DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2011

WEDNESDAY, MARCH 17, 2010

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

The subcommittee met at 10:28 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Kohl, Cochran, Bond, and Shelby.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

STATEMENT OF HON. RAY MABUS, SECRETARY OF THE NAVY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. The hearing will come to order.

The subcommittee meets this morning to receive testimony on the fiscal year 2011 budget request for the U.S. Navy and Marine Corps.

And I'm pleased to welcome the Secretary of the Navy, Mr. Ray Mabus, the Chief of Naval Operations (CNO), Admiral Gary Roughead, and the Commandant of the Marine Corps, General James Conway. And I look forward to their testimony.

The President's request includes $160.6 billion to pay for the personnel, operation and maintenance, and acquisition programs of the Navy and Marine Corps. The request also includes $18.5 billion to pay for operations in Iraq and Afghanistan in 2011, and $3.8 billion to cover the additional costs of the surge in Afghanistan this year. The subcommittee will hold a separate hearing on March 25 to examine the 2010 surge supplemental request in more detail.

The Navy and Marine Corps continue to be standard-bearers in this country's ability to project power and maintain regional stability. Today, sailors and marines are serving on the front lines in Iraq and Afghanistan. Every day, these men and women are working to support our troops in harm's way, train foreign security forces, and carry out dangerous combat missions.

In addition, our forward presence in the Asia Pacific, the Middle East, and Caribbean and elsewhere, serves to assure our friends and our allies, as well as deter possible adversaries. Our forward

bases and ships at sea keep trade routes secure, ease regional tensions, and respond to humanitarian emergencies.

I particularly commend the lifesaving efforts of our military personnel after the devastating earthquake in Haiti.

As the subcommittee reviews the fiscal year 2011 budget request, it is clear that the Navy and Marine Corps will continue to deal with a number of challenges, particularly with the expensive acquisition programs. Delays in programs like the Joint Strike Fighter (JSF), the CH–53K helicopter, and the expeditionary fighting vehicle can force modernization funds to be used for sustaining older capabilities, in addition to the increased development and procurement costs. Congress will continue to exercise close oversight on balancing the investment in future capabilities with the demand to sustain current equipment.

The subcommittee will also have important questions about the plans for shipbuilding. The Navy has initiated work on the next-generation ballistic missile submarine, which includes a major research and development program and a per-ship cost of approximately $7 billion. But, long-range estimates of the shipbuilding budget expect it to average $16 billion over the next 30 years. Many are concerned about the pressure the submarine will place on shipbuilding budgets beginning 10 years from now.

Also in shipbuilding, the Navy is committed to a new acquisition strategy for the littoral combat ship (LCS) that emphasizes competition to bring down costs while providing the best capability. With all the recent criticism of earmarks in the newspapers, it is important to know that the Navy would not be able to pursue the new acquisition strategy this year if the Appropriations Committee had not added $60 million in unauthorized funds to last year's budget. I believe, when the history of this program is written, these additional funds by Congress will result in substantial savings to the U.S. taxpayer.

Finally, I'd like to commend the witnesses on their commitment to supporting the needs of sailors and marines who serve our country. Both the Navy and Marine Corps are experiencing very strong rates of recruiting and retention, and I would hope that our witnesses will elaborate, in their opening statement, on the initiatives to take care of our men and our women in uniform.

And the full statements of each of the witnesses will be made part of the official record.

And now, I am pleased and honored to turn to the vice chairman of the subcommittee, Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much.

I'm pleased to join you in welcoming this distinguished panel of witnesses to discuss the budget request for the U.S. Navy and Marine Corps in the next fiscal year.

It's particularly good to see my friend Secretary Ray Mabus, Secretary of the Navy, who is serving with distinction in that capacity and served as our Governor of Mississippi and is a good friend. We're glad to see him in this very important position.

And we look forward to hearing your testimony and assure you that we want to do what we need to do here to provide the funding

so that we maintain a strong, mobile, and effective Navy and Marine Corps team to protect the security interests of our great country.

Chairman INOUYE. Senator Bond, would you care to read a statement?

STATEMENT OF SENATOR CHRISTOPHER S. BOND

Senator BOND. Thank you very much, Mr. Chairman, Senator Cochran.

And thank you, Mr. Chairman, for your concise description of how this subcommittee has provided vitally needed assistance to all branches of the service; and without it we'd have had many shortfalls.

But, we welcome Secretary Mabus, Admiral Roughead, General Conway, for appearing before this subcommittee today.

I'm particularly interested in our Nation's carrier fleet, the backbone of our military's ability to project power and peace around the world. As we all know, the F/A–18 Hornets and Super Hornets are the backbone of the carrier-based strike fighter aviation fleet. These aircraft are providing support for our warfighters, to close air-support mission, to ground forces, with an unmatched deterrent capability. The F/A–18 continues to be the Navy's only strike fighter with advanced air-to-ground and air-to-air operational capability; and the continued procurement of these aircraft is, I believe, very necessary to address the Navy shortfall.

In other words, to apply Secretary Gates's statement, I think procuring F/A–18s is absolutely necessary. Secretary Gates said that he was "advocating a shift away from 99 percent exclusive service-centric platforms that are so costly and so complex that they take forever to build, and only then, in very limited quantities. With the pace of technological and geopolitical change and the range of possible contingencies, we must look more to the 80 percent solution, a multiservice solution that can be produced in time, on budget, and in significant numbers. As Stalin once said, 'quantity has a quality all of its own'".

I think Secretary Gates has hit it on the head. Keeping Americans, whether our troops fighting overseas or our families at home, safe from current and emerging threats is a difficult challenge in an uncertain and dangerous world. America must have the right tools to meet this challenge. And I believe having a Super Hornet in our arsenal is an important part of the strategy.

I applaud the efforts of the Department of the Navy for considering a multiyear procurement. This prudent move would prevent the Navy from having empty carrier decks, save hundreds of millions of valuable taxpayer dollars, and maintain the strength of the United States industrial defense base, a very important objective for the Navy, for the marines, and for the peace and security that this Nation advocates and promotes, here and abroad.

Thank you, Mr. Chairman.

Chairman INOUYE. I thank you very much.

Senator Shelby.

Senator SHELBY. Mr. Chairman, I'll be brief.

I ask that my written statement be made part of the record.

Chairman INOUYE. Without——

Senator SHELBY. And, Secretary——

Chairman INOUYE [continuing]. Objection.

Senator SHELBY. Thank you.

Secretary Mabus, General Conway, Admiral Roughead, we look forward to being with you this morning and hearing your testimony and also have a chance to question you on some very important issues.

Thank you.

Chairman INOUYE. Thank you.

Senator KOHL. No statement.

Chairman INOUYE. Then I'll begin with the questioning, if I may. But, first, we'll call upon the Secretary.

SUMMARY STATEMENT OF HON. RAY MABUS

Mr. MABUS. Mr. Chairman, Mr. Vice Chairman, members of the subcommittee, it's a real pleasure to be here with you today. The CNO, the Commandant, and I are particularly grateful to the commitment that the members of this subcommittee have shown to our men and women in uniform in the Navy and the Marine Corps. We're exceptionally proud to be representing the sailors, marines, civilians, and their families that are with the Department of the Navy.

The Navy and the Marine Corps remain the most formidable expeditionary fighting force in the world, capable of global operations across the entire spectrum of warfare. Today, 40 percent of our forces are deployed and over one-half of our fleet is at sea.

In Helmand Province, Afghanistan, more the 16,000 marines are engaged in major combat, counterinsurgency, and engagement operations. They're supported there by naval aircraft flying close air support from *Eisenhower* and from our forward-deployed expeditionary aviation assets. A total of 12,000 sailors are on the ground in Iraq, Afghanistan, and across the greater Middle East, and another 9,000 sailors and marines are embarked on our ships at sea.

Off the coast of Africa, our ships are protecting international commerce and operating as a partnership station with regional allies. Off the coast of South America, other ships are stemming the flow of illegal narcotics into the United States.

Our ballistic missile defense forces are ready to defend against any threat to international peace in Europe, the Middle East, and the Pacific Rim. Our forward-deployed forces continue their role as a strategic buffer and deterrent against rogue regimes and potential competitors, alike. In Haiti, as the chairman mentioned, the *Bataan* and 1,000 marines from the 22d Marine Expeditionary Unit continue to provide humanitarian aid, medical assistance, and disaster relief.

The Navy and Marine Corps are flexible, responsive, and everywhere our Nation's interests are at stake. Our global presence reduces instability, deters aggression, and allows us to rapidly respond to any crisis that borders the sea.

I believe that the President's fiscal year 2011 budget for the Department of the Navy is a carefully considered request that gives us the resources we need to conduct effective operations and meet all the missions we have been assigned.

Our shipbuilding and aviation requests concur with the findings of the Quadrennial Defense Review (QDR) and its objective of prevailing in today's wars, preventing conflict, preparing for future wars, and preserving the force. With this budget, the Navy and Marine Corps will continue to maintain the maritime superiority of our forces, sustain a strong American shipbuilding industrial base, and ensure our capacity for rapid global response.

Across the Future Years Defense Program (FYDP), we've requested funds to build an average of 10 ships per year, including 1 carrier, 1 big deck amphibious ship, 10 Virginia-class submarines, and 17 littoral combat ships.

We'll leverage the technologies captured from canceled programs like the CG(X) and the truncated DDG 1000 program into what will become our Flight III Burke-class DDGs. These technologies include SPY-3 and the air and missile defense radar. Through the submitted shipbuilding plan, we will increase the size of our fleet to approximately 320 ships by 2024.

In our shipbuilding program, I think we've made the most cost-effective decisions to achieve the most capable force, one that achieves equal flexibility to confront missions, across the spectrum of conflict, from the technologically complex, like ballistic missile defense and integrated air defense, to low-intensity humanitarian response and regional engagement.

In aircraft procurement, we've requested just over 1,000 aircraft across the FYDP, including both fixed and rotary wing.

Over the next year, the Navy and Marine Corps will continue to move ahead with changes to our acquisitions process. In compliance with the Weapons Systems Acquisitions Reform Act, we are aggressively developing our acquisition strategies to ensure that on-time and on-budget is the standard for Navy and Marine Corps programs.

I'm grateful for the support of this subcommittee for the decision to recompete the LCS Program when it failed to meet program standards. I assure you that we will not hesitate to recompete or cancel other programs whenever substandard performance demands change.

Change is also required to address the way in which the Navy and Marine Corps use and produce energy. Energy reform is an issue of national security, and it's essential to maintaining our strategic advantage, warfighting readiness, and tactical edge. By 2020, I've committed the Navy to generate over one-half the energy we use from alternative sources. This is an ambitious goal, but one which can be met.

Forty years ago, I stood watch on the deck of the U.S.S. *Little Rock* as a young junior officer. Today, I have the solemn privilege of standing watch on behalf of our Navy and Marine Corps in a time of war. I am honored by the trust the President and the Congress have placed in me, and fully recognize the solemn obligation I have to those who defend us.

I, along with the CNO and the Commandant, look forward to hearing your thoughts and answering any questions you may have concerning this budget, any specific programs or policies.

PREPARED STATEMENT

I also look forward to working with you as we move forward to sustain the Navy and Marine Corps as the most formidable expeditionary fighting force in the world.

Thank you.

Chairman INOUYE. Thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF HON. RAY MABUS

Chairman Inouye and Senator Cochran, it is a pleasure to be here today with the House Armed Services Committee as the representative of the nearly 900,000 Sailors, Marines, and civilians that make up the Department of the Navy. The Chief of Naval Operations, the Commandant of the Marine Corps and I are privileged to lead some of the best men and women in the country, who are selflessly serving the United States all around the world in support of our safety, our security, and our national interests.

The Navy and Marine Corps remain the most formidable expeditionary fighting force in the world. We are America's "Away Team". The mission and experience of our team is well matched to the multiple and varied challenges that threaten our nation's security and global stability.

Today the Navy and Marine Corps are conducting operations across the spectrum of military operations, from major combat and ballistic missile defense to humanitarian assistance and disaster relief.

Fifteen thousand Marines are at the forefront of our nation's defense, serving in and around Helmand Province, Afghanistan. By spring this number will grow to almost 20,000. It is a testament to the responsiveness and combat capability of the Marine Corps that the first troops to depart for Afghanistan in the wake of the President's December 1 announcement were 1,500 Marines from Camp Lejuene, North Carolina. The new arrivals, who deployed before the end of last year, joined the Second Marine Expeditionary Brigade already in place. Together they are taking the fight to the Taliban and al-Qaeda in their sector and assisting the Afghan Provincial Government in reestablishing control. General Conway describes their capability as a "two-fisted fighter," capable of simultaneously combating an adaptive and insidious insurgency among the Afghan civilians while maintaining the skill set to conduct major combat operations.

The Navy in Afghanistan is contributing Special Operations Forces, Explosive Ordnance Disposal Teams, Seabee civil engineering assets, all of the airborne expeditionary tactical Electronic Warfare capability, medical and intelligence professionals, and logistical support. From our carriers operating in the Indian Ocean, we are launching a significant percentage of the close air support that watches over our Marines and Soldiers on the ground. The Navy has over 12,000 Sailors on the ground in Central Command supporting joint and coalition efforts in both Iraq and Afghanistan and another 9,000 Sailors at sea supporting combat operations.

The Navy and Marine Corps today are globally engaged in a host of other security and stability operations. In our cruisers and destroyers, the Navy has built a strong ballistic missile defense force. These multi-mission ships routinely deploy to the Mediterranean, the Arabian Gulf, and the Western Pacific and extend an umbrella of deterrence. Across the Future Years' Defense Program we will expand this mission and operationally implement the President's decision in September 2009 to focus on sea-based ballistic missile defense.

That capability is complemented by the continued preeminence of the ballistic missile submarines in our strategic deterrent force, who operate quietly and stealthily on station every day of the year.

In the Gulf of Aden and Western Indian Ocean, Combined Task Force 151 is leading the international effort to combat piracy in the Gulf of Aden. They are coordinating their operations with forces from the European Union, NATO, and a total of 24 nations contributing ships, aircraft, and staff personnel as well as operational and intelligence support.

Our ships and maritime patrol aircraft in the Caribbean and off South America are working with the Coast Guard-led Joint Interagency Task Force—South, which ties together information and forces from 13 nations to stem the flow of illegal narcotics into the United States. In 2009 alone they contributed to the seizure or disruption of almost 220,000 kilograms of cocaine with a street value of over $4 billion.

Both the Navy and Marine Corps routinely conduct training exercises and multilateral operations with nations all around the world to solidify our relationships

with traditional allies and forge partnerships with new friends. Global Partnership Stations in Africa, South America, and the Pacific are training hundreds of Sailors, Marines, and Coast Guardsmen from dozens of nations and are supporting regional diplomatic and humanitarian engagement efforts, like those of the hospital ship USNS *Comfort* and the Fleet Auxiliary USNS *Richard E. Byrd* in the summer of 2009. The two ships together treated over 110,000 patients in the Caribbean, South America, and Oceania, and the USNS *Comfort* furthered an existing partnership with numerous civilian aid organizations.

The Navy-Marine Corps team remains on the front-line of response to natural disasters. In 2009 we provided humanitarian assistance to Indonesia, the Philippines, and American Samoa, and delivered thousands of tons of food, water, and medical supplies to those affected by devastation. After the January 12 earthquake in Haiti, the Navy and Marine Corps responded immediately. Within a week of the earthquake, 11 Navy ships, including the carrier U.S.S. *Carl Vinson*, the big-deck amphibious ship U.S.S. *Bataan*, and the hospital ship USNS *Comfort* were on station off the coast of Haiti. These ships embarked 41 Navy and Marine Corps helicopters and approximately 2,000 Marines of the 22nd Marine Expeditionary Unit. On station, our units treated patients, provided helicopter lift capability, and delivered hundreds of tons of relief aid. Additional personnel and capabilities continued to flow in over the next weeks. Our mission there will continue as long as required.

The Navy and Marine Corps are flexible, responsive, and everywhere that our nation's interests are at stake. The Navy and Marine Corps' global presence reduces instability, deters aggression, and allows for rapid response to a wide range of contingencies.

In order to ensure our continued global mobility, the Department of the Navy strongly supports accession to the Law of the Sea Convention (UNCLOS). The United States must continue to take maximum advantage of the navigational rights contained in the Convention. Ratification would enhance stability for international maritime rules and ensure our access to critical air and sea lines of communication.

I have now been the Secretary of the Navy for 9 months, and in that short period of time I have met thousands of our Sailors and Marines serving on the front lines at sea and ashore. I have been constantly inspired by the high morale, courage, and commitment to serving our country displayed by every one of them as they conduct our missions. In return, I have continually expressed to them the appreciation of the American people for the sacrifices they and their families are making every day.

I have met our operational commanders and seen first-hand the warfighting readiness of our Fleet and our Marine Forces. I have inspected the facilities of our industry partners who are building the Navy and Marine Corps of tomorrow. With the advice and support of my leadership team, I have made some initial decisions to better prepare the Navy and Marine Corps for the challenges of the future. These observations and our initial actions have given me a good picture of the Navy and Marine Corps, and from this vantage I can report to Congress and the President the current state of the Services, the budgetary requirements we need to successfully perform our mission, and the future direction I believe we must take.

The Department of the Navy's fiscal year 2011 budget request reflects the President's priorities, Secretary Gates' strategic and fiscal guidance, and fundamentally aligns with the 2010 Quadrennial Defense Review (QDR) priorities: Prevailing in today's wars; preventing and deterring conflict; preparing for a wide range of future contingencies; and preserving and enhancing the All-Volunteer Force.

This budget request of $160.7 billion will maintain across the Future Years' Defense Program our commitment to a strong industrial base. The fiscal year 2011 request of $18.5 billion for contingency operations includes incremental costs to sustain operations, manpower, equipment and infrastructure repair as well as equipment replacement to support our focus on increasing threats in Afghanistan and elsewhere.

In the fiscal year 2011 budget request, we have included funds for 9 ships, including 2 additional Virginia class submarines, 2 destroyers in the restarted *Arleigh Burke* line, a lower-cost commercial variant of the Mobile Landing Platform, the multi-role Landing Helicopter Assault Replacement, a Joint High Speed Vessel and 2 Littoral Combat Ships, which will be constructed under the terms of the down-select we will conduct this fiscal year. In aviation, we have requested 206 aircraft in fiscal year 2011, including 20 F–35 Joint Strike Fighters for both the Navy and Marine Corps, 24 MH–60R and 7 P–8As to begin replacing our aging ASW and maritime patrol squadrons, 18 MH–60S for logistics support, 28 H–1 variant helicopters and 30 MV–22 for the Marine Corps, 22 F/A–18E/F and 12 F/A–18G to continue replacing the EA–6B. For Marine Corps ground operations, we have requested funding for an additional 564 LVSR and HMMWV tactical vehicles. The fiscal year 2011 budget request also contains development funding for the Navy Unmanned Combat

Aerial System and continues development of the Broad Area Maritime Surveillance UAV. And we have continued our support of the Naval Expeditionary Combat Command, including funding for a fourth Riverine Squadron.

The Department's long-range shipbuilding and aviation intentions are designed to sustain our naval superiority and they achieve a balance of capability and affordability that both wins today's wars even while preparing for the challenges of the future.

There are four strategic, tactical, and personnel management imperatives I believe the Department of the Navy must also address to maintain preeminence as a fighting force and successfully address whatever comes in the future. These four areas reinforce the strategic framework of the QDR and address the areas of risk it identifies. They are: Taking care of our Sailors, Marines, Civilians, and their Families; treating energy in the Department of the Navy as an issue of national security; creating acquisitions excellence; and optimizing unmanned systems.

They underpin the development of our fiscal year 2011 budget request, execute Presidential policy, and comply with and respond to Congressional direction.

TAKING CARE OF SAILORS, MARINES, CIVILIANS, AND THEIR FAMILIES

Sailors and Marines are the fundamental source of our success. They are our most important asset, and they must always come first in our minds and in our actions. One of my most important responsibilities as Secretary is to ensure adequate compensation, medical care, and family support services are provided to our Sailors, Marines, civilians, and their families.

The Navy and Marine Corps will continue to recruit and retain the same high quality individuals we brought into and kept in the service in 2009. We remain committed to providing a competitive pay and benefits package to aid recruiting. The package includes not only basic pay and housing allowances, but also provides incentives for critical specialties in healthcare, explosive ordnance disposal, and nuclear propulsion.

Beyond compensation, we recognize that quality of life programs are crucial to retention and the military mission. We are providing expanded career opportunities, opportunities for life-long learning, and a continuum of care and family support. The Department continues to support a wide array of readiness programs, including deployment support services, morale and welfare services, and child and teen programs. Our innovative personnel management and human resource programs were in fact recognized by civilian experts as among the best in the country when, in October 2009, the Navy was named by Workforce Management Magazine as the winner of the Optimas Award for General Excellence.

