. BRIDENSTINE. As a member of the Tactical Air and Land Forces Subcommittee, I've spent a lot time monitoring the progress of the F-35 acquisition process. The function of oversight committees, of course, is to focus on things like cost, schedule, and performance. However, I think sometimes we miss the forest for the trees. Can you both remind us why the Joint Strike Fighter is strategically important? How does the capability fit into long-term U.S. defense strategy?

Admiral GREENERT. The F-35 Lightning II will enhance the flexibility, power projection, and strike capabilities of future carrier air wings and joint task forces. The F-35 Lightning II program will provide a transformational family of next-generation strike aircraft, combining stealth and enhanced sensors that enable the aircraft to be more combat effective and survivable. The F-35 will be a "day-one" capable strike-fighter that enables combatant commanders to attack targets day or night, in all weather, in highly defended areas of joint operations.

The Department of the Navy will leverage the 5th generation capabilities of the F-35 to enter into the battlespace further than other aircraft in an Anti-Access/Area-Denied environment to fuse multi-source data, process that input and link actionable targeting information to integrated, joint (and sometimes combined) warfighters. With its all-aspect low observable design, internal weapons carriage, and fully fused mission systems, the F-35C will complement the capabilities of the F/A-18E/F Super Hornet is a necessary part of the future carrier air wing.

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General AMOS. The F-35 JSF is the next generation strike weapons system designed to meet an advanced threat, while improving lethality, survivability, and supportability for our tactical aircraft fleet. The JSF will be the cornerstone of a multi-mission joint force possessing improved mission flexibility and unprecedented effectiveness to engage and destroy both air and ground threats. The F-35 is designed to participate in a wide variety of operations from routine, recurring military activities to Major Theater War. The short take-off and vertical landing (STOVL) F-35B is the centerpiece tactical aviation aircraft needed to support our Marine Air Ground Task Force (MAGTF). Our requirement for expeditionary tactical aviation capabilities has been demonstrated repeatedly, most recently with forward operating bases (FOBs) in Operation Enduring Freedom (OEF). The F-35B surpasses our current generation of aircraft in combat effectiveness and survivability in the current and future threat environment.

The capability inherent in a STOVL aircraft allows the Marine Corps to operate in harsh conditions and from remote locations where few airfields are available for conventional aircraft. The F-35B is also specifically designed to operate from amphibious ships—a capability that no other tactical fifth-generation aircraft possesses. The ability to employ a fifth-generation aircraft from 11 big-deck amphibious ships doubles the number of “aircraft carriers” from which the United States can employ fifth-generation capability. The expanded flexibility of STOVL capabilities operating both at-sea and from austere land bases is essential, especially in the Pacific. The Marine Corps will leverage the F-35B’s sophisticated sensor suite and very low observable (VLO) fifth-generation strike fighter capabilities, particularly in the area of data collection and information dissemination, to support the MAGTF well beyond the abilities of current MAGTF expeditionary attack, strike, and electronic warfare assets. Having these capabilities in one aircraft provides the joint force commander and the MAGTF commander unprecedented strategic and operational agility.

Marine Corps alignment with the security demands articulated in the 2012 Strategic Guidance for the 21st Century is enhanced by the F-35’s advancements in capabilities that do not exist in today’s legacy fighter aircraft. The vastness of the Pacific and the diversity of challenges make the reach of the F-35 fleet a key element for our 21st century Pacific strategy.