Since the attacks of September 11, 2001, over 10,000 Marines and Sailors have been wounded in action. Their service has been exemplary and unselfish, and in their sacrifice they have given so much of themselves for our country. The Department of the Navy, through the Wounded Warrior Regiment and the Navy Safe Harbor Program, provides support and assistance to our wounded, ill, and injured service members and their families throughout recovery, rehabilitation, and reintegration. And we continue to provide encouragement and support for wounded Sailors and Marines, in partnership with the Department of Veterans Affairs, long after they have left the Service.

Our medical community has continued to strive for excellence in the care of our Sailors and Marines. Navy Medicine has reached out to its civilian colleagues, and we have established partnerships with civilian hospitals to improve our understanding and care for those affected by traumatic brain injuries, mental health issues, amputation, and disfiguring injuries. I had the opportunity last fall to see this first-hand, when I witnessed groundbreaking pro-bono work in reconstructive surgery on behalf of Wounded Warriors at the UCLA Medical Center.

We will continue to aggressively address the issues of sexual assault prevention and response. Sexual assault is a criminal act that is corrosive to the readiness and morale of a professional military organization. In the fiscal year 2011 budget request, we have requested funds to support a reinvigorated program under the supervision of a new Office of Sexual Assault Prevention and Response, which I created within the Secretariat to focus attention on the issue, develop effective training, and coordinate prevention and response programs across the Navy and Marine Corps.

In 2010, the Department will move forward on expanding the opportunities for women in the Navy. We will establish a process to integrate women into the submarine force, beginning with nuclear-trained and Supply Corps officers on our ballistic and guided missile submarines.

After 8 years of continuous combat operations, the Navy and Marine Corps' people remain strong, and the CNO, CMC, and I are very focused on maintaining the over-

all health of the force. The fiscal year 2011 budget request reinforces these goals and is designed to provide the fiscal support necessary to sustain the force. The visible support of Congress to our personnel programs is deeply appreciated and has been vital in maintaining overall readiness.

ENERGY REFORM

The way in which we use and produce energy is an issue of national security and is essential to maintaining our warfighting capabilities. At present, we simply rely too much on fossil fuels, which are susceptible to both price and supply shocks caused by events in volatile areas of the world largely outside the scope of our control. Those potential shocks have, in turn, strategic, operational, and tactical effects upon our forces. In addition, fossil fuel emissions are the root cause of many of the impending security challenges of tomorrow, and the QDR has correctly identified that climate change and its effects: rising sea levels, pressure on natural resources, and changes to the polar regions, will increasingly affect our force structure and the global security environment as the 21st century progresses. In order to improve our long-term strategic and fiscal position, I have set the Navy and Marine Corps on a path to change the way in which we use and produce energy.

In October 2009, I issued five energy targets. They are ambitious in their scope, but I firmly believe that little will be accomplished without bold, innovative, and timely action. The most important of the targets commits the Navy and Marine Corps to generating half of all the energy we use, including that used by the operational fleet, from alternative sources by 2020. I have also committed the Navy and Marine Corps to consider energy as a mandatory evaluation factor in contracting, and to consider as an additional factor in our business dealings, the energy footprint of the companies that sell to the Navy and Marine Corps.

America is a world leader precisely because of our willingness to not just embrace change, but to create it. The U.S. Navy has always been a technological leader. We moved from wind to coal in the 19th century, coal to oil early in the 20th century, and to nuclear power in mid-century. In every transition there were opponents to change, but in every case the strategic and tactical position of naval forces improved. In this century, I have asked the Navy to lead again by pioneering technological change through use of alternative energy. But I want to reiterate that every action and program we undertake must and will have as an effect improved warfighting capability. And we will strive in every case to improve energy efficiency and reach cost-neutrality over the life of the program.

Many of our initiatives are already doing this. We conducted a ground test of an F/A–18 Hornet jet engine this fall running on a biofuel blend and we intend to conduct an airborne test of the "Green Hornet" later this year. In late 2010, the Navy will also conduct tests of a more efficient F/A–18 engine, which will increase the aircraft's range. Afloat, the U.S.S. *Makin Island*, the first ship constructed with a hybrid-electric drive that dramatically lowers fuel consumption at lower speeds, saved approximately $2 million in a single transit to her new homeport in San Diego. Over the life of the ship, we estimate the savings will be up to $250 million using today's fuel prices. Writ large across the Navy, as we begin to retrofit our DDG fleet with similar propulsion systems, the potential fuel savings will only grow.

In addition to these tactical applications, we have implemented a number of energy projects at our facilities ashore, and numerous other efficiency initiatives throughout the Fleet. As the President clearly stated in Copenhagen, changing the way we use and produce energy is a national security imperative.

ACQUISITION EXCELLENCE

The ships and aircraft of the Navy and Marine Corps are unmatched at sea and over land. Our precision munitions, networked targeting systems, armored vehicles, stealth technology, and unmanned vehicles are advanced systems that define the leading edge of warfare in all domains.

These truths have been brought home to me during my visits with the defense industry. I have had the opportunity to visit shipyards, aircraft manufacturers, factories, and depots; and I applaud the hard work and dedication of this country's skilled workforce—Americans who take as much pride in their patriotism as they do in their craftsmanship.

The issue before us all, however, is affordability. Acquisition costs are rising faster than our budget's top-line, and without deliberate, sustained action to reverse this trend, we put the size and capability of the future force at risk. In accordance with the Weapons System Acquisition Reform Act passed by Congress in 2009, the Navy and Marine Corps will aggressively pursue additional ways to make the acquisitions process more rigorous; we will prudently safeguard the resources entrusted to us by

the American taxpayer, and we will fully meet the obligation we hold to our Sailors and Marines.

This requires close examination of the way we do business in our policies, practices, priorities, and organization, with a clear focus on controlling cost. The Navy and Marine Corps will continue initiatives to raise standards, to improve processes, to instill discipline in procurement, and to strengthen the professional corps that manages our major defense acquisition programs.

We are pressing forward with key initiatives that promise to improve our ability to affordably deliver combat capability to the fleet.

We are improving the quality of our cost estimates, which underpin our investment decisions. We are strengthening our cost estimating group, requiring independent cost estimates, and incorporating Departmental best practices in the formulation of our Service Cost Position for all major programs. We are using these realistic cost and schedule estimates to drive difficult decisions at the front end of the requirements process.

We are developing our acquisition strategies with the intent of expanding the use of fixed price contracts, leveraging competition, and tightening up on the use of incentive and award fees to ensure quality systems are delivered consistently on budget and on time to our Sailors and Marines. When we could not achieve these objectives this past year on the Littoral Combat Ship program, we rewrote the program's acquisition strategy to improve performance through competition. I thank the Committee for its strong support of this revised strategy, and I assure you that I will not hesitate to re-compete or cancel programs when sub-standard performance demands change.

We are demanding strict discipline in the execution of our contracts. Before commencing production on new start ship programs, I have reported to you the results of reviews conducted to ensure that designs are mature. We are specifically clamping down on contract changes, the most-often cited reason for cost growth, through improved policies and increased oversight.

Our goals for modernizing today's force and recapitalizing the fleet affordably cannot be accomplished without a healthy industrial base and strong performance by our industry partners. We have worked hard to procure our ships, aircraft, and weapon systems at a rate intended to bring stability to the industrial base and enable efficient production. The Navy's long-range shipbuilding plan was developed with particular regard for maintaining the unique characteristics and strength of the base and our efforts support the QDR's emphasis on maintaining the defense industrial base with appropriate levels of competition, innovation, and capacity. The Future Years' Defense Program outlines construction of a balanced force of 50 ships, an average of 10 ships per year, which requires the full breadth of capabilities and services provided by our major shipbuilders and vendors.

In the end, industry must perform. We will work with our shipyards, aircraft manufacturers, and weapon systems providers to benchmark performance, to identify where improvements are necessary, to provide the proper incentives for capital investments where warranted, and to reward strong performance with terms and conditions that reflect our desire for a strong government-industry partnership.

To meet our objectives, we must be smart buyers. The acquisition workforce has been downsized over the past 15 years and in truth our professional acquisition corps has been stretched too thin. Accordingly, and with your strong support, we are rebuilding the acquisition workforce through a number of parallel efforts. We must both increase the number of acquisition workers and restore to the government the core competencies inherent to their profession. The Department has added 800 acquisition professionals in the last year towards the goal of increasing the community by 5,000 over the Future Years' Defense Program. This represents a 12 percent growth in our workforce.

UNMANNED SYSTEMS

The complex nature of today's security environment, as well as current and future anti-access threats faced by the United States require that the Navy and Marine Corps investigate the contributions unmanned systems can make to warfighting capability. Unmanned systems are unobtrusive, versatile, persistent, and they reduce the exposure of our Sailors and Marines to unnecessary threats. They perform a vast array of tasks such as intelligence collection, precision target designation, oceanographic reconnaissance, and mine detection, and that array will grow exponentially year to year.

Navy and Marine Corps unmanned systems have already made key contributions to operations in Afghanistan, Iraq, and in the counter-piracy effort off the coast of Africa. Unmanned aircraft systems have flown thousands of flight hours in support

of Operation Iraqi Freedom and Operation Enduring Freedom. Unmanned ground vehicles employed by the Marine Corps have conducted thousands of missions detecting and/or neutralizing improvised explosive devices. And unmanned maritime systems have provided improved port security.

We continue to support research and development activities to improve these capabilities and increase the level of autonomy in unmanned systems. Over the Future Years' Defense Program we will continue to focus on transitioning from research and development and limited deployments, through test and evaluation, to full fleet integration and operations. In order to best direct our research and harness the capabilities of unmanned systems, I am tasking the Department to develop a comprehensive roadmap for unmanned system development, to include a coordinated strategy for air, ground, surface, and subsurface systems focused on integration and interoperability with our existing platforms and capabilities.

The initiatives and investments contained in the fiscal year 2011 budget request will move us onto this path. I look forward to reporting continued progress throughout the year.

CLOSING

In this statement, I have discussed the strategic and tactical imperatives that guide the Department and influence the future decisions we will make. Specific programmatic requests are reflected in the fiscal year 2011 budget request, which I believe incorporates the difficult trade-offs and disciplined decisionmaking that you and the American taxpayer expect of us. We have carefully weighed risks and made proposals to you that will ensure we retain a ready and agile force capable of conducting the full range of military operations. And we will continue to work hard to be effective stewards of the resources you allocate to us.

Forty years ago I stood watch on the deck of the U.S.S. *Little Rock* as a young junior officer. Today I have the solemn privilege of standing watch on behalf of our Navy and Marine Corps in a time of war and national challenge. I am honored by the trust the President and Congress have placed in me and I fully recognize the solemn obligation I have to those who defend us.

That obligation fueled my desire to observe our people up close in their varied and often dangerous jobs. I've seen first hand the courage of our young Marines in Helmand, the determination of a wounded SEAL to walk despite losing two legs, the pride of a young Sailor in a hot engine room, the selfless dedication of corpsmen, nurses and doctors caring for the fallen.

Sacrifice and service created and preserve the freedom and opportunity that we enjoy as Americans. Although we aspire to create a world in which violence and aggression have been eliminated, we understand that peace and stability are often secured only when strong nations and good people are willing and prepared to use decisive force against those who threaten it. The Navy and Marine Corps stand ready to do so.

Your commitment to the service of our country and your recognition of the sacrifice of our Sailors, Marines, civilians and their families has been steadfast and is fully reflected in the support of this Committee for our key programs and our people.

I, along with my partners, the Chief of Naval Operations, Admiral Roughead, and the Commandant of the Marine Corps, General Conway, look forward to hearing your thoughts and answering any questions you may have about our budget request or specific programs of interest. I also look forward to working closely with Congress as we move forward to sustain the Navy and Marine Corps as the most formidable expeditionary fighting force in the world.

Thank you and Godspeed.

Chairman INOUYE. And now, may I call upon the Chief of Naval Operations, Admiral Roughead?

STATEMENT OF ADMIRAL GARY ROUGHEAD, CHIEF OF NAVAL OPERATIONS

Admiral ROUGHEAD. Chairman Inouye, Senator Cochran, and members of the subcommittee, it's my honor to appear before you again today, representing more than 600,000 sailors and Navy civilians and our families. Sixty-five thousand of them are deployed, 12,000 on land in the Central Command area of operations, and 55 percent of our fleet is underway, carrying out our maritime strat-

egy, a prescient precursor to the 2010 Quadrennial Defense Review. They are projecting power into Afghanistan, building partnerships in Africa, delivering relief in Haiti, and providing ballistic missile defense in the Arabian Gulf and the eastern Mediterranean, with pride and determination.

They're even deployed in the first littoral combat ship, 2 years ahead of schedule. And in the first weeks of that ship's deployment, they've already seized approximately 4 tons of cocaine with a street value of $89 million.

It is our sailors and Navy civilians who make all things possible; and thanks to your support, we've made important progress in building tomorrow's Navy, remaining ready to fight today, and supporting our sailors, Navy civilians, and families this year. This year's budget submission will take us even further.

As the high demand for our Navy continues apace, we have stabilized end strength, and the tone of the force remains positive. We will continue to aggressively improve wellness programs and medical and social services for our wounded warriors; indeed, all who serve.

Our fleet, unlike other services, is a continuously deployed force that we reset in stride. Conducting routine, indeed regular, maintenance and training is how our ships and aircraft reach their expected service lives. We increased our base budget and overseas contingency operation, or OCO, funding requests for operation and maintenance in fiscal year 2011 over our levels of last year. Our operation and maintenance requests are focused tightly on meeting increased OPTEMPO requirements, sustaining ships and aircraft to reach expected service lives, sustaining flying-hour readiness requirements, and funding price increases. I strongly request your support for full funding of our operation and maintenance accounts.

While we reset, we must also procure ships and aircraft to reach our requirement of more the 313 ships. Last year, we commissioned 9 ships, and over the next decade our plan procures an average of 10 ships per year; significant growth for the near term. For aviation, I remain committed to bringing new capabilities online—the Joint Strike Fighter and unmanned aircraft—and to maintaining the readiness of our current Naval Air Force, all of which give our Nation flexibility and response unencumbered by overseas basing.

Affordability for all our plans will remain fundamental to our decisions. The effectiveness of our unmanned systems, ships, and aircraft is a feature of the systems which connect them. Last year, I brought information capabilities and resources under a single information dominance directorate within the Navy staff, and commissioned Fleet Cyber Command/10th Fleet. I see the benefits of this already.

I'm proud of our Navy's accomplishments last year, and I'm confident we can achieve even more with this year's budget submission. Our risk continues to trend toward significant, and achieving the right balance within and across my priorities remains critical to mitigating it. But, I remain optimistic because of our outstanding sailors and Navy civilians and the spirit of our Nation. We have seen more challenging times, and have emerged prosperous, secure, and free.

PREPARED STATEMENT

I ask that you support our fiscal year 2011 budget request, and I thank you for all you do to make the United States Navy a global force for good, today and into the future.

Thank you, sir.

Chairman INOUYE. I thank you very much, Admiral Roughead.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL GARY ROUGHEAD

Chairman Inouye, Senator Cochran, and members of the Committee, it is my honor and pleasure to appear before you, once again, representing the more than 600,000 Sailors and civilians of the United States Navy. Every day, our dedicated Navy men and women are forward deployed protecting the global commons in every domain: sea, land, air, space, and cyberspace. I appreciate your continued support for them as our Navy protects our Nation and our national interests.

When I signed our Maritime Strategy with General Conway and Admiral Allen more than 2 years ago, I was confident that the strategy would prepare us well for the current and future security environments. Since then, it has guided our operations and investments, and I am further convinced of its relevance to our operations today and of its enduring attributes. The 2010 Quadrennial Defense Review (QDR) validated the underlying principle articulated in the Maritime Strategy that preventing wars is as important as winning wars. The QDR also declared that U.S. security and prosperity are connected to that of the international system, that deterrence is a fundamental military function, and that partnerships are key to U.S. strategy and essential to the stability of global systems. These themes reinforce the tenets of our Maritime Strategy and the six core capabilities it identified for our maritime Services: forward presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster response (HA/DR).

My priorities for the Navy remain unchanged: to build tomorrow's Navy, to remain ready to fight today, and to develop and support our Sailors, Navy civilians, and their families. We are making progress in these areas thanks to your continued support. Some highlights follow.

We added nine new ships to our Fleet in 2009, including U.S.S. *Freedom* (LCS 1), currently on its first deployment, and U.S.S. *Independence* (LCS 2), our second Littoral Combat Ship. We delivered three DDG 51 destroyers and restarted the DDG 51 line to increase surface combatant capacity for maritime security, deterrence, and anti-submarine warfare. We are adapting our force to meet the President's demand for sea-based ballistic missile defense (BMD) of Europe while sustaining our current BMD missions in the Arabian Gulf and Western Pacific. Our Virginia class submarine program continues to excel with the delivery of U.S.S. *New Mexico* (SSN 779) 4 months ahead of schedule. We rolled out our first carrier variant of Joint Strike Fighter (F–35C) aircraft, the timely delivery of which remains essential to fulfilling our strike fighter requirements. We are conducting the first deployment of our Vertical Take Off and Landing Unmanned Aerial Vehicle (VTUAV) and we expect the first test flight of our Navy Unmanned Combat Aerial System demonstrator this year.

In the information and cyberspace domain, I established Fleet Cyber Command/U.S. Tenth Fleet as the global operator of Navy's cyber, networks, cryptology/signals intelligence, information, electronic warfare, and space operations. I restructured the Navy staff to bring all Navy information capabilities and resources under our new Information Dominance Deputy Chief of Naval Operations and created the Navy Information Dominance Corps, integrating more than 45,000 Sailors and civilians from our existing intelligence, information professional, information warfare, meteorology/oceanography, and space communities. About 1,400 of these Sailors are deployed globally as individual augmentees (IAs) today, most supporting operations in the Central Command (CENTCOM) area of responsibility.

More than 40 percent of our Fleet is underway daily, globally present and persistently engaged. Our forward presence enabled the rapid response of our aircraft carrier U.S.S. *Carl Vinson* and numerous other surface and USNS ships, helicopters, and personnel to Haiti to provide humanitarian aid after the devastating earthquake in January. We remain engaged in operations in Afghanistan and in the drawdown of U.S. forces in Iraq. Navy has more than 21,000 active and reserve Sailors on the ground and at sea in CENTCOM. This includes a doubling of our construction battalion (SEABEE) presence in Afghanistan and ongoing IA support to both operations. I recently issued our Navy Vision for Confronting Irregular Chal-

lenges to shape how our Navy will plan for, resource, and deliver a wide range of capabilities to confront irregular challenges associated with regional instability, insurgency, crime, and violent extremism at sea, in the littorals, and on shore.

Our Navy continues to support our people and their families. We are in the process of expanding opportunities for service at sea to women in the Navy by opening to them assignments on submarines for the first time in history. Our Navy has received 19 national awards in the past 18 months for its workforce planning, life-work integration, diversity, and training initiatives. Most notably, Workforce Management magazine awarded Navy the 2009 Optimas Award for General Excellence, which recognized the U.S. Navy as an employer of choice among the ranks of previous distinguished recipients such as Google, Intel, and Hewlett-Packard. We have met or exceeded overall officer and enlisted (active and reserve) recruiting goals for 2009 and we are on track to achieve similar success in 2010. I appreciate the support of Congress for our Fleet and its dedicated Sailors, Navy civilians, and their families that serve our nation every day.

I continue to focus on ensuring our Navy is properly balanced to answer the call now and in the decades to come. Last year, I stated our risk was moderate trending toward significant because of the challenges associated with Fleet capacity, increasing operational requirements, and growing manpower, maintenance, and infrastructure costs. This risk has increased over the last year as trends in each of these areas have continued. We are able to meet the most critical Combatant Commander demands today, but I am increasingly concerned about our ability to meet any additional demands while sustaining the health of the force, conducting essential maintenance and modernization to ensure units reach full service life, and procuring our future Navy so we are prepared to meet the challenges of tomorrow.

The costs to own and operate our Fleet continue to rise due to increasing operational demands, higher maintenance requirements, and growing manpower costs. Over the last decade, the overall size of our active Fleet decreased by more than 30 ships, about 10 percent, and our active duty end strength decreased by about 13 percent, while operational demands globally have grown. Our Navy's high tempo of operations has placed additional stress on our smaller Fleet of Sailors, ships, and aircraft and we are consuming the service life of our Fleet at a higher than expected rate. We are implementing force management measures in the near term to stretch the capacity of our 286-ship force to meet increasing global requirements. Through our Fleet Response Plan, we are tailoring our training and maintenance cycles to generate ready forces, allowing us to meet the most critical Combatant Commander requirements today. The impact of these measures on our Fleet has been felt in longer deployments and shorter dwell times, which increase stress on our Sailors and drive up maintenance requirements and costs for our ships and aircraft. Regular maintenance of our ships and aircraft, and training and certification of our crews between deployments, is essential to our ability to sustain our force. It is how we reset. This "reset in stride" is different from other Services. It ensures our ships and aircraft maintain the required continuous forward presence whether supporting coalition troops in Afghanistan, deterring North Korea and Iran, or providing humanitarian aid in Haiti. For our Navy, continuous reset translates into decades of service for each ship and aircraft, a significant return on investment.

Our reset and readiness are tied directly to our operations and maintenance (O&M) funding. Over the last decade, we have relied upon a combination of base budget and overseas contingency operations (OCO) funding to operate and maintain our Navy. Our fiscal year 2011 OCO request for O&M is tightly focused on supporting our ongoing and increased operations in CENTCOM. Our fiscal year 2011 base budget request for O&M is focused on properly sustaining our ships and aircraft so they reach their expected service life; funding enduring readiness requirements, particularly in aviation; and funding price increases, most notably in fuel, to support our enduring operations. Together, our OCO and base budget O&M requests reflect our commitment to resource current operations while preserving our Fleet for future operations. I ask for your full support of this year's O&M request.

Our fiscal year 2011 budget request achieves the optimal balance among my priorities to build tomorrow's Navy, to remain ready to fight today, and to develop and support our Sailors, Navy civilians, and their families. It supports our Maritime Strategy and the 2010 QDR and continues us on the path we started in fiscal year 2010 to support our forces forward, take care of our people, continue rebalancing our force to meet current and future challenges, and reform how and what we buy. Highlights follow.

BUILD TOMORROW'S NAVY

Since the release of our Maritime Strategy, I have stated that our Navy requires a minimum of 313 ships to meet operational requirements globally. This minimum, a product of our 2005 force structure analysis, remains valid. We are adjusting our requirement to address increased operational demands and expanding requirements, as outlined in the QDR, for ballistic missile defense, intra-theater lift, and forces capable of confronting irregular challenges. Our shipbuilding plan addresses these operational needs by growing our Fleet to 315 ships in 2020 and peaking at 320 ships in 2024. Per the President's direction, we will improve our capacity to conduct sea-based ballistic missile defense of Europe by increasing our inventory of Aegis-capable ships through our restarted DDG 51 production line and modernization of our existing cruisers and destroyers. The funding for these upgrades will deliver the capability and capacity of ships required to perform this mission while maintaining sustainable deployment ratios for our Sailors. To fulfill Combatant Commander requirements for intra-theater lift, we will increase the number of Joint High Speed Vessels (JHSV) in our Fleet; the large payload bays, speed, and shallow draft of these versatile ships make them capable of supporting a wide range of naval missions, including security cooperation, security force assistance, and logistics support. To provide forces capable of confronting irregular challenges, we will continue to pursue the planned number of Littoral Combat Ships, providing a flexible and modular ship optimized for operations close to shore. We are moving from developing a Maritime Prepositioning Force (Future) squadron optimized for high-end, forcible entry operations to augmenting our three existing Maritime Prepositioning Squadrons (MPS) with enhanced sea basing capabilities that are useful across a wide range of military operations. The augmented MPS will support our amphibious warfare force, which we will build to a minimum of 33 ships to increase our capacity to conduct theater security cooperation, sustain combat and assistance operations from the sea, and hedge against future conflict.

We have improved the balance among capability, capacity, affordability, and executabilty in our procurement plans by developing a shipbuilding plan that procures our most needed capabilities, increases Fleet capacity in the near-to-mid-term, and is fiscally executable within the FYDP. It carefully manages increasing levels of operational and institutional risk, recognizing that, for as much as our Navy does to protect our national security and prosperity, the overall economy of our nation undoubtedly does more. I am confident our near-term plan provides the capability and capacity we need to conduct contingency operations and build partner capacity while retaining our ability to deter aggressors, assure allies, and defeat adversaries. Beyond 2024, I am concerned about the decrease in Fleet capacity that will occur as our legacy cruisers, destroyers, submarines, and amphibious ships reach the end of their service lives. Many of these ships were brought into service during the 1980s, when we procured some ship classes at a rate of four to five ships per year. While economic and security conditions are sure to change between now and then, it takes 10 to 15 years to design and build our ships, which then remain in service for 20 to 50 years. A long view is necessary to ensure our Navy has sufficient capacity to protect America's global national interests in the future.

As directed by the QDR, we are working with the Air Force and Marine Corps on an Air Sea Battle concept that will identify the doctrine, procedures, training, organization, and equipment needed for our Navy to counter growing military threats to our freedom of action. This joint effort will help us inform investments and identify future opportunities to better integrate naval and air forces across the entire range of operations. We are already moving forward with the Air Force to streamline capabilities, manpower, and resources related to our unmanned aviation systems. We continue to pursue our unique maritime aviation capabilities in carrier-based strike, anti-submarine warfare, and naval special warfare missions.

Underpinning the capacity and capability of our Fleet is a highly technical and specialized industrial base. A strategic national asset, our shipbuilding and aviation industrial base is essential to sustaining our global Fleet and remains a significant contributor to our nation's economic prosperity. Our shipbuilding industrial base directly supports more than 97,000 uniquely-skilled American jobs and indirectly supports thousands more through second and third tier suppliers. The highly specialized skills in our shipbuilding base take years to develop and, if lost, cannot be easily or quickly replaced. Level loading and predictable ship procurement allow industry to stabilize its workforce and retain the critical skills essential to our national security.

I am committed to reducing the total ownership cost of our Fleet so that what we buy today does not pressurize our ability to operate tomorrow. Significant cost drivers for our Fleet include increasing technical and design complexity, changes in

requirements, reductions in the number of ships procured, and higher labor costs. To reduce these costs, we are pursuing common hull forms and components, open architecture for hardware and software, and increased modularity. Moreover, we are considering total ownership costs in procurement decisions. We are exploring new ways to design our ships with greater affordability throughout their lives, including reducing costs of fuel consumption, maintenance, and manpower and by increasing the efficiency of our maintenance and support processes and organizations. We are leveraging open production lines to deliver proven and required capabilities, such as in our DDG 51 and EA–18G programs. We are promoting longer production runs with our Virginia class SSNs, EA–18G and F/A–18E/F, P–8A, BAMS, and DDG 51 programs. We are capitalizing on repeat builds to control requirements creep and increase predictability with our aircraft carrier, destroyer, and submarine programs. Finally, we are pursuing evolutionary instead of revolutionary designs to deliver required future capabilities. Our future missile defense capable ship, for example, will be developed by spiraling capability into our DDG 51 class ships, instead of designing and building a new cruiser from the keel up.

I remain committed to delivering a balanced and capable Fleet that will meet our national security requirements. I seek your support for the following initiatives and programs:

AVIATION PROGRAMS

Aircraft Carrier Force Structure

The Navy remains firmly committed to maintaining a force of 11 carriers for the next three decades. With the commissioning of U.S.S. *George H.W. Bush* (CVN 77) and inactivation of the 48-year-old U.S.S. *Kitty Hawk* (CV 63), our last conventionally powered aircraft carrier, we now have an all nuclear-powered carrier force. Our carriers enable our nation to respond rapidly, decisively, and globally to project power, as we have done in Iraq and Afghanistan, or to deliver humanitarian assistance, as we have done in Haiti, while operating from a small, yet persistent, footprint that does not impose unnecessary political or logistic burdens on other nations. Our carriers remain a great investment for our nation.

Our eleven-carrier force structure is based on worldwide presence and surge requirements, while also taking into account training and maintenance needs. I thank Congress for granting us a waiver to temporarily reduce our force to ten carriers for the period between the inactivation of U.S.S. *Enterprise* (CVN 65) and the delivery of *Gerald R. Ford* (CVN 78). We will continue to meet operational commitments during this 33-month period by managing carefully carrier deployment and maintenance cycles. After the delivery of CVN 78, we will maintain an eleven-carrier force through the continued refueling program for *Nimitz* class ships and the delivery of our *Ford* class carriers at 5-year intervals starting in 2020.

CVN 78 is the lead ship of our first new class of aircraft carriers in nearly 40 years. Ford class carriers will be our nation's premier forward-deployed asset capable of responding to crises or delivering early decisive striking power in a major combat operation. These new carriers incorporate an innovative new flight deck design that provides greater operational flexibility, reduced manning requirements, and the ability to operate current and future naval aircraft from its deck. Among the new technologies being integrated in these ships is the Electromagnetic Aircraft Launch System (EMALS), which will enable the carrier's increased sortie generation rate and lower total ownership costs. EMALS is on track for an aircraft demonstration later this year and is on schedule to support delivery of CVN 78 in September 2015.

Strike Fighter Capacity: Joint Strike Fighter and F/A–18 E/F

Our Navy remains committed to the Joint Strike Fighter (JSF) program. The timely delivery of the F–35C carrier variant remains critical to our future carrier airwing strike fighter capacity. Our Navy has the necessary tactical aircraft capacity in the near term to support our nation's strategic demands; however, a January 2010 assessment forecasts a decrease in our carrier-based strike fighter capacity that peaks in 2018. We have a plan to address this capacity decrease that involves several management and investment measures.

Our force management measures are targeted at preserving the service life of our existing legacy strike fighter aircraft (F/A–18A–D). We will reduce the number of aircraft available in our squadrons during non-deployed phases to the minimum required. We will reduce our Unit Deployed squadrons (UDP) from twelve aircraft to ten aircraft per squadron to match the corresponding decrease in Marine Corps expeditionary squadrons. We are accelerating the transition of five legacy F/A–18C squadrons to F/A–18 E/F Super Hornets using available F/A–18E/F aircraft and will

transition two additional legacy squadrons using Super Hornet attrition reserve aircraft. These measures make our legacy strike fighter aircraft available for High Flight Hour (HFH) inspections and our Service Life Extension Program, which together will extend their service life and manage to some extent the decrease in our carrier-based strike fighter capacity through 2018. These measures expend the service life of our Super Hornets earlier than programmed, so we are refining our depot level production processes to maximize throughput and return legacy strike fighter aircraft to the Fleet expeditiously. Our fiscal year 2011 budget procures 22 additional F/A–18E/F aircraft.

Our investment measures are targeted at extending the service life of our F/A–18A–D aircraft and procuring Joint Strike Fighter (JSF). HFH inspections, which have been in place for 2 years, provide the ability to extend the service life of our legacy F/A–18A–D aircraft to 8,600 flight hours, while engineering analysis is underway to determine the SLEP requirements necessary to reach the service life extension goal of 10,000 flight hours. The HFH and SLEP programs increase our institutional risk by diverting investment and maintenance funds from other accounts, but they are necessary measures to address our strike fighter decrease while preserving our investment in JSF.

I remain committed to the JSF program because of the advanced sensor, precision strike, firepower, and stealth capabilities JSF will bring to our Fleet. While the overall system demonstration and development schedule for JSF has slipped, we still plan for our squadrons to receive their first JSF airplanes in 2014 and we have not reduced the total number of airplanes we plan to buy. We are monitoring the JSF program closely and managing our existing strike fighter capacity to meet power projection demands until JSF is delivered. Procurement of an alternate engine for JSF increases our risk in this program. The Navy does not have a requirement for an alternate engine, and its additional costs threaten our ability to fund currently planned aircraft procurement quantities, which would exacerbate our anticipated decrease in strike fighter capacity. Our fiscal year 2011 budget request procures seven F–35C aircraft.

EA–18G Growler

The proliferation of technology has allowed state and non-state actors to use the electromagnetic spectrum with increasing sophistication. Airborne Electronic Attack (AEA) provides one of the most flexible offensive capabilities available to the joint warfighter and it remains in high demand in traditional, irregular, and hybrid conflicts. The Navy continues to provide extensive AEA support from our carriers afloat and from our expeditionary EA–6B Prowler squadrons deployed currently to Iraq and Afghanistan.

We are leveraging the mature and proven F/A–18E/F airframe production line to recapitalize our aging EA–6B aircraft with the EA–18G Growler. As directed in the QDR, we are planning to procure an additional 26 EA–18G Growler aircraft across the FYDP to increase joint force capacity to conduct expeditionary electronic attack. Our program of record will buy 114 total EA–18G aircraft, recapitalizing 10 Fleet EA–6B squadrons and four expeditionary squadrons. The program continues to deliver as scheduled. In September, our first EA–18G transition squadron, based at NAS Whidbey Island, reached Initial Operational Capability and it will deploy as an expeditionary squadron later this year. Our fiscal year 2011 budget requests funding for 12 EA–18Gs.

P–3 Orion and P–8A Poseidon Multi-Mission Maritime Aircraft

Your continued support of the P–3 and P–8A force remains essential and is appreciated greatly. Our P–3 Orion roadmap focuses on sustainment and selected modernization until it is replaced by the P–8A Poseidon. These aircraft provide capabilities ideally suited for regional and littoral crises and conflict, and are our pre-eminent airborne capability against submarine threats. Our P–3s are in high demand today for the time-critical intelligence, surveillance and reconnaissance they provide to the joint force on the ground in CENTCOM and for their direct contributions to our maritime domain awareness in key regions across the globe.

P–3 Zone 5 wing fatigue has resulted in the unplanned grounding of 49 aircraft between 2007 and 2009, with more expected. Mitigation measures include a combination of targeted Zone 5 modifications and outer wing replacements. As of December, we have returned 12 aircraft to service after completing Zone 5 modification and 32 aircraft are currently being repaired. As part of our sustainment program, we have included $39.6 million in our fiscal year 2011 budget request to conduct outer wing installations on nine of our P–3 aircraft. P–3 sustainment and modernization programs are critical to ensuring successful transition to the P–8A, while preserving essential maritime and overland battle space awareness.

The P–8A completed it's first Navy test flight this past October and will resume integrated flight testing in March of this year. The P–8A will achieve initial operating capability and begin replacing our aging P–3 aircraft in 2013. Our fiscal year 2011 budget request procures seven P–8A aircraft.

MH–60R/S Multi-Mission Helicopter

The MH–60R and MH–60S successfully completed their first deployment together this past summer with the U.S.S. *John C. Stennis* carrier strike group. The MH–60R multi-mission helicopter replaces the surface combatant-based SH–60B and carrier-based SH–60F with a newly manufactured airframe and enhanced mission systems. With these systems, the MH–60R provides focused surface warfare and anti-submarine warfare capabilities for our strike groups and individual ships. Our fiscal year 2011 budget request procures 24 MH–60R helicopters. The MH–60S supports surface warfare, combat logistics, vertical replenishment, search and rescue, air ambulance, airborne mine counter-measures, and naval special warfare mission areas. Our fiscal year 2011 budget request procures 18 MH–60S helicopters.

SURFACE SHIP PROGRAMS

Littoral Combat Ship (LCS)

LCS is a fast, agile, networked surface combatant that is optimized to support naval and joint force operations in the littorals and capable of supporting open-ocean operations. It will operate with tailored-mission packages to counter quiet diesel submarines, mines, and fast surface craft. The modular and open architecture design of the seaframe and mission modules provides the inherent flexibility to adapt or add capabilities beyond the current Anti-Submarine, Mine Countermeasures, and Surface Warfare missions. These ships will employ a combination of manned helicopters and unmanned aerial, surface, and undersea vehicles.

U.S.S. *Freedom* (LCS 1) has completed her post-delivery testing, trial, and shakedown periods and commenced her maiden deployment in February to Southern Command and Pacific Command. Her deployment 2 years ahead of schedule will allow us to incorporate operational lessons more quickly and effectively as we integrate these ships into our Fleet. U.S.S. *Independence* (LCS 2) completed builder's trials in October 2009 and acceptance trials in November 2009. We accepted delivery of *Independence* on December 18, 2009, and commissioned her January 16, 2010. In March 2009, fixed price contracts were awarded for U.S.S. *Fort Worth* (LCS 3) and U.S.S. *Coronado* (LCS 4) which are now under construction by Lockheed Martin and General Dynamics respectively.

I am impressed and satisfied with the capabilities of both LCS designs and am committed to procuring 55 of these ships. Affordability remains the key factor in acquiring LCS in the quantities we require. After careful review of the fiscal year 2010 industry proposals, consideration of total program costs, and ongoing discussions with Congress, we made the decision to cancel for affordability reasons the Phase II requests for proposals for three fiscal year 2010 LCS ships and adjust our acquisition strategy. In fiscal year 2010, we will conduct a competition among the existing LCS industry participants to down-select to a single LCS design. The winner of the down-select will be awarded a block buy contract for up to 10 ships, to be procured from fiscal year 2010 through fiscal year 2014 at a rate of two ships per year, built in one shipyard. To sustain competition and increase capacity, the winner of the down-select will be required to deliver a Technical Data Package to the Navy to support competition for a second contract source. We plan to award up to five ships to a second source beginning in fiscal year 2012 with one ship and continuing with an additional two ships per year through fiscal year 2014. The winner of the down-select will provide combat systems equipment, up to 15 ship sets, for the ships built by the two contract sources: 10 sets for the 10 ships under contract with the winner of the down-select and up to five additional sets for the five ships being procured by the second contract source. The five additional sets will later be provided as government-furnished equipment to support the second source LCS contract. We intend to procure all future LCS ships within the fiscal year 2010 National Defense Authorization Act (NDAA) revised cost cap. Our down-select strategy leverages competition to the maximum extent practical, provides for economic procurement quantities, improves learning curve and commonality opportunities, and ultimately provides for program stability. We recently issued the requests for proposals for this contract and expect industry bids in March of this year.

Consistent with our new strategy, our fiscal year 2011 budget requests two LCS seaframes and an additional $278 million to secure an LCS block buy, which is essential to lowering unit costs. I request your support as we acquire LCS in the most

cost-effective manner and deliver its innovative capability in sufficient capacity to our Fleet.

Integrated Air and Missile Defense (IAMD)

Integrated Air and Missile Defense (IAMD) incorporates all aspects of air defense against ballistic, anti-ship, and overland cruise missiles. IAMD is vital to the protection of our force, and it is an integral part of our core capability to deter aggression through conventional means. The demand for sea-based ballistic missile defense (BMD) is increasing significantly. The Navy's mature and successfully demonstrated maritime BMD capability will play a primary role in the first phase of our nation's plan to provide for the missile defense of Europe. Aegis BMD counters short, medium, and some intermediate range ballistic missiles through active defense and is able to pass target information to other BMD systems, thereby expanding the BMD battlespace and support of homeland defense. Currently, 20 ships (four cruisers and 16 destroyers) have this capability and are being used to perform maritime BMD. All of the Arleigh Burke class destroyers and nine of the Ticonderoga class cruisers are planned to receive BMD capability through our modernization program.

DDG 51 Restart and Future Surface Combatant

To address the rapid proliferation of ballistic and anti-ship missiles and deep-water submarine threats, as well as increase the capacity of our multipurpose surface ships, we restarted production of our DDG 51 Arleigh Burke class destroyers (Flight IIA series). These ships will be the first constructed with IAMD, providing much-needed Ballistic Missile Defense (BMD) capacity to the Fleet, and they will incorporate the hull, mechanical, and electrical alterations associated with our mature DDG modernization program. We will spiral DDG 51 production to incorporate future integrated air and missile defense capabilities.

We are well underway with restarting DDG 51 production. We awarded advance procurement (AP) contracts for DDG 113 and 114, and expect to award an AP contract for DDG 115 in the coming months, to support the long lead items necessary for production of these ships. I thank Congress for supporting our fiscal year 2010 budget, which funded construction of DDG 113. We anticipate a contract award for DDG 113 production this Spring. Our fiscal year 2011 budget requests funding for the construction of DDG 114 and DDG 115 as part of our plan to build a total of eight DDG 51 ships through the FYDP.

The Navy, in consultation with the Office of the Secretary of Defense, conducted a Radar/Hull Study for future surface combatants that analyzed the total ship system solution necessary to meet our IAMD requirements while balancing affordability and capacity in our surface Fleet. The study concluded that Navy should integrate the Air and Missile Defense Radar program S Band radar (AMDR–S), SPY–3 (X Band radar), and Aegis Advanced Capability Build (ACB) combat system into a DDG 51 hull. While our Radar/Hull Study indicated that both DDG 51 and DDG 1000 were able to support our preferred radar systems, leveraging the DDG 51 hull was the most affordable option. Accordingly, our fiscal year 2011 budget cancels the next generation cruiser program due to projected high cost and risk in technology and design of this ship. I request your support as we invest in spiraling the capabilities of our DDG 51 class from our Flight IIA Arleigh Burke ships to Flight III ships, which will be our future IAMD-capable surface combatant. We will procure the first Flight III ship in fiscal year 2016.

Modernization

As threats evolve, we must modernize our existing ships with updated capabilities that sustain our combat effectiveness and enable our ships to reach their expected service life, which in the case of our destroyers and cruisers, is more than three decades. Our destroyer and cruiser modernization program includes advances in standard missiles, integrated air and missile defense, open architecture, and essential hull, mechanical and electrical (HM&E) upgrades. Maintaining the stability of the cruiser and destroyer modernization program is critical to achieving relevant future Navy capability and capacity.

Our Navy plans to conduct DDG modernization in two 6-month availabilities. The first availability is focused on HM&E modifications, while the second availability, conducted 2 years later, is focused on combat systems modernization. The program will commence in fiscal year 2010 and focuses on the Flight I and II DDG 51 ships (hulls 51–78). All ships of the class will be modernized at midlife. Key tenets of the DDG modernization program include: an upgrade of the Aegis Weapons System to include an Open Architecture (OA) computing environment, an upgrade of the SPY radar signal processor, the addition of Ballistic Missile Defense capability, installation of the Evolved Sea Sparrow Missile (ESSM), an upgraded SQQ–89A(V)15 anti-submarine warfare system, integration with the SM–6 Missile, and improved air

dominance with processing upgrades and Naval Integrated Fire Control-Counter Air capability.

The Cruiser Modernization Program will modernize all remaining cruisers (Baseline 2, 3, and 4). The first fully modernized cruiser, U.S.S. *Bunker Hill* (CG 52), was completed in June 2009. The key aspects of the CG modernization program include: an upgrade to the Aegis weapons system to include an OA computing environment, installation of an SPQ–9B radar, addition of the Evolved Sea Sparrow Missile (ESSM), an upgrade to Close In Weapon System (CIWS) Block 1B, an upgraded SQQ–89A(V)15 anti-submarine warfare system, and improved air dominance with processing upgrades and Naval Integrated Fire Control-Counter Air capability. Six Baseline 4 cruisers will receive the Ballistic Missile Defense upgrade.

Our fiscal year 2011 budget requests funding for the modernization of three cruisers and three destroyers.

DDG 1000

The DDG 1000 Zumwalt guided missile destroyer will be an optimally crewed, multi-mission surface combatant designed to fulfill long-range precision land attack requirements. In addition to providing offensive, distributed and precision fires in support of forces ashore, these ships will serve as test-beds for advanced technology, such as integrated power systems, dual band radars, and advanced survivability features, which can be incorporated into our other ship classes. The first DDG 1000 is under construction and approximately 20 percent complete. We recently notified Congress of a Nunn-McCurdy breach in this program as a result of our decision to reduce the number of DDG 1000s in the original program. DDG 1000 will be a three-ship class. It is scheduled to deliver in fiscal year 2013 with an initial operating capability in fiscal year 2015.

Joint High Speed Vessel (JHSV)

Intra-theater lift is key to enabling the United States to rapidly project, maneuver, and sustain military forces in distant, overseas operations. The Joint High Speed Vessel (JHSV) program is an Army and Navy joint program that will deliver a high-speed, shallow draft surface ship capable of rapid transport of medium payloads of cargo and personnel within a theater to austere ports without reliance on port infrastructure for load/offload. In addition, the Navy JHSV will be capable of supporting extensive Security Force Assistance and Theater Security Cooperation operations, including the hosting of small craft for training. A JHSV Production Readiness Review was completed in October 2009 and the first vessel construction began this past December with an anticipated delivery to the Army in fiscal year 2012. The second ship, a Navy vessel, is scheduled to be delivered in 2013. Our fiscal year 2011 budget includes funds for the construction of Navy's third JHSV. Navy continues oversight of JHSV procurement for the five Army-funded vessels in this program. The Army assumes full responsibility for these five vessels following acquisition.

SUBMARINE PROGRAMS

Virginia Class SSN

The Virginia class submarine is a multi-mission submarine that dominates in the littorals and open oceans. Now in its 13th year of construction, the Virginia program is demonstrating that this critical undersea capability can be delivered affordably and on time. Thanks to Congress, these ships will begin construction at a rate of two a year in 2011, with two ship deliveries per year beginning in 2017. The Navy continues to realize a return from investments in the Virginia cost reduction program and construction process improvements through enhanced shipbuilder performance on each successive ship. These submarines are under budget and ahead of schedule, and their performance continues to exceed expectations with every ship delivered. Three of the five commissioned ships completed initial deployments prior to their Post Shakedown Availabilities, a first for the Navy. I am pleased with the accomplishments of the combined Navy-Industry team and look forward to even greater success as we ramp up production to two submarines next year.

SSGN

Our Navy has four guided missile submarines that provide high-volume strike and irregular warfare capabilities in support of operations and missions across the broad spectrum of conflict. SSGNs are performing well on deployment, and we are learning valuable lessons from each mission. Combatant Commanders value the long-range strike capability they provide and we are investigating options to sustain this capability in the most operationally and cost effective manner, to include options for expanding the long-range strike capacity of the submarine fleet.

SSBN and OHIO Replacement

Our Navy supports the nation's nuclear deterrence capability with a credible and survivable fleet of 14 Ohio class ballistic missile submarines (SSBN). Originally designed for a 30-year service life, this class will start retiring in 2027 after more than 42 years of service.

The United States needs a reliable and survivable sea-based strategic deterrent for the foreseeable future. To ensure there is no gap in this critical capability, our fiscal year 2011 budget requests research and development funds for the Ohio Replacement to support the start of construction of the first ship in fiscal year 2019. The Ohio Replacement will be a strategic, national asset with the endurance and stealth to enable our Navy to provide continuous, survivable strategic deterrence into the 2080s. Appropriate R&D investment is essential to design a reliable, survivable, and adaptable submarine capable of deterring all potential adversaries. We completed our Analysis of Alternatives study in 2009, and Milestone A is planned for April 2010. The Ohio replacement program will leverage the many successes of the Virginia SSN program to achieve acquisition and total ownership cost goals. The United States will realize significant program benefits as a result of our close partnership with the United Kingdom's Vanguard SSBN replacement program, particularly in the design and construction of a common missile compartment. Our cooperation with the U.K. mitigates technical risk and shares design costs.

AMPHIBIOUS WARFARE SHIPS

Our amphibious warfare ships provide essential capabilities for the full range of military operations, including theater security cooperation, humanitarian assistance, conventional deterrence, and forcible entry as part of major combat operations. With the unique capability to move hundreds of personnel and substantial material through complementary surface and air capabilities, these ships are key to our ability to overcome geographic, political, and infrastructure impediments to access. The Commandant of the Marine Corps and I have determined that a minimum of 33 amphibious assault ships represents the limit of acceptable risk in meeting the 38-ship requirement for supporting a forcible entry operation conducted by an assault echelon of two Marine Expeditionary Brigades (MEB). Our 33-ship force would be comprised of 11 LHA/D amphibious assault ships and a mix of 11 LPD 17 amphibious transport dock ships and 11 LSD dock landing ships. At this capacity, we are accepting risk in the speed of arrival of the combat support elements of the MEB. The QDR and our 30-Year Shipbuilding Plan account for 29–31 amphibious warfare ships within the FYDP. We plan to procure the 11th LPD 17 in 2012, which will allow us to realize a 33-ship minimum amphibious force in about fiscal year 2016. We continue to review options to achieve and sustain the minimum 33 amphibious ship assault echelon force.

LPD 17 Class Amphibious Warfare Ship

The LPD 17 class amphibious warfare ships represent the Navy and Marine Corps commitment to an expeditionary Fleet capable of power projection, security force assistance, and theater security cooperation in diverse operating environments. These ships have a 40-year expected service life and will replace four classes of older ships: the LKA, LST, LSD 36, and the LPD 4. Two LPD 17 class ships have completed their initial deployments, and U.S.S. *New York* (LPD 21), forged with steel from the World Trade Center, delivered in November 2009. We continue to apply the lessons learned during construction and initial operation of the early ships to those under construction. Quality is improving with each ship delivered as we continue to work closely with the shipbuilder to address cost, schedule, and performance concerns.

LHA Replacement (LHA(R))

LHA(R) is the replacement for our aging Tarawa class ships, which will reach the end of their already extended service life between 2011–2015. LHA(R) will provide us flexible, multi-mission amphibious capabilities by leveraging the LHD 8 design and increasing aviation capacity to better accommodate the Joint Strike Fighter, MV–22, and other aircraft that comprise the future Marine Corps Air Combat Element. We laid the keel of the lead ship, U.S.S. *America* (LHA 6), in April 2009 and our fiscal year 2011 budget includes one LHA(R) which is split-funded in fiscal year 2011 and fiscal year 2012.

Mobile Landing Platform (MLP) and Future Maritime Preposition Force (MPF(F))

The MPF(F) program was envisioned as a forward-deployed squadron of ships capable of at-sea assembly and rapid employment of forces in an area of interest during a crisis. Our requirement for amphibious and joint forcible entry operations was

reevaluated during the QDR and, as a result, we have adjusted our approach to augment our three existing Maritime Prepositioning Squadrons (MPS) instead of developing an MPF(F) squadron. MPF(F) was optimized for high-end, forcible entry operations, while the augmented MPS will provide enhanced sea basing capabilities across a wide range of contingency operations. Each existing MPS will be augmented by one Large Medium-Speed Roll-on/Roll-off (LMSR) cargo ship (transferred from the Army), a T–AKE combat logistics ship, and a new Mobile Landing Platform (MLP). The MLP will be based on existing designs for commercial ocean-going tankers and will meet most of the mission requirements envisioned for the original MLP design. The three augmented MPS reflect the QDR's emphasis on day-to-day deterrence and partner capacity building, while continuing to meet forcible entry needs. Our fiscal year 2011 budget request procures one MLP.

INFORMATION DOMINANCE PROGRAMS

Unmanned Aircraft Systems (UAS)

We are investing in unmanned aircraft to meet an increasing warfighter demand for Intelligence, Surveillance and Reconnaissance (ISR), and we are making technology investments to expand UAS operations to other mission areas. The Broad Area Maritime Surveillance (BAMS) UAS will enhance our situational awareness and shorten the sensor-to-shooter kill chain by providing persistent, multiple-sensor capabilities to Fleet and Joint Commanders. The Vertical Take-off and Landing Tactical Unmanned Air Vehicle (VTUAV) Fire Scout is on its first deployment aboard the U.S.S. *McInerney* (FFG 8). We are developing a medium endurance maritime-based UAS and a Small Tactical Unmanned Aerial System (STUAS) that will support a variety of ships, Naval Special Warfare and Navy Expeditionary Combat Command units, and Marine Corps elements.

The Navy Unmanned Combat Aircraft System demonstration (UCAS–D) is designed to prove carrier suitability of an autonomous, unmanned, low observable, carrier-based aircraft. This effort includes maturing technologies for aircraft carrier catapult launches and arrested landings, as well integration into carrier-controlled airspace. Initial flight tests to demonstrate carrier suitability are scheduled to start later this year and autonomous aerial refueling demonstrations are planned for 2013. We will leverage the lessons learned from operating the demonstrator in developing a low-observable unmanned carrier-launched airborne strike and surveillance system.

Mobile User Objective System (MUOS)

Our Maritime Strategy demands a flexible, interoperable, and secure global communications capability that can support the command and control requirements of highly mobile and distributed U.S. and coalition forces. Satellite communications give deployed forces a decisive military advantage and often offer the only communication means to support on-going operations. Rapidly expanding joint demand for more access at ever-higher data rates requires moving beyond our current legacy Ultra High Frequency (UHF) satellite capabilities. The Mobile User Objective System (MUOS) will satisfy those demands when initial operational capability is reached in fiscal year 2012. I request your continued support of MUOS and the critical UHF satellite communication capability it will provide to the joint warfighter as the aging UHF Follow-On (UFO) constellation degrades.

Next Generation Enterprise Network (NGEN)

The Navy is continuing its transition from disparate independent computer networks to a single secure network environment. We are currently evolving our ashore network from the Navy Marine Corps Intranet (NMCI), the largest intranet in the world, to the Next Generation Enterprise Network (NGEN). NGEN Increment 1 is the follow-on to the existing NMCI contract, which expires at the end of fiscal year 2010. NGEN will sustain the services currently provided by NMCI, while increasing government command and control of our network and enabling secure, reliable, and adaptable global information exchange. Future NGEN increments will expand on services currently provided by NMCI and support seamless transition between afloat and ashore environments. A continuity of services contract is expected to be awarded this spring and NGEN Initial Operating Capability is scheduled for the summer of 2012.

E–2D Advanced Hawkeye

The E–2D Advanced Hawkeye aircraft, which replaces the E–2C, will improve nearly every facet of tactical air operations and add overland and littoral surveillance to support theater Integrated Air and Missile Defense against air threats in high clutter, complex electro-magnetic and jamming environments. The airborne

radar on the E–2D, with its improved surveillance capability, is a key pillar of the Navy Integrated Fire Control concept. The E–2D is scheduled to begin operational test and evaluation in 2012. The first Fleet squadron transition is planned for 2013, with deployment planned for October 2014. Our fiscal year 2011 budget requests four E–2D Hawkeye aircraft.

REMAIN READY TO FIGHT TODAY

Our Navy continues to operate at a high tempo. We are filling new Combatant Commander requirements for ballistic missile defense, electronic attack, intelligence, surveillance, and reconnaissance (ISR), combat support, combat service support, and maritime security force assistance, in addition to conducting ongoing deployments in support of our maritime and national strategies.

In CENTCOM alone, we have more than 9,000 Sailors at sea, including a U.S. Navy aircraft carrier and air wing dedicated to providing 24/7 air support to U.S. and coalition forces on the ground. Navy Riverine forces are on their sixth deployment to Iraq, conducting interdiction patrols and training their Iraqi counterparts. Our surface ships in the region are providing ballistic missile defense and conducting counter-terrorism, counter-piracy, maritime security, theater security cooperation, and security force assistance operations. On the ground in CENTCOM, we have more than 12,000 active and reserve Sailors supporting Navy, joint force, and coalition operations. Navy Commanders lead seven of the 13 U.S.-led Provincial Reconstruction Teams in Afghanistan. We have doubled our construction battalions (SEABEEs) in Afghanistan, increasing our capacity to build forward bases for U.S. forces and improve critical infrastructure in that country. Our Naval Special Warfare Teams continue to be engaged heavily in direct combat operations and our Explosive Ordnance Disposal teams continue to conduct life-saving counter-Improvised Explosive Device operations on a daily basis. As we shift our effort from Iraq to Afghanistan, demand for Navy individual augmentees (IAs) has grown. We are providing IAs to support the increase of U.S. forces in Afghanistan while our IAs in Iraq remain at current levels to support the withdrawal of U.S. combat troops, maintain detention facilities and critical infrastructure, and assist coalition efforts until they can be turned over to Iraqi forces. During my recent trip to CENTCOM, I met with many of our dedicated Navy men and women supporting these efforts and I could not be more proud of their contributions. Their expert skill, ingenuity, competence, and drive are impressive and unmatched.

Our high tempo will likely continue as combat forces draw down in Iraq and Afghanistan. Navy enabling forces will remain in CENTCOM to provide protection, ISR, and logistics support to our troops and partner forces in the region, while we will continue to maintain a forward-deployed presence of about 100 ships around the world to prevent conflict, increase interoperability with our allies, enhance the maritime security and capacity of our traditional and emerging partners, and respond to crises. Global demand for Navy forces remains high and continues to rise because of the unequalled and unique ability of our naval forces to overcome diplomatic, geographic, and military impediments to access while bringing the persistence, flexibility, and agility to conduct operations from the sea.

Reset in stride is how our Navy prepares our Fleet to deploy again. Lifecycle maintenance and training between deployments is essential to our reset and to the ability of our ships and aircraft to reach their expected service lives. Although we are on pace to grow our Fleet for the next 10 years, our Fleet reduced in size over the past decade. As a result, while we continue to maintain the same number of ships at sea assigned to Combatant Commanders, we have a historically low number of ships available for at-sea training, exercises, and surge operations. Our fiscal year 2011 budget request balances the need to meet increasing operational requirements, sustain our Sailors' proficiency, and conduct the maintenance required to ensure our ships and aircraft reach their full service lives. Highlights follow of initiatives that ensure our Navy remains ready to fight today.

Depot Level Maintenance

Our ships and aircraft are capital assets that operate in challenging physical and security environments. Keeping these assets in acceptable operating condition is vital to their ability to accomplish assigned missions and to reach their expected service lives. Timely depot level maintenance, performed in a cycle determined by an engineered assessment of expected material durability and scoped by actual physical condition, will preserve our existing force structure and ensure it can meet assigned tasking. Continued investment in depot level maintenance is essential to our efforts to achieve and sustain the force structure required to implement the Maritime Strategy.

Last year, I established the Surface Ship Life Cycle Management (SSLCM) Activity to address deficiencies in our ship class maintenance plans that could prevent our ships from reaching their full service life. SSLCM has established an engineered approach to surface ship maintenance that optimizes existing maintenance availability work packages and better tracks ship material condition through robust inspections and corrosion control tasks. We accelerated our review of the requirements for certain ship classes, significantly improving the accuracy of our surface ship maintenance requirements in fiscal year 2011 over prior years. We are committed to a full review of all surface ship class maintenance plans, which will take several years. The value of investing in an engineered approach to maintenance is evident in our submarine force, where we have successfully extended the time between scheduled availabilities based on demonstrated material conditions and verification of engineering analysis. Because we have invested in this engineering and planning effort, we have been able to safely recover additional operational availability and reduce the overall depot level maintenance requirement for our submarines. This significant step has provided some of the resources needed to make additional investments in surface ship maintenance.

Our combined fiscal year 2011 budget funds 99 percent of the projected depot ship maintenance requirements necessary to sustain our Navy's global presence. Our budget funds aviation depot maintenance to provide 100 percent of the airframes for deployed squadrons and 96 percent of the non-deployed airframes. I request that you fully support our baseline and contingency funding requests for operations and maintenance to ensure the effectiveness of our force, safety of our Sailors, and longevity of our ships and aircraft.

Shore Readiness

Our shore infrastructure is a fundamental enabler of our operational and combat readiness and is essential to the quality of life and quality of work for our Sailors, Navy civilians, and their families. As I described last year, rising manpower costs and growing operational demands on our aging Fleet have led our Navy to take risk in shore readiness. This risk increases our maintenance, sustainment, restoration, and modernization requirements and continues our reliance on old and less efficient energy systems. These factors increase the cost of ownership of our shore infrastructure and outpace our efforts to reduce costs through facilities improvements and energy upgrades. At our current investment levels, our future shore readiness, particularly the recapitalization of our facilities infrastructure, is at risk.

To manage our risk in shore infrastructure, our fiscal year 2011 budget request prioritizes funding for our most critical needs, including Navy and Joint mission readiness, nuclear weapons security and safety, and improving our bachelor quarters through sustained funding for our Homeport Ashore initiative. To guide investment in other areas ashore, we continue to pursue our capabilities-based Shore Investment Strategy, which targets our investment in shore infrastructure to where it will produce the highest return on investment and have the greatest impact on achieving our strategic and operational objectives, such as in areas that enable critical warfighting capabilities, improve quality of life, and fulfill Joint requirements.

We have made essential progress and improvements in nuclear weapons security, child care facilities, and bachelor's quarters. Thank you for funding all our requested military construction projects in 2010, as well as 19 additional projects and our Reserve program. Your support allowed us to address ship, aircraft, systems, infrastructure, and training requirements, while enhancing the quality of life and quality of service for our Sailors and their families. Your similar support and assistance through the American Recovery and Reinvestment Act of 2009 was also very helpful. As you requested, we identified Military Construction projects for Child Development Centers and barracks and prioritized them according to operational need and the ability to obligate funds quickly. We selected infrastructure and energy projects based on mission requirements, quality of life impact, environmental planning status, and our ability to execute quickly. Our aggressive execution schedule is on track; we have awarded all but one of our 85 initial projects and construction outlays are ramping up swiftly.

Training Readiness

Our Fleet Synthetic Training (FST) program provides realistic operational training with seamless integration of geographically dispersed Navy, Joint, Interagency and Coalition forces. Using virtual and constructive training environments has allowed us to reduce our energy consumption and greenhouse gas emissions while providing the level of sophistication necessary to prepare our Sailors for operational and tactical mission proficiency. We continue to evolve FST to provide our Sailors with exposure to a multitude of warfare areas. Last year, we conducted our first

BMD Fleet Synthetic Training event, proving the viability and effectiveness of integrated Navy, Joint and partner-nation BMD training.

The proliferation of advanced, stealthy, nuclear and non-nuclear submarines continues to challenge our Navy's ability to guarantee the access and safety of joint forces. Effective Anti-Submarine Warfare (ASW) training with active sonar systems is vital to meeting potential threats. The Navy remains a world leader in marine mammal research and we will continue our robust investment in this research in fiscal year 2011 and beyond. Through such efforts, and in full consultation and cooperation with other Federal agencies, Navy has developed effective measures that protect marine mammals and the ocean environment from adverse impacts of mid-frequency active (MFA) sonar while not impeding vital Navy training. We continue to work closely with our interagency partners to further refine our protective measures as scientific knowledge evolves. It is vitally important that any such measures ensure the continued flexibility necessary to respond to future, potentially unforeseen national security requirements.

Over the last year, we completed environmental planning for seven existing and proposed at-sea training and combat certification areas. We expect to complete planning for another six areas by the end of 2010 as we continue to balance our responsibility to prepare naval forces for deployment and combat operations with our responsibility to be good stewards of the marine environment.

Conducting night and day field carrier landing practice (FCLP) prior to at-sea carrier qualifications is a critical training requirement for our fixed-wing carrier-based pilots, who must develop and maintain proficiency in the fundamentals necessary to conduct safe carrier-based flight operations. We continue to seek additional airfield capacity in the form of an outlying landing field (OLF) that will enhance our ability to support FCLP training for fixed-wing, carrier pilots operating from Naval Air Station Oceana and Naval Station Norfolk. The additional OLF will allow Navy to meet training requirements and overcome challenges related to capacity limits, urban encroachment, and impacts from adverse weather conditions at existing East Coast facilities. In August 2009, the Navy announced that the release of the draft environmental impact statement (EIS) for construction and operation of an OLF would be delayed. This delay was necessary to ensure Joint Strike Fighter noise analysis is included in the OLF draft EIS. The Navy is committed to developing, with local, state, and Federal leaders, a plan to ensure the OLF provides positive benefits to local communities while addressing Navy training shortfalls.

Energy and Climate

Energy reform is a strategic imperative. The Secretary of the Navy and I are committed to changing the way we do business to realize an energy-secure future. In alignment with the Secretary of the Navy's five goals, our priorities are to advance energy security by improving combat capability, assuring mobility, "lightening the load", and greening our footprint. We will achieve these goals through energy efficiency improvements, consumption reduction initiatives, and adoption of alternative energy and fuels. Reducing our reliance on fossil fuels will improve our combat capability by increasing time on station, reducing time spent alongside replenishment ships, and producing more effective and powerful future weapons. Most of our projects remain in the demonstration phase; however, we are making good progress in the form of hybrid-electric drive, delivered last year on the U.S.S. *Makin Island* (LHD 8), bio-fuel engines, advanced hull and propeller coatings, solid state lighting, and policies that encourage Sailors to reduce their consumption through simple changes in behavior.

Thanks to your support, the American Reinvestment and Recovery Act (ARRA) funded Navy energy conservation and renewable energy investment in 11 tactical and 42 shore-based projects totaling $455 million. Tactical projects included alternative fuel, drive, and power systems, while ashore projects included alternative energy (wind, solar and geothermal) investments in ten states and the installation of advance metering infrastructure in three regions. Our fiscal year 2011 budget continues to invest in tactical and ashore energy initiatives, requesting $128 million for these efforts.

In our Maritime Strategy we addressed maritime operations in an era of climate change, especially in the ice diminished Arctic. In May 2009, I established the Navy's Task Force on Climate Change (TFCC) to develop policy, investment, and force-structure recommendations regarding climate change in the Arctic and globally over the long-term. Our focus will be to ensure Navy readiness and capability in a changing global environment.

Second East Coast Carrier-capable Port

Hampton Roads is the only nuclear carrier capable port on the East Coast. A catastrophic event in the Hampton Roads Area affecting port facilities, shipping channels, supporting maintenance or training infrastructure, or the surrounding community has the potential to severely limit East Coast Carrier operations, even if the ships themselves are not affected. Consistent with today's dispersal of West Coast aircraft carriers between California and Washington State, the QDR direction to make Naval Station Mayport a nuclear carrier-capable homeport addresses the Navy's requirement for a capable facility to maintain aircraft carriers in the event that a natural or manmade disaster makes the Hampton Roads area inaccessible. While there is an upfront cost to upgrade Naval Station Mayport to support our nuclear aircraft carriers, Mayport has been a carrier homeport since 1952 and is the most cost-effective means to achieve strategic dispersal on the East Coast. The national security benefits of this additional homeport far outweigh those costs.

United Nations Convention on the Law of the Sea

The Law of the Sea Convention codifies navigation and overflight rights and high seas freedoms that are essential for the global mobility of our armed forces. It directly supports our national security interests. Not being a party to this Convention constrains efforts to develop enduring maritime partnerships, inhibits efforts to expand the Proliferation Security Initiative, and elevates the level of risk for our Sailors as they undertake operations to preserve navigation rights and freedoms, particularly in areas such as the Strait of Hormuz and Arabian Gulf, and the East and South China Seas. By becoming a party to the Convention, the United States will be able to expand its sovereign rights to the increasingly accessible outer continental shelf areas of the resource rich environment of the Arctic, as well as in other locations where technological advances are opening up previously unobtainable resources. Accession to the Law of the Sea Convention remains a priority for our Navy.

DEVELOP AND SUPPORT OUR SAILORS, NAVY CIVILIANS AND THEIR FAMILIES

Our Sailors, Navy civilians, and their families underpin our Maritime Strategy and are the foundation of our nation's global force for good. We have great ships, aircraft, weapons, and systems, but it is our skilled and innovative Sailors who turn these ships, aircraft, and technologies into capabilities that can prevent conflict and win wars. In January 2010, we released the Navy Total Force Vision for the 21st century to guide our efforts to attract, recruit, develop, assign, and retain a highly-skilled workforce and reaffirm our commitment to supporting our uniformed and civilian people wherever they serve and live.

We have transitioned from reducing end strength to stabilizing our force through a series of performance-based measures. Our stabilization efforts remain focused on maintaining a balanced force in terms of seniority, experience, and skills while supporting growth in high-demand areas such as cyber and special operations. We recognize the importance of retaining the talent and experience of our Sailors after they complete their active duty obligation so we are actively removing barriers associated with the transition between active and reserve careers to allow for a continuum of service over a lifetime. Our fiscal year 2011 budget requests authorization and funding for 328,700 active end strength and 65,500 reserve end strength. We continue to request OCO funding for our individual augmentees that are performing non-core Navy missions in support of contingency operations in Iraq and Afghanistan. OCO funding remains critical to our ability to meet these missions without adversely impacting Fleet readiness or Sailor dwell time.

We continue to provide support to our Sailors and their families, including those who are wounded, ill and injured, through expanded Fleet and Family Support services, Navy Safe Harbor, and our Operational Stress Control program. We are addressing aggressively the recent rise in suicide rates by implementing new training and outreach programs for Fleet commanders, Sailors, and Navy families to increase suicide awareness and prevention. We are focused on reducing sexual assaults in our Navy through our new Sexual Assault Prevention and Response Office and initiatives that emphasize our intolerance for sexual assault and related behavior in our Navy. We remain committed to helping our Sailors balance work and family commitments through initiatives such as 12-month operational deferments for new mothers (the most comprehensive policy of all military services), 21 days of administrative leave for adoptive parents, 10 days of paternity leave, a Career Intermission pilot program, and flexible work options. I continue to emphasize diversity outreach and mentorship to ensure we attract, leverage, and retain the diverse talent of our nation. Diversity among U.S. Naval Academy and Navy Reserve Officer Training

Corps (NROTC) applicants and graduates continues to grow each year. Through our Naval War College and Naval Postgraduate School, we are providing Joint Professional Military Education and world-class higher education and training to our Sailors. We continue to build our Foreign Area Officer program to strengthen existing and emerging international partnerships.

Our fiscal year 2011 budget request represents a balanced approach to supporting our Sailors and their families, sustaining the high tempo of current operations, and preserving Fleet and family readiness. I request the continued support of Congress for our fiscal year 2011 manpower and personnel initiatives.

Recruiting and Retention

Our Navy has attracted, recruited and retained a highly-skilled workforce over the past several years, and we expect this success to continue into fiscal year 2011. Fiscal year 2009 marked the second consecutive year Navy achieved its aggregate officer and enlisted recruiting goals in both the active and reserve components. At the forefront of this effort is our highly trained and professional recruiting force, which has postured us to respond to changing trends. We continue to attract the highest quality enlisted recruits in our history. We are exceeding DOD and Navy standards for the percentage of non-prior service enlisted recruits who have earned a high school diploma and whose test scores are in the upper mental group category. We met the Navy standard of 95 percent of recruits with a high school diploma in fiscal year 2009 and are currently at 96 percent this fiscal year. We exceeded the Navy standard of 70 percent of recruits in the upper mental group category in fiscal year 2009 (77 percent tested into this group) and we are currently at 78 percent this fiscal year.

Navy will remain competitive in the employment market through the disciplined use of monetary and non-monetary incentives. Using a targeted approach, we will continue our recruiting and retention initiatives to attract and retain our best Sailors, especially those within high-demand, critical skill areas that remain insulated from economic conditions. Judicious use of special and incentive pays remains essential to recruiting and retaining these professionals in the current economic environment, and will increase in importance as the economic recovery continues. Our goal remains to maintain a balanced force, in which seniority, experience, and skills are matched to requirements.

Diversity

Our Navy draws its strength and innovation from the diversity of our nation. We continue to aggressively expand our diversity. We are committed to implementing policies and programs that foster a Navy Total Force composition that reflects America's diversity. We have increased diverse accessions through targeted recruiting in diverse markets, developed relationships with key influencers in the top diverse metropolitan markets, and are aligning all Navy assets and related organizations to maximize our connection with educators, business leaders and government officials to increase our influencer base. Recruiting and retaining a diverse workforce, reflective of the nation's demographics at all levels of the chain of command, is a strategic imperative, critical to mission accomplishment, and remains focus area for leaders throughout our Navy.

We continue to expand our relationships with key influencers and science, technology, engineering, and mathematics (STEM)-based affinity groups to inform our nation's youth about the unique opportunities available in our Navy. To increase our accessibility to diverse markets, we established NROTC units at Arizona State University and Tuskegee University. Tuskegee University accepted students in the fall of 2009, and ASU will accept students in the fall of 2010. Our diversity outreach efforts have contributed to our 2013 U.S. Naval Academy and NROTC classes being the most diverse student bodies in our history. In the years ahead, we will continue to focus our efforts on retaining this talent by building and sustaining a continuum of mentorship approach that reaches out and engages Sailors throughout their career. This approaches includes social networking, strong relationships with affinity groups, and various programs offered by our Sailors' immediate commands and associated leadership in addition to their respective enterprises and communities.

Women on Submarines

The Secretary of the Navy and I are in the process of changing the Navy policy that restricts women from serving aboard our submarines. This move will enable our Navy and, specifically, our submarine force to leverage the tremendous talent and potential of our female officers and enlisted personnel. Initial integration will include female officers assigned to ballistic missile (SSBN) and guided missile (SSGN) submarines, since officer accommodations on these submarines have more available space and appear to require less modification. The plan also integrates fe-

male supply corps officers onto SSBNs and SSGNs at the department head level. We are planning the first female submarine officer candidate accessions into the standard nuclear training and submarine training pipelines this year, making it possible to assign the first women to submarines as early as fiscal year 2012. Integration of enlisted females on SSBNs and SSGNs and integration of officer and enlisted female personnel on attack submarines (SSNs) will occur later, once the extent of necessary modifications is determined. This initiative has my personal attention and I will continue to keep you informed as we integrate these highly motivated and capable officers into our submarine force.

Sailor and Family Continuum of Care

We remain committed to providing our Sailors and their families a comprehensive continuum of care that addresses all aspects of medical, physical, psychological, and family readiness. Our fiscal year 2011 budget request expands this network of services and caregivers to ensure that all Sailors and their families receive the highest quality healthcare available. Navy Safe Harbor, Navy's Operational Stress Control Program, Reserve Psychological Health Outreach Program, Warrior Transition Program, and Returning Warrior Workshop are critical elements of this continuum.

Navy Safe Harbor continues to provide non-medical support for all seriously wounded, ill, and injured Sailors, Coast Guardsmen, and their families through a network of Recovery Care Coordinators and non-medical Care Managers at 16 locations across the country. Over the past year, Safe Harbor's enrollment has grown from 387 to 542. Over 84,000 Sailors have participated in Operational Stress Control (OSC) training, which is providing a comprehensive approach designed to actively promote the psychological health of Sailors and their families throughout their careers while reducing the traditional stigma associated with seeking help. The Warrior Transition Program (WTP) and Returning Warrior Workshops (RWW) are essential to post-deployment reintegration efforts. WTP, established in Kuwait and expanded via Mobile Care Teams to Iraq and Afghanistan, provides a place and time for individual augmentees to decompress and transition from life in a war zone to resumption of life at home. The RWW identifies problems, encourages Sailors to share their experiences, refers family members to essential resources, and facilitates the demobilization process.

Stress on the Force

As we continue to operate at a high operational tempo to meet our nation's demands in the Middle East and around the world, the tone of the force remains positive. We continue to monitor the health of the force by tracking statistics on personal and family-related indicators such as stress, financial well-being and command climate, as well as Sailor and family satisfaction with the Navy. Recent results indicate that Sailors and their families remain satisfied with command morale, the quality of leadership, education benefits, healthcare, and compensation.

Suicide affects individuals, commands and families. We continue efforts at suicide prevention through a multi-faceted approach of communication, training, and command support designed to foster resilience and promote psychological health among Sailors. Navy's calendar year 2009 suicide rate of 13.8 per 100,000 Sailors represents an increase from the previous year rate of 11.6 per 100,000 Sailors. Although this is below the national rate of 19.0 per 100,000 individuals for the same age and gender demographic, any loss of life as a result of suicide is unacceptable. We remain committed to creating an environment in which stress and other suicide-related factors are more openly recognized, discussed, and addressed. We continue to develop and enhance programs designed to mitigate suicide risk factors and improve the resilience of the force. These programs focus on substance abuse prevention, financial management, positive family relationships, physical readiness, and family support, with the goal of reducing individual stress. We continue to work towards a greater understanding of the issues surrounding suicide to ensure that our policies, training, interventions, and communication efforts are meeting their intended objectives.

Sexual assault is incompatible with our Navy core values, high standards of professionalism, and personal discipline. We have reorganized our efforts in this critical area under the Navy Sexual Assault Prevention and Response (SAPR) program, which takes a multi-faceted approach to raise awareness of effective prevention methods, victim response and offender accountability. Recent program reviews undertaken by the Government Accountability Office, the Defense Task Force on Sexual Assault in the Military Services, and the Navy Inspector General will help us to identify program gaps and refine our program so we can continue to promote a culture that is intolerant of sexual assault.

Learning and Development

Education and training are strategic investments that give us an asymmetric advantage over our adversaries. To develop the highly-skilled, combat-ready force necessary to meet the demands of the Maritime Strategy and the Joint Force, we have 15 learning centers around the country providing top-notch training to our Sailors and Navy civilians. We continue to leverage civilian credentialing programs to bolster the professional qualifications of Sailors in all ratings and increase Sailor equity in their own professional advancement. We are balancing existing education and training requirements with growth in important mission areas such as cyber warfare, missile defense, and anti-submarine warfare. Cultural, historical, and linguistic expertise remain essential to the Navy's global mission, and our budget request supports expansion of the Language, Regional Expertise, and Culture (LREC) program for NROTC midshipmen, as well as implementation of the AF–PAK Hands Program. We recognize the importance of providing our people meaningful and relevant education, particularly Joint Professional Military Education (JPME), which develops leaders who are strategically-minded, capable of critical thinking, and adept in naval and joint warfare. Our resident courses at Naval War College, nonresident courses at Naval Postgraduate School and Fleet Seminar program, and distance offerings provide ample opportunity for achievement of this vital education. I appreciate the support of Congress in the recent post-9/11 GI Bill. We have led DOD in implementing this vital education benefit and continue to carefully balance our voluntary education investments to further develop our force.

CONCLUSION

Our Sailors are performing brilliantly, providing incredible service in the maritime, land, air, space, and cyberspace domains around the world today. I am optimistic about our future and the global leadership opportunities that our Navy provides for our nation. Our fiscal year 2011 budget request continues the progress we started in fiscal year 2010 to increase Fleet capacity, maintain our warfighting readiness, and develop and enhance the Navy Total Force. I ask for your strong support of our fiscal year 2011 budget request and my identified priorities. Thank you for your unwavering commitment to our Sailors, Navy civilians, and their families, and for all you do to make our United States Navy an effective and enduring global force for good.

Chairman INOUYE. Now, may I call upon the Commandant of the Marine Corps, General Conway.

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

General CONWAY. Mr. Chairman, Senator Cochran, and distinguished members of the subcommittee, thank you for the opportunity to report to you on the posture of your Marine Corps. My pledge, as it has been over the years, is to provide you, today, with a candid and honest assessment.

Having recently returned from a trip to theater, I'm pleased to report to you on the magnificent performance of marines and sailors in combat. If you count a 4-year enlistment as a generation of marines, we are now experiencing our third generation of great young patriots since our Nation was provoked on 9/11. The first generation broke trail, leading the strikes into Afghanistan and Iraq. The second generation quelled a once-volatile province of Anbar. Today, there are less than 130 marines in Iraq, but our third generation has more than 16,000 serving in Afghanistan. Your marines are fighting a skilled and determined enemy, but, with the Afghan Security Forces, they are once again proving that they are the strongest tribe in the Taliban stronghold of Helmand. Let me assure you from what the sergeant major and I witnessed firsthand, the highest morale in the Corps resides in those units posted in Afghanistan.

My written statement to the subcommittee provides a snapshot of the Corps and describes our near-term focus, long-term priorities, and our vision of the future. That vision matches closely the results of the Quadrennial Defense Review. The Secretary of Defense seeks to create a U.S. Military more closely focused on hybrid threats, yet capable of responding to a major-level contingency. That combination essentially describes the Marine Corps that we have built today, a Corps we call a "two-fisted fighter," able to perform equally well in a counterinsurgency or in a high-intensity combined-arms fight.

Our resource expenditures, moreover, reflect our dual or swing capacity. That is to say that 100 percent of our Marine Corps equipment can be used in a hybrid conflict or in a major fight.

Equipment procurement is, indeed, our primary concern, as we look at the fiscal year 2011 budget and beyond. Our requirements for equipment density in Afghanistan and our resolve to reestablish our maritime pre-positioned squadrons have driven equipment stocks to an all-time low in our operating forces at home station. The ability to properly train for deployment, and certainly the ability to respond to an unexpected contingency, is at significant risk, based on this increasing shortfall.

Congress has promised us resources for reset and reconstitution. But, increasingly, we cannot wait for the guns to fall silent in Afghanistan for such an effort to begin. We ask for your help in this critical area.

Our military construction accounts in the fiscal year 2011 budget and the FYDP are sufficient to help maintain a promise we have made to our marines, that they will have quality living spaces while they're home between deployments. One need only visit some of our major bases and stations to realize that we waited too long to begin this effort.

Similarly, we believe that, even in wartime, we must continue a heavy emphasis on education of our officers and our staff noncommissioned officers. A strong reservoir of strategic and operational thinkers is a must on sophisticated joint and combined battlefields. Therefore, a quality Marine Corps university with facilities to match our already world-class student body, faculty, and curriculum is a major priority. We trust we will receive your full support on our military construction investments that will repay huge dividends in the years to come.

Ladies and gentlemen of the subcommittee, I must admit my own surprise that our Marine Corps and their families have remained so resilient over these 9 years of conflict. They have been incredibly determined, loyal, and courageous in an effort to see these two wars to a successful close. Much of the credit goes to you, in the Congress, for providing them with the finest, in terms of equipment, warrior care, quality of life for families, and compensation. The number one question in the minds of our troops is always, Is the country behind us? The Members of Congress have answered that question in spades, both by your apportionment of the Nation's precious resources, but also through personal efforts to visit both troops in theater and our wounded at Bethesda and Walter Reed.

As a result of all the above and the natural tendency of marines to stick around for a fight, our recruitment and retention are at all-

time highs. I predict that, for the second year in a row, we will close out reenlistment for both the first-term and career force halfway through the fiscal year. Clearly, such a phenomenon would not be possible if marines and their families were not happy in the service of their country.

One day this long war with terrorists and Islamic extremists will be over. Your Marine Corps will cease being a second land army and will gladly rejoin our Navy brothers aboard amphibious ships in order to project America's global presence, demonstrate American goodwill, and, if need be, protect America's vital interests.

Until that day comes, however, your Corps will continue, as we say, "to do windows." That is, we will continue to take aboard the indomitable youth of America and make them marines, with the absolute conviction that, as a result, they will one day be better citizens. We will be trained and equally as prepared to route Taliban fighters in Marjah as we are to feed beleaguered Haitians outside Port-au-Prince. With your continued support, and that of our loyal countrymen, we will do whatever the Nation asks us to do, and do it exceedingly well.

PREPARED STATEMENT

Thank you, sir, and I look forward to your questions.

Chairman INOUYE. I thank you very much, General.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES T. CONWAY

Chairman Inouye, Senator Cochran, Members of the Subcommittee, thank you for the opportunity to provide a written report for the record on the current posture of the Marine Corps. My pledge, as always, is to provide you with a candid and honest assessment. On behalf of all Marines, their families, and our civilian employees, I want to thank you for your concern and continued support.

This brief statement contains a summary of our near-term focus and enduring priorities, an update on your Marine Corps today, a discussion of the challenges we see ahead, and our vision of the future. In addition to any testimony you wish to receive from me, I have directed the Deputy Commandants of the Marine Corps to meet with you as individuals and members of your respective subcommittees, and to provide you any other information you require. Our liaison officers will also deliver copies of *2010 U.S. Marine Corps Concepts and Programs* to the offices of each member of the committee. This almanac and reference book contains detailed descriptions of all our major programs and initiatives. We hope you will find it useful.

YOUR MARINE CORPS

We believe that Americans expect their Marines to be ready to respond when our country is threatened; to arrive on the scene on short notice anywhere in the world via the amphibious ships of the United States Navy, as was necessary when a disastrous earthquake recently struck Haiti; and to fight and win our Nation's battles. The public invests greatly in the Marine Corps. In turn, our commitment is to uphold their special trust and confidence and provide them the best return on their investment.

Characteristics.—Your Marine Corps is a young force that provides great value to the Nation.

—The average age of a Marine is 25 years old.

—Almost half of the enlisted force—84,830 Marines—is between the ranks of private and lance corporal (pay grades E1–E3).[1]

[1] As of December 23, 2009.

—Almost 70 percent of your Marines are on their first enlistment, and some 30,000 have been in uniform for less than 1 year.[2]
—The ratio of officers to enlisted Marines is 1:9—the lowest of all the services.[3]
—More than 136,000 Marines (67 percent) are in deploying units—what we call the Operating Forces. Nearly 30,000 Marines are forward deployed, forward based, or on training exercises around the world.
—For 6.5 percent[4] of the baseline 2010 Defense budget, the Marine Corps provides: 17 percent of the Nation's active ground combat maneuver units; 12 percent of the Nation's fixed wing tactical aircraft; and 19 percent of the Nation's attack helicopters.

Expeditionary.—The Marine Corps is the Nation's naval expeditionary, combined-arms force-in-readiness. To Marines, expeditionary connotes fast, austere, and lethal.

—Expeditionary means rapid deployment by air or sea to respond to crises of temporary duration. For example, within 24 hours of the speech by the President of the United States in December announcing the current strategy in Afghanistan, the lead elements of 1st Battalion, 6th Marines from Camp Lejeune, North Carolina were en route to Afghanistan.
—Expeditionary means being efficient and effective while operating in an austere environment—a task-organized force that is manned and equipped no larger or heavier than necessary to accomplish the mission.
—Expeditionary means being prepared for decisive action—to be lethal, if necessary—but also possessing the lesser-included capabilities for security cooperation, humanitarian assistance, or disaster relief.
—In summary, the term expeditionary to Marines goes to the very heart of our service culture, core values, and warrior ethos. Service as part of an expeditionary force means embracing a Spartan way of life and regular deployments on foreign soil in furtherance of our Nation's interests.[5]

Organization.—The Marine Corps is the only general-purpose force in the Department of Defense that is trained and equipped as the Nation's first responders.

—We organize in Marine Air-Ground Task Forces (MAGTFs). Under a single command element, the MAGTF integrates three major subordinate elements: (1) Ground Combat Element, (2) Aviation Combat Element, (3) Logistics Combat Element. Each element of the MAGTF is complementary, and Marine Corps forces are most effective and best employed as MAGTFs within the joint or multinational command structure.
—MAGTFs are adaptive, general-purpose rapid response forces. They are multicapable, transitioning seamlessly from fighting conventional and hybrid threats to promoting stability and mitigating conditions that lead to conflict. For example, in 2003, after completing a conventional, 350-mile attack over land from Kuwait to Baghdad, I Marine Expeditionary Force—a 60,000 Marine-plus MAGTF—was able to transition quickly to security and stability operations.

Near-Term Focus.—We understand the economic challenges facing our country and the hard decisions Congress must make. We thank you for your unwavering support. This report discusses the near-term focus of the Marine Corps:

—The current fight in Afghanistan and the responsible drawdown in Iraq.
—Readiness and reset of equipment.
—Modernization of the MAGTF.
—Preparing for the next contingency and the uncertainties of the future.

Enduring Priorities.—Through the future years defense plan and beyond, we are focused on:

—Providing the Nation a naval expeditionary force fully prepared for employment as a MAGTF across the spectrum of operations.
—Remaining the most ready when our Nation is least ready.
—Providing for our Marines and their families.

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[2] As of December 1, 2009, the percentage of Marines on their first enlistment was 68.6 percent, and the number of Marines with less than 1 year on active duty is 29,032.

[3] Authorized endstrength of 202,000 equals 21,000 officers plus 181,000 enlisted Marines equals 1:9.

[4] 6.5 percent of DOD budget represents fiscal year 2010 USMC Green dollars and Direct Blue (Navy) dollars.

[5] This is consistent with the official Defense Department definition of an expeditionary force: "An armed force organized to accomplish a specific objective in a foreign country." *Joint Pub 1–02 Department of Defense Dictionary of Military and Associated Terms* (Washington, D.C.: 2001, as amended through August 31, 2005), p. 193.

IRAQ AND AFGHANISTAN

Operation Iraqi Freedom.—Since testimony before your committee last year, the Marine Corps has transferred authority for Anbar Province to the U.S. Army and is near completion of a responsible drawdown from Iraq.

—From 2003–2009, our force levels in Iraq averaged 25,000 Marines.

—As of February 19, 2010, there were 159 Marines in Iraq. By spring of this year, our mission in Iraq will be complete and your Marines will redeploy.

Operation Enduring Freedom.—In Afghanistan, the mission has expanded.

—As of September 23, 2009, there were more Marines in Afghanistan than in Iraq.

—By March 2010, there will be more than 18,500 Marines in Afghanistan, and by mid-April, that number will grow to a robust MAGTF of 19,400 personnel with equipment, and will be commanded by a Marine two-star general.

—Your Marines have already had success and have made a difference in some of the toughest regions of Afghanistan, primarily Helmand Province in the South—formerly a Taliban stronghold, and the source of the highest volume of opium production in the world. However, more work remains to be done.

Summary

Operations in Iraq and Afghanistan have required the Marine Corps to fight as a second land army. Although we have been successful in our assigned missions in Iraq and Afghanistan, that success has come at the price of degraded readiness for our designed missions. The Marine Corps will always do whatever the Nation requires. But, as Congress has authorized and resourced, the Marine Corps is trained, organized, and equipped for our primary mission as a force in readiness.

The harsh environments and tempo of operations in Iraq and Afghanistan through 8 years of combat have accelerated wear and tear on our equipment. The enemy's weapon of choice—the improvised explosive device or IED—has forced us to increase the weight of our personal protective equipment and the armor on our vehicles.

The distributed nature of operations has shown us that our legacy tables of equipment were inadequate. The required type and number of ground vehicles, radios, and other major end items of equipment have significantly increased. In our infantry battalions, for example, the number of tactical vehicles has almost doubled while the number of radio sets has grown sevenfold. Our preliminary estimates indicate that the cost of restructuring the Marine Corps' tables of equipment would be $5 billion over fiscal year 2012 through fiscal year 2015.

The amount of equipment that has been damaged, destroyed, or has reached the end of service life from accelerated use has increased, and the cost associated with fixing or replacing this equipment has increased significantly.

Based upon the Marine Corps current analysis, our estimated reset cost is $8 billion. The $8 billion consists of $3 billion requested in the fiscal year 2011 OCO and an additional long term reset liability of $5 billion upon termination of the conflict.

Equipment on hand at home station to support training has been serious degraded. Particularly worrisome is our capacity to respond to other contingencies.

We are institutionalizing the lessons learned in Iraq and Afghanistan in training, education, organization, doctrine, and capability development. One of the ways we are doing this is through the Marine Corps Center for Lessons Learned.

The current operating environment in Iraq and Afghanistan has led to an exponentially increased need for intelligence collection assets down to lower levels of command. The Marine Corps Intelligence, Surveillance, and Reconnaissance Enterprise (MCISR–E) provides support to the MAGTF in this operating environment by organizing all of the intelligence disciplines, sensors, and equipment and communication architecture into a single capability that is integrated and networked across all echelons.

READINESS

Personnel Readiness

Our people—the brave men and women who wear our uniform and the spouses, children, and the parents who support them—are our most valuable resource. In 2009, your Corps lost 65 Marines to enemy action in combat. We also lost 52 Marines who died by suicide—this serious issue, which will be discussed later in this report, has my personal attention.

Endstrength.—Current authorized endstrength is 202,100 Marines in the active component and 39,600 Marines in the Selected Reserve.

—During fiscal year 2007, the Marine Corps requested and received authorization to grow 27,000 additional personnel by the end of fiscal year 2011.

—We completed our growth during fiscal year 2009—2 years ahead of schedule. We attribute this to four factors: quality recruiting, exceptional retention, reduced personnel attrition, and a great young generation of Americans who want to serve their country during wartime.
—With this personnel increase, we will improve training, upgrade readiness, and enhance the quality of life for all personnel and their families. The goal is to build the equivalent capacity of three Marine Expeditionary Forces—the largest MAGTF and principal Marine Corps warfighting organization.
—We are continuing to shape the Marine Corps with the right mix of units, grades, and occupational specialties.

Quality

Recruiting.—In fiscal year 2009, we exceeded goals in numbers and standards for the active component and the Selected Reserve. The active component accessed 31,413 personnel, and the Selected Reserve accessed 9,627 personnel. In fiscal year 2010, our goal is to access 27,500 enlisted personnel in the active component and commission 1,800 new officers.

Enlistment Standards.—One of the Department of Defense standards for new recruits is that at least 90 percent will possess a high school diploma. The Marine Corps has chosen to maintain a higher standard; our goal is a high school graduation rate of 95 percent. In fiscal year 2009, for our combined active and reserve components, the high school graduation rate of our recruits exceeded 98 percent.

First Term Reenlistments.—In fiscal year 2009, 8,011 first-term Marines reenlisted, meeting 109.2 percent of our goal. This represented a retention rate of 33.7 percent, exceeding our traditional retention rate of 24 percent. In the first quarter of fiscal year 2010, 5,194 first-term Marines have already reenlisted—77 percent of the goal for the entire year.

Subsequent Term Reenlistments.—In fiscal year 2009, 7,985 Marines who had completed at least two enlistment contracts chose to reenlist again. This number represented 107 percent of our goal and a 78.6 retention rate—the highest in history. In the first quarter of fiscal year 2010, 5,685 Marines who had completed at least two enlistment contracts chose to reenlist again—82 percent of the goal for the entire year.

Officers.—The quality of officers accessed and retained remains high. In one example, the share of Marine-option United States Naval Academy candidates in the top third of their graduating class greatly exceeded representative levels in 2008. The number of Naval Academy graduates who chose to become Marine Corps officers last year was 270—the highest number in history for the second year in a row.

In fiscal year 2009, our officer retention rate was 93 percent and during fiscal year 2010, we expect officer retention to remain stable.

Reservists.—The Marine Corps Reserve is a full partner in the total force. As of January 2010, there were 39,164 Marines in the Selected Reserve and another 55,233 in the Inactive Ready Reserve. Marine Forces Reserve includes 183 training centers in 48 states, the District of Columbia, and Puerto Rico.

—The extensive contributions of the Reserve have reduced deployment requirements for the active component, thereby improving the health of the total force. More than 54,000 Marines from the Selected Reserve and the Inactive Ready Reserve have mobilized and deployed in support of Operations Iraqi Freedom, Enduring Freedom, or other operational commitments around the globe.[6]

"Every Marine into the Fight".—The majority of your Marines joined the Corps after our Nation was already at war. They expect to train, deploy, and fight because that is what they believe Marines are supposed to do. As such, the 2007 "Every Marine into the Fight" initiative adjusted personnel assignment policies so Marines serving in non-deploying units or the supporting establishment would have the opportunity to deploy. At the same time, we monitor carefully the frequency and duration that units and individual personnel spend deployed.

—To date, 73 percent of the available Marines have deployed in support of Operations Iraqi Freedom and Enduring Freedom, or other operational commitments around the globe.
—*Individual Deployment Tempo*.—We measure individual deployment tempo on a 2-year sliding scale—the number of days deployed out of the previous 730 days. In the last 7 years, we have seen a twentyfold increase in the individual deployment tempo of Marines in the active component. In October 2002, the number of Marines who deployed for at least 120 consecutive days in a 2-year period was 4,845. As of January 2010, 100,760 Marines had deployed for at least 120 consecutive days.

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[6] As of January 3, 2010.

—*Unit Operational Tempo*.—The metric we use to measure unit operational tempo is the ratio of "deployment to dwell"—months deployed to months at home station. We limit the duration of deployments for units and individual Marines to no more than seven months for battalions and squadrons. Higher headquarters units deploy for 1 year.

—Our goal is to achieve a 1:2 deployment to dwell ratio in the active component and a 1:5 ratio in the reserve component. Our reserve units are currently operating at a ratio that more closely approximates a ratio of 1:4, while many of our active component units, on average, are nearing the goal of 1:2 (see Table 1).

TABLE 1.—MAGTF UNIT DEPLOYMENT TO DWELL RATIOS [1]

MAGTF Element	Average Ratio (Months Deployed:Months Home Station)
Command Element	1:1.43
Ground Combat Element	1:2.08
Aviation Combat Element	1:2.11
Logistics Combat Element	1:1.79

[1] As of November 18, 2009.

—The subordinate units most frequently deployed are Intelligence Battalions, 1:1.01 (Command Element); Infantry Battalions, 1:1.78 (Ground Combat Element); VMU Squadrons, 1:1.10, and Attack Helicopter Squadrons, 1:1.28 (Aviation Combat Element); and Explosive Ordnance Disposal Companies 1:1.30 (Logistics Combat Element).

Suicide Prevention.—The number of Marines who have died by suicide in recent years is shocking and unacceptable. This issue has my personal attention, and we have multiple programs at work to reverse this trend.

—*Causes*.—Our studies have shown that regardless of duty station, deployment, or duty status, the primary stressors associated with Marine suicides are problems in romantic relationships, physical health, work-related issues, such as poor performance and job dissatisfaction, and pending legal or administrative action. Multiple stressors are typically present in a suicide. This is consistent with the findings of the other services and civilian agencies.

—*Deployments*.—We analyze suicides monthly and annually for combat-related trends such as the number of deployments and dwell time. Although it is reasonable to assume that one or more deployments may cause an increase in suicides, to date, we have been unable to establish a direct correlation between deployments and suicides.

Sexual Assault Prevention and Answer.—Sexual assault is a crime, and it tears at the very fabric of our ethos. We continue to train and educate all Marines on the warning signs and the situations that lead to sexual assault. To our commanders, we have reinforced their responsibility to investigate all allegations of sexual assault and take the appropriate actions consistent with their findings. Finally, we continue to take aggressive strides toward improving our Sexual Assault Prevention and Response Program.

Civilian Employees.—Civilian employees are a vital part of the Marine Corps. In fiscal year 2010, civilian Federal employees will number more than 25,000. Through initiatives in management and career development, the Marine Corps is dedicated to maintaining a civilian workforce with the leadership skills and technical competencies necessary to meet the challenges of today as well as those of the future.

—Traditionally, civilian employees have served primarily in the supporting establishment. Now, more than ever before, they are deploying with the operating forces and serving in positions traditionally occupied by active duty Marines. For example, we are in the process of hiring more than 260 tactical safety specialists, who will each rotate on deployments with the operating forces. We are also participating in DOD's program to build a deployable Civilian Expeditionary Workforce.

Families.—While we recruit Marines, we retain families. More than 45 percent of your Marines are married, and we believe that investing in military families is critical to the long-term health of the institution. When Marines know that their loved ones at home station have access to quality housing, healthcare, child development services, and education, they are better prepared to face the rigors of deployment and more inclined to stay in uniform when they return home.

—*Family Readiness Programs*.—Our baseline budget in fiscal years 2010 and 2011 for family programs is $399 million per year. We have reformed our family readiness programs at every level of command at all of our installations. As an example, we have created more than 400 full-time positions for family readiness officers down to the battalion and squadron level.

—*Child Care*.—Today, we are currently meeting 64 percent of potential need for child care spaces. To meet the DOD standard of 80 percent of potential need based on the current population, we would require approximately 3,000 additional spaces. With your support, we have programmed an additional 2,615 spaces that will open over the next 18–24 months.

—*Families with Special Needs*.—With an increase of $11 million for the Exceptional Family Member Program in this year's baseline budget, we have made great strides improving the programs that support special needs family members. Enrollment is now mandatory and more than 8,900 exceptional family members are in the program. The Marine Corps assigns a caseworker to each family, who assists during relocation, deployment, and life events. In addition, the Marine Corps now underwrites the cost of up to 40 hours of respite care per month for families in the program. To date, the Marine Corps has provided more than 250,000 hours of respite care.

Wounded Warriors.—About 9,000 Marines have been injured or fallen seriously ill while serving in support of Operations Iraqi Freedom or Enduring Freedom. We are deeply committed to their care as well as the welfare of their families. Since activation in April 2007, the Wounded Warrior Regiment has provided a wide range of non-medical care for the injured and ill. The Marine Corps now also has wounded warrior battalions at Camp Pendleton and Camp Lejeune.

—*Infrastructure*.—The Marine Corps is investing $50 million from the 2009 Overseas Contingency Operations supplemental for the construction of resource and recovery centers at Camp Pendleton and Camp Lejeune. These recovery centers will provide spaces for counseling, physical therapy, employment support, financial management, and other training and outreach programs in support of our wounded.

—*Outreach*.—With a 24-hour call center for wounded Marines and their families, the Wounded Warrior Regiment has contacted 99.4 percent of all Marines (7,654 out of 7,703) who were wounded since the beginning of Operations Iraqi Freedom and Enduring Freedom, in order to determine their health status. We also maintain a toll-free number to the medical center in Landstuhl, Germany for families to contact their loved ones who have been wounded.

—*Recovery Care*.—The Marine Corps has 42 recovery care coordinators, who coordinate non-medical services for Marines and their families during recovery, rehabilitation, and transition.

Mental Health

Traumatic Brain Injury.—Naval medicine remains at the forefront of researching and implementing pioneering techniques to treat traumatic brain injury. One technique, Hyperbaric Oxygen Treatment, is showing great promise. We anticipate a study to begin this spring that tests the efficacy of this revolutionary treatment. The Marine Corps has a formal screening protocol for Marines who suffer concussions or who are exposed to blast events in theater.

—*Post-Traumatic Stress Disorder (PTSD)*.—We are attentive to the mental health of our warriors and we are dedicated to ensuring that all Marines and family members who bear the invisible wounds caused by stress receive the best help possible. We developed the Combat Operational Stress Control (COSC) program to prevent, identify, and holistically treat mental injuries caused by combat or other operations.

—With the increased workload, we do have concerns about the capacity of mental healthcare in military medicine. Operational support and current treatment facility demands continue to stretch our mental health professional communities, even though DOD has taken many steps to increase mental health services. Our shortages of mental health professionals are a reflection of Nation-wide shortages of this specialty. We are actively engaged in discussions about possible solutions.

Equipment Readiness

We have sourced equipment globally, taking from non-deployed units and strategic programs to support our forces in theater. As a result, the amount of equipment remaining for non-deployed units to use for training and other potential contingencies is seriously deficient.

—For example, while the overall supply rating of Marine Corps units in Afghanistan is near 100 percent, the supply rating of units at home station is less than 60 percent.
—Additional equipment is being procured with supplemental funds, but the production rates are too slow to meet our requirements for new equipment orders.

Equipment Reset.—As mentioned previously, the distributed and decentralized nature of operations in Iraq and Afghanistan has shown us that our legacy, 20th century tables of equipment are significantly inadequate. Moreover, the tempo of operations has accelerated the wear and tear on equipment. Also, the diversion of equipment in theater from Iraq to Afghanistan has delayed reset actions at our logistics depots in the United States.

—Our preliminary estimates indicate that the cost of restructuring the Marine Corps' tables of equipment would be $5 billion over fiscal year 2012 through fiscal year 2015.
—In light of the continued high tempo of operations in Afghanistan, and the delay in reset actions due to the diversion of equipment in theater, we estimate the cost of reset for the Marine Corps to be $8 billion ($3 billion requested in the fiscal year 2011 OCO and an additional $5 billion reset liability upon termination of the conflict).

Aviation Readiness.—All Marine Corps aircraft in support of overseas contingency operations are exceeding programmed rates, and are thus consuming service life at a rate sometimes three times higher than that scheduled for the lifetime of the aircraft. (See Table 2.) This will eventually result in compressed time lines between rework and, ultimately, earlier retirement of the aircraft than originally programmed.

—It is critical that our aviation modernization programs, discussed in the next section of this report, continue to receive the support of Congress.
—The majority of our legacy platforms are at the end of their service life and most of the production lines are closed.

TABLE 2.—FISCAL YEAR 2009 USMC AIRCRAFT UTILIZATION RATES—OVERSEAS CONTINGENCY OPERATIONS

Aircraft	Average Age (Years)	Programmed Rates (Hours/Month)	OCO Rates (Hours/Month)	OCO Life Usage
AH–1W	19	19.5	32.7	1.7x
UH–1N	35	21.7	30.0	1.4x
CH–46E	41	13.6	31.1	2.3x
CH–53D	40	23.8	50.3	2.1x
CH–53E	21	19.2	33.6	1.8x
MV–22B	3	20.9	29.4	1.4x
AV–8B	13	20.9	24.1	1.2x
F/A–18A	23	25.5	72.5	2.9x
F/A–18C	16	23.9	65.5	2.7x
EA–6B	27	26.4	66.0	2.5x

Note: Programmed rates are defined in the Weapon System Planning Document and are based on the projected dates an aircraft will be replaced by a new platform or reworked to extend its service life. Programmed rates include monthly flight hours and the associated logistical support required for each aircraft.

Strategic Prepositioning Programs

Marine Corps prepositioning programs trace their origins back 30 years, when the Iranian revolution, the Soviet invasion of Afghanistan, the Iraqi attack on Iran, and the deepening civil war in Lebanon collectively brought to the forefront the limitations of strategic airlift to respond to no-notice contingencies. The solution—the Secretary of Defense testified in 1980, and Congress agreed—was prepositioned combat equipment, ammunition, and supplies afloat on commercial vessels underway or docked in strategic locations. The Marine Corps developed three squadrons of maritime prepositioned ships and, in 1982, began prepositioning equipment and ammunition underground in Norway.

The first real test for these programs was in 1991, during Operation Desert Shield. In 2003, in Kuwait, the Marine Corps downloaded 11 vessels from all three prepositioned squadrons and moved 648 principal end items from Norway in preparation for Operation Iraqi Freedom. Without this capacity, the Marine Corps would not have been able to move half of the entire operating forces—more than 60,000

fully equipped Marines—halfway around the world for a 350-mile attack on Baghdad.

When completely loaded, Marine Corps prepositioning vessels today carry more than 26,000 pieces of major equipment including tanks, wheeled tactical vehicles, and howitzers, as well as the necessary supplies to support the force.

When measured against authorized allowances, the percentage of major item equipment (Class VII) currently present in the prepositioned fleet is 94 percent; the percentage of supplies currently present is in excess of 99 percent.[7]

In Norway, the current percentage of on-hand major end item equipment (Class VII) measured against authorized allowances is 47 percent; the percentage of on-hand supplies is 78 percent.[8]

It is important to note that these programs are not just a strategic war reserve. Marine Corps prepositioning programs support forward-deployed training exercises and, along with the amphibious ships of the U.S. Navy, the steady state requirements of the combatant commanders. For example, using the equipment positioned in Norway, the Marine Corps provides security force assistance to partner nations in U.S. European Command and U.S. Africa Command.

In summary, Marine Corps prepositioning programs are vital to the Nation and they require the continued funding and support of Congress.

Infrastructure

Bachelor Housing.—Our number one priority in military construction is barracks. In years past, due to fiscal constraints, we had focused on operational concerns. We now have a program under way that will provide adequate bachelor housing for our entire force by 2014. Table 3 depicts Marine Corps fiscal year 2011 investment in new barracks.

TABLE 3.—USMC FISCAL YEAR 2011 BARRACKS CONSTRUCTION

[Dollars in millions]

Location	Fiscal Year 2011 Investment	New Barracks Spaces
Twentynine Palms, CA	$53.2	384
Camp Lejeune, NC	326.6	2,794
Cherry Point, NC	42.5	464
Camp Pendleton, CA	79.9	860
MCB Hawaii, HI	90.5	214
MCB Quantico, VA	37.8	300
Total	630.5	5,016

—The Marine Corps is committed to funding the replacement of barracks furnishings on a 7-year cycle and to funding the repair and maintenance of existing barracks to improve the quality of life of Marines.

Summary

Our equipment shortfalls are serious and the impacts on readiness have been significant. Our non-deployed units do not have the required amount of equipment they need to train or support other contingencies. Moreover, the harsh environments of Iraq and Afghanistan, the tempo of operations, and our employment as a second land army since 2004 has accelerated wear and tear on our equipment and delayed the reset activities necessary to prepare for the next contingency.

We estimate that the cost of restructuring the Marine Corps' tables of equipment from fiscal year 2012 through fiscal year 2015 would be $5 billion and the cost to reset for the Marine Corps will be $8 billion ($3 billion requested in fiscal year11 OCO and an additional $5 billion reset liability upon termination of the conflict).

Iraq and Afghanistan have not adversely affected personnel readiness or the resiliency of the force. The Marine Corps continues to recruit and retain the highest quality people. Your Marines want to make a difference; they understand being a Marine means deploying and fighting our Nation's battles. Indeed, the Marines with the highest morale are those currently in Afghanistan.

[7] Data as of February 18, 2010. To clarify any misperceptions, these are not the formal readiness percentages the Marine Corps uses in separate reports to Joint Chiefs of Staff, the Office of the Secretary of Defense, and Congress. The readiness percentages in those reports are a measurement against MARES reportable items, a more select range of equipment.

[8] Data as of February 18, 2010.

The Marine Corps has achieved its goal of 202,000 active duty personnel and has done so with no compromise in quality. However, the Marine Corps has not achieved the correct mix of skills and pay grades. Continued funding will be needed to balance the force correctly.

Our personnel growth has outpaced our growth in infrastructure, and your continued support is needed to provide the additional barracks, messing, and office spaces required.

MODERNIZATION OF THE MAGTF

Our modernization effort is not merely a collection of programs but a means of aligning the core capabilities of the MAGTF across the spectrum of present and future security challenges. All of our procurement programs are designed to support the full range of military operations.

The Individual Marine.—Marines are the heart and soul of your Corps. The trained, educated, and physically fit Marine enables the Corps to operate in urban areas, mountains, deserts, or jungles. However, we are concerned about weight. Depending on the enemy situation, and including helmet, body armor, individual weapon, water, ammunition, and batteries, the weight of gear for a Marine on foot-patrol in Afghanistan can average 90 pounds. There is a delicate balance between weight and protection, and we continue to pursue the latest in technology to provide Marines with scalable protection based on the mission and threat.

Tactical Vehicles.—The Marine Corps currently has a total ground tactical vehicle quantity of nearly 47,500. Over the next 10 years, we plan to replace about 50 percent of that total.

—We are planning, programming, and budgeting toward a balanced fleet of vehicles. Our chief considerations are mobility, survivability, payload, transportability, and sustainability. Our goal is a portfolio of vehicles that is able to support amphibious operations, irregular warfare, and operations ashore across the range of military operations. We envision a blend of Expeditionary Fighting Vehicles, Marine Personnel Carriers, Mine Resistant Ambush Protected vehicles (MRAPs), and replacements for our High Mobility Multipurpose Wheeled Vehicles (HMMWVs).

—The Expeditionary Fighting Vehicle (EFV) is the number one modernization program in the ground combat element of the MAGTF. The requirements of the current and future security environment have driven the research and development of the critical capabilities associated with the EFV. The Marine Corps has not taken a myopic view of the EFV; we are well aware of the fiscal realities and developmental challenges associated with such a revolutionary vehicle. We are, however, convinced that national security demands the capabilities of the EFV and justifies the costs. This vehicle will save lives and enable mission success across an extremely wide, and highly probable, range of operational scenarios.

Fire Support.—We are modernizing Marine Corps land-based fire support through a triad of weapons systems—a new and more capable 155 mm howitzer, a system of land-based rockets, and a helicopter-transportable 120 mm mortar. Each of these is extremely accurate. This accuracy is critical in counterinsurgency operations and irregular warfare because accuracy reduces the instances of civilian casualties and collateral damage to local infrastructure.

—The Lightweight 155 mm Towed Howitzer (M777) weighs about half of the cannon it is replacing and fires projectiles to a range of 15–19 miles. Our Marine Expeditionary Brigade in Afghanistan has 15 of these howitzers at three different locations, which have collectively fired more than 600 rounds since April 2009.

—The High Mobility Artillery Rocket System (M142 HIMARS) provides high-value rocket and missile fire in support of ground forces. Each system carries six rockets or one missile. Like our new lightweight howitzer, HIMARS has proven itself over the past year in Afghanistan, delivering long-range precision fires.

—The Expeditionary Fire Support System is a rifled 120 mm mortar, internally transportable 110 nautical miles by both the MV–22 Osprey and the CH–53E helicopter. This will be the primary indirect fire-support system for helicopter-transported elements of the ground combat element. A platoon equipped with these new mortars recently deployed with the 24th Marine Expeditionary Unit.

Marine Aviation.—Marine pilots are naval aviators; they are trained to fly from the ships of the U.S. Navy or from expeditionary airfields ashore in support of Marines on the ground. We are in the midst of an unprecedented modernization effort. By 2020, we will have:

—Transitioned more than 50 percent of our aviation squadrons to new aircraft.
—Added 5 more operational squadrons and almost 100 more aircraft to our inventory.
—Completed fielding of the tilt-rotor MV–22 Osprey and the upgraded Huey (UH–1Y) utility helicopter.
—Updated our entire fleet of aerial refuelers to the KC–130J model.
—Fielded the upgraded Cobra (AH–1Z) attack helicopter and the Joint Strike Fighter (F–35B).
—Fielded an entirely new family of Unmanned Aircraft Systems (UAS).
—Introduced a new model of the heavy-lift CH–53 cargo helicopter.

The Joint Strike Fighter.—The Marine Corps is on track to activate the Department of Defense's first operational Joint Strike Fighter squadron in 2012. Although our investment in this program may seem high, it is important to note that the Marine Corps has not bought a fixed-wing tactical aircraft in 11 years, and that the Joint Strike Fighter will ultimately replace three different types of aircraft currently in our inventory.

—The short takeoff and vertical landing (STOVL) variant (F–35B) of the Joint Strike Fighter will be transportable aboard the amphibious ships of the U.S. Navy; it will be able to operate under the same austere conditions as does the AV–8 Harrier; it will be able to carry more bombs and loiter overhead longer than does the F/A–18 Hornet; and it will be a better electronic warfare platform than our legacy EA–6 Prowler.

The Osprey.—We are very pleased with the performance of the tilt-rotor MV–22 Osprey. The Osprey provides greater speed, more range, and enhanced survivability compared to other rotary wing platforms. It flies more than twice as fast and carries three times the payload at more than six times the range of the medium-lift helicopter it is replacing.

—Osprey squadrons have completed three successful deployments to Iraq and one aboard ship. One squadron is currently in Afghanistan. We are nearing delivery of our 100th operational aircraft, and at a current build of 30 Ospreys per year, we are replacing our CH–46E medium-lift helicopter squadrons at a rate of two squadrons per year.

Logistics Command and Control.—Global Combat Service Support System—Marine Corps is the cornerstone of our logistics modernization strategy.

—The program is a portfolio of information technology systems that will support logistics command and control, joint logistics interoperability, secure access to information, and overall visibility of logistics data. It will align Marine Corps logistics with real-world challenges, where speed and information have replaced mass and footprint as the foremost attributes of combat operations; it will replace 30-year old legacy supply and maintenance information technology systems; and it will provide the backbone for all logistics information for the MAGTF.

VISION

The current transnational struggle against violent extremism will not end anytime soon. Other threats—conventional and irregular—will continue to emerge and the complexity of the future operating environment will only increase. As we look to the future, we believe we must refocus on our core competencies, especially combined-arms training and operations at sea with the United States Navy.

2010 Quadrennial Defense Review.—We believe the report from the Quadrennial Defense Review offers an accurate and informed analysis of the challenges in the future security environment, particularly with respect to growing complexity of hybrid threats and the spread of advanced anti-access capabilities.

—We concur with the overarching need for a comprehensive and balanced approach to national security—a whole of government approach.
—We agree with the need for a U.S. military that is balanced in capabilities for irregular warfare and conventional conflict. For the Marine Corps, we have always believed in such a balance. Our equipment and major programs, and our means of employment as an integrated MAGTF, reflect our commitment to be flexible in the face of uncertainty. One hundred percent of our procurement can be employed either in a hybrid conflict or in conventional combat.
—Finally, while our current focus is rightly on today's fights, we believe it is critical that we do not underestimate the need to maintain the ability to gain access in any contested region of the world.

Seabasing and the Navy-Marine Corps Team.—With oceans comprising about 70 percent of the earth's surface and the world's populations located primarily on the coasts, seabasing allows our Nation to conduct crucial joint operations from the sea.

—Seabasing is a capability and a concept. It is the establishment of a mobile port, airfield, and replenishment capability at sea that supports operations ashore. In effect, seabasing moves traditional land-based logistics functions offshore.
—From the sea, U.S. forces will be able to conduct the full range of military operations, from disaster relief and humanitarian assistance to irregular warfare and major combat operations. Sea-based logistics, sea-based fire support, and the use of the ocean as a medium for tactical and operational maneuver permit U.S. forces to move directly from sea to objectives ashore.
—There are misperceptions that the United States has not conducted an amphibious operation since Inchon during the Korean War in 1950. Since 1982, our Nation has conducted more than 100 amphibious operations. For example, the Navy-Marine Corps Team has been on the scene in Bangladesh (1991), the Philippines (1991), Liberia (1996), and East Timor (1999).
  —After 9/11, U.S. amphibious forces, from a seabase, led the first conventional strikes against the Taliban in Afghanistan.
  —In 2004, the 15th Marine Expeditionary Unit was on station in Southeast Asia to support the relief efforts after the Tsunami.
  —In 2005, from a seabase in the Gulf of Mexico, the Navy and Marine Corps supported recovery efforts after Hurricane Katrina.
  —In 2009, off the coast of Somalia, when pirates boarded the *Maersk Alabama*, the 13th Marine Expeditionary Unit and the U.S.S. *Boxer* were on station to support the counterpiracy operations.
—Last month, with Haiti's airfield overwhelmed and their seaport disabled by wreckage following the earthquake, the U.S.S. *Bataan* Amphibious Ready Group and the 22nd Marine Expeditionary Unit provided a significant and sustainable delivery of food, water, and other supplies without the logistical burden ashore.

Seabasing—Maritime Prepositioning Force (MPF) Enhancements

Critical to seabasing are the logistics vessels of the Maritime Prepositioning Force. As discussed in the Long-Range Plan for Naval Vessels, we have restructured our Maritime Prepositioned Force (Future) program and will enhance the current capabilities of each of our three existing Maritime Preposition Force Squadrons.

One mobile landing platform (MLP), one Large Medium-Speed Roll-on/Roll-off (LMSR) ship, and one *Lewis and Clark* class (T–AKE) cargo ship will be added to each squadron of the MPF.

The MLP will interface with the LMSRs, which are being added to each MPF squadron from fiscal year 2009–11, thus providing the capability to transfer cargo while at sea and making each MPF squadron highly responsive to demands across the full-spectrum of operations.

In summary, as the security environment grows more complex, so does the value of amphibious forces.

Expeditionary Operations in the Littoral Domain.—The littoral domain is where the land and sea meet. This is where seaborne commerce originates and where most of the world lives. Littorals include straits—strategic chokepoints that offer potential control of the world's sea lanes of communication. The Navy-Marine Corps team and the vitality of the amphibious fleet is critical to overcoming anti-access challenges in locations along the coastlines of the world where there are no American military forces or basing agreements.
—The QDR emphasized the need for U.S. naval forces to be capable of robust forward presence and power projection operations, while adding capability and capacity for working with a wide range of partner navies. Amphibious forces are perfectly suited for engagement and security force assistance missions, as well as humanitarian missions such as are ongoing in Haiti. In short, the strategic rebalancing directed in the QDR places high demands on our amphibious forces.
—Given the fiscal constraints facing the Department of the Navy, the Secretary of the Navy, Chief of Naval Operations, and I agreed that 33 amphibious ships represents the limit of acceptable risk in meeting the 38-ship requirement we established in a letter to the committee on January 7, 2009.
—We currently have a 31-ship force in the U.S. amphibious fleet. The Long-Range Plan for Naval Vessels projects a 33 ship amphibious inventory in the near-term.
—With a robust inventory of amphibious ships the Navy-Marine Corps team will be able to:
  —Better address the growing steady state combatant commander requirement for theater security cooperation, forward presence, and crisis response.
  —Strengthen our Nation's relations with allied and partner countries through peacetime engagement and training exercises.

—Better ensure our Nation is ready to respond with humanitarian assistance when disaster strikes anywhere around the globe.
—In the event of major conflict, improve our response time to gain theater access with combat forces without having to rely on basing agreements with foreign governments.
—Finally, to clarify any misperceptions about the numbers of amphibious ships cited in the 2010 QDR Report, those numbers of ships are neither shipbuilding requirements nor targets; they are simply statements of the amphibious ship numbers across the fiscal year 2011–2015 future years defense program.[9]

Training, Education, and Professional Development

"Two-Fisted Fighters".—The QDR Report calls for increased counterinsurgency capacity in the general purpose forces of the United States.[10] The Marine Corps has long recognized the special skills required to operate with host nation forces and among local populations. Evidence of this dates back to the Marine Corps publications of Small Wars Operations (1935) and the Small Wars Manual (1940), both comprehensive texts on counterinsurgency operations and irregular warfare. Today, through standing Marine Corps organizations such as the Center for Advanced Operational Culture Learning and the Center for Irregular Warfare, and programs such as the International Affairs Officers Program, we continue to build capacity in foreign language, and regional and cultural skills.[11]

Leadership Development.—We recognize the need for a diversity of skills and specialties, and our standing guidance to promotion, command, and special selection boards is to give due consideration to personnel with special skills and non-traditional career patterns.

Marine Corps University.—Annually, a percentage of Marine Corps officers from the rank of captain through colonel attend year-long resident courses in professional military education at Marine Corps University in Quantico. The Marine Corps University is regionally accredited to award postgraduate degrees and, in 2009 alone, University schools awarded 200 master's degrees.[12]

—Facilities are an integral part of supporting professional military education. To that end, the Marine Corps fiscal year 2011 military construction budget request includes funding for additions in Quantico to the General Alfred M. Gray Research Center and the Staff NCO Academy. These projects will support our plan to upgrade the infrastructure of the Marine Corps University.

Acquisition Professionals.—The Marine Corps has an active acquisition professional program in place to meet the need identified in the QDR "for technically trained personnel—cost estimators, systems engineers, and acquisition managers—to conduct effective oversight."[13] There are about 520 acquisition billets in the Marine Corps—400 are entry and mid-level positions filled by enlisted Marines and officers, and 120 are senior-level acquisition professional positions filled by field grade officers who oversee our major ground and aviation programs. Our acquisition professional officers are members of the Defense Acquisition Community; they possess Level II certification, four years of acquisition experience, at least 24 undergraduate credit hours in business.

Future Realignment of Marine Forces in the Pacific.—The governments of the United States and Japan have agreed to invest in a realignment of forces that will result in Marine Corps forces postured in the Pacific for a long-term presence on Japan, Guam, and Hawaii. Critical requisites to the implementation of this realignment are:

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[9] Department of Defense, *Quadrennial Defense Review (QDR Report)* (Washington, DC: Feb. 2010), p. xvi, 46.

[10] Department of Defense, *Quadrennial Defense Review (QDR Report)* (Washington, DC: Feb. 2010), pp. 20–26.

[11] Each year, the Marine Corps selects officers for the International Affairs Officer Program, which consists of two professional tracks: Foreign Area Officer (FAO), and Regional Area Officer (RAO). The International Affairs Officer Program provides graduate-level study and language training for nine geographic areas. There are 329 international affairs officers on active duty (262 FAOs, 67 RAOs). The officers in this program possess advanced knowledge and expertise in the language, culture, and political-military affairs of a given region. Since 2008, the Marine Corps has doubled the number of accessions in the FAO program, and accessions will continue to increase through 2015. Moreover, the Marine Corps provides mid-grade officers (major—lieutenant colonel) for the Afghanistan-Pakistan (AFPAK) Hands Program. Our current requirement is to provide 63 officers—three cohorts of 21 officers each.

[12] The Marine Corps also has a separate, voluntary graduate education program, through which officers attend Naval Postgraduate School and other secondary institutions to obtain advanced degrees. There are 300 officer billets in the Marine Corps that require master's degrees. The Marine Corps also maintains an active fellowship program.

[13] DOD, *QDR*, p. 76.

—Japanese construction of a replacement for Marine Corps Air Station Futenma that meets both operational and safety requirements.
—An appropriate force laydown that supports the operational requirements of the Commander, U.S. Pacific Command.
—Adequate available airlift and sealift within theater to transport Marines to training areas and partner countries.
—Adequate training areas and ranges in Guam and the Northern Mariana Islands that can maintain readiness as well as support security cooperation with our regional partners.
—An enduring, sustainable "live where you work," base on Guam that maximizes operational effectiveness, minimizes encroachment, accommodates future development, and provides a quality of life on Guam commensurate with any other U.S. base.
—Continued political and financial support by the governments of the United States and Japan.

Refined planning and staff interaction processes within the Department of Defense have made significant contributions to our efforts to align these requirements. Planned and executed properly, this realignment effort will result in an enduring solution that provides forward deployed combat ready Marine forces to uphold our Nation's commitment to the security and stability of the Pacific region.

Energy and Water Initiatives.—We believe energy and water are two of our Nation's most valuable resources. We are focused on improving our stewardship at our installations and on the battlefield.

—*Our Installations*.—We have already gained efficiencies and achieved savings at all our major installations. We have three major goals:
  —From 2003–2015, reduce energy consumption by 30 percent.
  —Through 2020, reduce water consumption by 2 percent per year.
  —By 2020, increase the use of alternative energy at our installations to 50 percent of the total energy consumed.
—*On the Battlefield*.—Operations in Afghanistan have forced us to reevaluate energy and water distribution and usage in expeditionary environments. We believe the future security environment will again require the Marine Corps to operate over long distances in austere environments, and we are actively pursuing a wide range of solutions to:
  —Lighten the combat load of our Marines and Sailors.
  —Reduce our overall footprint in current and future expeditionary operations.
  —Lessen energy consumption and dependence on fossil fuels.
  —Achieve resource self-sufficiency in expeditionary environments.

CONCLUSION

As a naval expeditionary force in the form of an elite air-ground team, the Marine Corps is ready and willing to go into harm's way on short notice and do what is necessary to make our country safe. America expects this of her Marines. In the complex and dangerous security environment of the future, the Marine Corps stands ready for the challenges ahead. We appreciate the continued support of Congress. Thank you again for this opportunity to report on the posture of your Marine Corps.

PRESIDENT'S BUDGET REQUEST

Chairman INOUYE. I will be submitting questions of a technical nature on weapons systems and ships, but I'd like to ask some broad questions.

Mr. Secretary, you spoke very generously on the good things that we are providing, but I'm certain you have challenges. I'd like to know if you're really satisfied with the budget request.

Mr. MABUS. Mr. Chairman, we are exceptionally satisfied with this budget request. We believe that the budget that has been submitted will allow us to do all the missions that we have been tasked to do. It will allow us to buy the equipment that we need for those missions. It will allow us to maintain the equipment that we have today, to make sure that it reaches the end of its lifecycle.

The budget request that we have in, over the next 5 years, will buy, as the CNO said, an average of 10 ships per year, beginning to move our fleet toward the level that we believe it needs to be.

In aircraft procurement, a little over 1,000 aircraft over the 5 years to meet those requirements. In terms of people, this budget meets the needs for taking care of our sailors and marines, both in terms of deployed missions and also in terms of their families at home station. It also takes care of the research and development needs that we have to pursue to make sure that we continue to be at the forefront of new technologies and emerging weapon systems.

So, we believe this is a very good budget. We believe that it will allow us to do everything that we need to do, and we believe that it was constructed using—making some hard choices, but making them in a way that ranked priorities and that all our high priorities have been met.

Chairman INOUYE. I'm pleased to listen to your response. It makes us feel better.

SHIP COUNT

But, if I may ask the Admiral—I come from a State surrounded by the ocean, so Navy has been part of my life. And I recall, not too long ago—that about 25, 30 years ago—we were speaking of a 600-ship Navy. Now you have a 313 ship-for-tomorrow's Navy. But, the Navy is all over the globe. In fact, just a few weeks ago, I was in Afghanistan, and there I saw Navy personnel—sailors and officers—right in the middle of Afghanistan, running a hospital, training troops.

Do we have enough ships? Do we have enough equipment for all of these activities all over the world?

Admiral ROUGHEAD. Thank you, Senator.

And, as you pointed out, the objective that we have for the fleet size is of what I call the "floor" of 313 ships. Right now, we have 286. The shipbuilding program puts us on the trajectory to get to that 313 ship floor that is—that addresses the many needs that our Navy has around the globe. If we meet that floor of 313, I'm comfortable that we will be able to address the Nation's requirements.

That said, that 313 ship floor must be of the proper balance to be able to meet the mission requirements, not just with the largest capital ships, such as our aircraft carriers, but the value that our submarine force provides is extraordinarily important. The amphibious ships that support our marines in their operations, that can also be used for some humanitarian activity, when we're called upon to do so, as we have been, seemingly, every year in the last decade. But, it's important to get to 313 ships. That will give us the capacity we need, but the balance must be right, to give us the capabilities that we need.

SUICIDES

Chairman INOUYE. The subcommittee's very impressed by your recruiting and retention numbers, but I must say, honestly, that we were set back a little when we read the numbers on suicides. Do you have anything to tell us about that?

Admiral ROUGHEAD. Yes, sir. Suicide is a problem that all the services deal with. Indeed, I think society deals with.

While it's too early, I think, to call it a trend, as a result of some of the programs that we have put in place, the engagement with leadership over the past few months, starting in January, we've

seen some very encouraging signs, as suicide numbers in the Navy are not replicating what we had last year. In January, in our Active Force, we did not have a suicide. February—we are down from February of a year ago, and I can say the same for this year. But, it is something that requires a great deal of attention.

The Navy's demographic is somewhat different, in that our suicides tend to be more senior. But, they have a common thread, for the most part: personal problems, personal issues. Mix the use of alcohol in with that and a firearm, and you have homed in on about 74 percent of our suicides. We are going to be relentless in getting at this problem. But, I do see some encouraging signs in where we have gone in the last few months in the Navy.

Chairman INOUYE. So, the suicide rates are not necessarily based upon deployment.

Admiral ROUGHEAD. No, sir. And in our case, they are not necessarily driven by deployments. We've been looking for various correlations. As I mentioned, our demographic of suicides seem—they seem to be more senior, not necessarily deployment driven. However, if there is a suicide relative to a deployment, it—a higher probability occurs within 6 months of return. But, for the most part, ours are not a function of deployments. In many instances, we have young men and women who take their lives who have not deployed. So, we're looking at all the possible drivers and methods to get at this issue.

MARINE CORPS RECRUITING AND RETENTION

Chairman INOUYE. Thank you very much, Admiral.

And, General, if I may. We're very much impressed by the activities of the Marine Corps. You're all over the globe.

General CONWAY. Yes, sir.

Chairman INOUYE. You're in Haiti, you're in Afghanistan. But, yet, you're having no problems with recruiting and retaining. What's your secret?

General CONWAY. Sir, I think there's a culture there that we provide to some very incredible young men and women in our country that simply makes them want to become marines.

I—as I mentioned in my opening statement, the biggest problem I have, as the Commandant, is trying to find a way to get about 190,000 other marines who want to go to Afghanistan, to Afghanistan. And those are the nature of the people that we seem to attract.

We work hard at it. I'll say that. We've got some tremendous recruiters in the field. I would in no way discount their efforts. We're tied into a very good advertising agency in New York City that's been with us now for, I guess, close to 60 years.

But, I just have to think, sir, that there's a great young strain of Americans out there that see the need to defend their country's vital interests, and are more than willing to step up to do so.

MARINE CORPS RESET/RECONSTITUTION

Chairman INOUYE. I note that, in your resetting and reconstituting of the Marine Corps, it's getting bigger, for one thing, and having different missions. Are you having problems with that change?

General CONWAY. Sir, to the extent that we're not staying up with our equipment, we are. As I referenced in my opening statement, we have what I would call a "rolling requirement." In other words, every day that we're in a fight in Afghanistan now, we're going to have equipment damaged, equipment that is undergoing some tremendous usage rates and those manner of things. There's equipment density there that we just have not seen before in previous conflict, based upon what we now would call our "distributed operations" that we're conducting today over large areas of landmass.

Those marines at the point of the spear will have everything they need. But, in the process, the bill payers, which, for the most part, are our base and station units at home, are starting to see some real concerns with regard to the readiness rates.

Congress has been, I think, generous in the past, it's fair to say. We were kept at about 75 percent of that requirement over the previous years. Today we're only at about 50 percent. Congress has told us that, when we are finished with that fight in Afghanistan, and, God forbid, any others, that there will be a 2- or a 3-year period where we can get healthy again, both the Army and the Marine Corps, principally, with regard to our equipment sets.

But, I'll paraphrase my Secretary and say that I think our Nation is going to face hard choices at that point, based upon the national fiscal picture. And I would advocate, sir, that, before that time, starting as soon as possible, that we try to get caught up again and essentially do in-stride kinds of reset and reconstitution of our equipment sets.

Chairman INOUYE. Well, thank you very much.

Senator Cochran.

TECHNOLOGY

Senator COCHRAN. Mr. Chairman, thank you.

Mr. Secretary, there is a lot of pressure on the budget, because of modernization efforts and things that are being planned to make our Navy and Marine Corps team more sophisticated, with newer component parts and advanced systems for both reconnaissance and combat activities that may be required of these services. What is the status of some of our efforts to take advantage of new technologies, like composites and polymer science initiatives, that provide us with more modern coatings for ships, and efficient operations? Is this something that is a part of our R&D effort that's funded in this budget? Or is more money needed to be appropriated for these kinds of activities to make us more modern and capable?

Mr. MABUS. Senator, this—those kinds of activities are funded in this budget, and I'll give you some—a few specific examples of that.

One is on energy savings, energy efficiency. We've done a lot of work and are continuing to do work on hull coatings and hull technologies, and particularly in the polymer area. When you combine that with some stern flaps and missions planning tools, you can cut down the use of fuel on our ships pretty substantially. The DDG 1000 program has a completely composite superstructure, for example. We're looking at other ways to use those sorts of technologies.

The move toward polymers, toward different sorts of materials that are stronger, more resilient, that can withstand different sorts

of pressures, is one of the focuses of what we are doing. It is—as always, the challenge is to make those requirements come into the budget and to—and one of the ways we're trying to do that is—as new technologies such as this come forward—is to incorporate them into existing designs, into existing hull forms, so that we don't have new ship classes coming out with the resultant more expensive first and second ships in the class.

But, to finish the answer, things like new advances in polymers, and all across the spectrum of science, are something that we're focused on. We're asking for a little over $17 billion in fiscal year 2011 to continue the R&D in all sorts of areas, but polymers is certainly one of those.

Senator COCHRAN. General Conway, I recently had an opportunity to be briefed and see a—some demonstration techniques of new bullet-resistant vests and body armor, I guess you could call it. It didn't look like old-timey armor. You didn't—you couldn't tell by looking at the material that it had the capability of resisting injury from fired weapons. Is this something the Marine Corps is involved in? And to what extent are our troops benefiting from research and development of new capabilities for defense of this kind?

General CONWAY. Sir, the short answer to your question is that we're heavily involved in it. And as an adjunct to, again, the Secretary's answer, we are branching out, as it pertains to our equipment, to try to accomplish better sets of gear through advanced technology. And I'll give you two or three examples.

We have endeavored to find a helmet, since I've been the Commandant, that will stop 7.62 caliber rounds, which is the enemy's primary rifle bullet. We're close, but we're not there yet. And yet, it is, in many regards, my number one procurement priority. It's simply a matter of technology and industry being able to put the polymers together, we think, and make it work.

Now, to your point on protection in vests. We have, now, what we call "small arms protective insert (SAPI) plates." There's an enhanced SAPI plate, and there's even an X–SAPI out there that will stop, supposedly, Chinese ceramic bullets. Well, sir, I've never seen a Chinese ceramic bullet, and we're not willing to forego the weight that that extra plate would create. So, we're looking for lightweight kinds of technological advancement that will, ideally, be flexible and give us the same level of protection that we have today in these fairly heavy and very rigid plates.

Another area is the joint light tactical vehicle. It was going to be light because it was going to have new age armor, as opposed to plated steel. And yet, again, for all of the expense and resources that we apply against it, industry tells us that we're probably still 5 years away from that type of development.

So, sir, we're pushing hard for those things that we think will enhance the force, but in some ways, the science is just not there.

Senator COCHRAN. Well, we don't want to drop the ball here on this side of the table, either. If we need additional funding or some priority readjustments, we hope you'll communicate that with us in the appropriate way.

General CONWAY. Thank you, sir.

SHIP COUNT/MISSION REQUIREMENTS

Senator COCHRAN. Admiral Roughead, you had experienced that on the Mississippi gulf coast, I know, when you were commanding officer of a ship that was built at Ingalls, when we first got to meet you, and we appreciate your distinguished service as Chief of Naval Operations.

Now, what is the status of the readiness of our ship — the obligations and needs of our Navy vessels? Do we have enough ships? Is our construction schedule sufficient to enable us to carry out our responsibilities around the world?

Admiral ROUGHEAD. Thank you, Senator.

And I would say that, until we get to the floor of 313 ships, we're going to be pressing the fleet that we have today pretty hard, as we currently are doing. But, the shipbuilding program that we have presented to this subcommittee puts us on that proper trajectory.

I would say that there are two elements in there that are key to the future. One is the restart of the DDG 51 class destroyer. That allows us to address the ballistic missile threats that are proliferating around the world, as well as the more advanced cruise missiles. The restart of that class of ship gives us the capabilities we need, and then it allows us to backfit that rather large class. So, now we have the capacity that is so very important, and then—and we have the capability that's there.

The other element that's going to be extremely important is that we get to a good, quick, clean down-select, so that we can begin to produce littoral combat ships in the numbers that we need to meet the obligations that we have around the world. That ship, whatever design it may be, is going to be a workhorse for us, and it will generate the numbers that we need.

I'm also very pleased that this year's budget starts the production of two Virginia class submarines a year. Submarines remain in great demand. Submarines are a capability that gives us a cutting edge in naval warfare, and the Virginia class submarine that we're building now is an extraordinary submarine.

But, I would also say there's something more that gets to force structure, and that is our operation and maintenance account. It's all very interesting to look at how many ships we're buying and building a year, but if we do not maintain the fleet that we have today, then those numbers will be disappearing from the books faster than we expected, and our fleet size will begin to drop off. And that's why it's important that we properly fund the fleet that we have today, with our operation and maintenance accounts.

I'm a fleet sailor, and I have paid a great deal of attention, since becoming the CNO on what does it cost to maintain the fleet that we have today, to get the life we need, to get the readiness that we need, and not put work on the backs of our sailors because we're not properly funding shipyard maintenance. And so, this year's budget has a significant increase in it. That increase is the cost that we need to maintain the fleet that we have today. And that is something that I ask for your strong support in, sir.

Senator COCHRAN. Well, thank you very much for your leadership and your response to our questions.

Thank you, Mr. Chairman.
Chairman INOUYE. Thank you.
Senator Bond.

AVIATION

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

Mr. Secretary, I applaud your statement about demanding on-time, on-budget acquisition, that you would terminate a program that was substandard or with a cost escalation, much as I said in my opening statement, quoting the Secretary of Defense. I trust that you either watch or read the transcript of the F–35 hearing held last Thursday. Stated many times by witnesses that, best-case scenario, "if everything goes perfect," the Navy's JSF will be in initial operating capability, IOC, in 2016. It was also stated that the Navy Strike Fighter shortfall of 100 is no longer accurate, since the JSF restructuring plan. And as far as budget—cost escalation, I believe an accurate cost accounting would show that the JSF not only has breached the initial threshold of Nunn-McCurdy, but will have gone past it. If it hasn't, it will be soon. When you're taking production dollars to go into continued testing, something is very wrong. And knowing these facts, do you think the Navy need only purchase F/A–18s on a year-by-year, case-by-case basis, or would it better to enter into a multiyear contract which would save hundreds of millions of dollars for American taxpayers?

Mr. MABUS. Thank you, Senator.

Because of the—what Congress has provided to the Navy in fiscal year 2010, in terms of F/A–18s, both E, Fs, and Gs, and our budget request, which, counting fiscal year 2010, is for 124 F/A–18 E, F, and Gs, we received, the last week of February, a proposal from the contractor for a multiyear procurement. Congress had allowed us to look at a multiyear procurement on the F/A–18. That proposal, on its face, met the 10-percent savings requirement for a multiyear, but it is, right now, in—looking at the details to make sure that the requirements are met, it's with the Cost Analysis and Program Evaluation Office in DOD. Assuming that those thresholds for a multiyear procurement are met, we would be very eager to enter into a multiyear, and we'll be coming back to Congress to ask for permission to do that, assuming those thresholds are met.

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

I think the only requirement that Congress would put on you is substantial savings. I don't know—I believe that 10 percent is a figure that the Defense Department has come up with; I don't think it is a statutory requirement. But, in any event, so long as you would see a substantial savings, I would think it would be a good investment.

Admiral, given the conditions of last year and the TACAIR shortfall, if you don't continue, with major purchases of the F/A–18s, to address the shortfall, what will the shortfall for the Navy's carriers be by about 2015 or some period along in there? Do you have that information?

Admiral ROUGHEAD. Yes, sir. We're still looking at the shortfall of being in that area, around 100. And the reason I say that is that, even though we have slipped the JSF in what appears to be a calendar slip of 2 years—2014 to 2016—it really looks to be about

13 months, because we're going from December 2014 to January 2016. That still allows us to deploy the Joint Strike Fighter in 2016, as we planned. It deploys first on one of our Pacific Fleet carriers. But, we're continuing to look at the Joint Strike Fighter production.

We, in the Navy, have somewhat of an advantage, because we're the third service in line to get it. So, a lot of the testing that will go forward early on Joint Strike Fighter, we'll be benefiting from that. And we're looking at getting the IOC in January 2016.

Senator BOND. It's interesting you say that, because last year at Souda Bay, I talked with a master chief petty officer who was very familiar with it, and he thought that the JSF will never operate off of a carrier, because of the backblast and a lack of operating—of area to service the airplane. So, I think the testing is continuing, but I think there's a final question of whether it will work on shipboard.

Now, I know that there's been a proposal for service-life extension. And are you considering that? I gather it will add only about 1,400 hours to an older Hornet, which is at $26—$18—$12 to $26 million, it would be about one-half of a Super Hornet. If you're considering a service life extension program (SLEP), isn't a purchase of a new aircraft a better option, better bargain for the taxpayers?

Admiral ROUGHEAD. Senator, if I could just touch on the—comment on the Joint Strike Fighter on the carrier. Our carrier—the carrier variant of the Joint Strike Fighter is compatible with carrier operations. I think the chief may have been talking about the short takeoff and landing aircraft. But, our carrier variant is compatible. We may have to make some adjustments to the jet-blast deflector that we use in the launch of the airplane, but it's compatible.

With regard to the Service Life Extension Program, as we go into the 2012 budget, we're going to be taking a very, very close look at the—managing the strike fighters that we have. SLEP is where I'm going to be looking, because I can generate more strike fighters at less cost for a period of time to do that. And that's something that we're going to be getting into in the 2012 budget.

Senator BOND. Well, we appreciate that you're looking at that.

And, Mr. Chairman, I'd like to submit for the record, a letter I have written to the Secretary of Defense today which addresses these issues that I have raised.

And I thank you very much.

Chairman INOUYE. So ordered.

Senator BOND. Thank our witnesses very much.

[The information follows:]

MARCH 17, 2010.

The Honorable ROBERT M. GATES,
Secretary of Defense, The Pentagon,
Washington, D.C. 20301–1000.

DEAR MR. SECRETARY: On February 26, 2010, the Department of Defense (DOD) wrote to the Senate Appropriations Defense Subcommittee its intentions to explore a multi-year procurement agreement for the purchase of F/A–18 series aircraft for fiscal years 2010 through 2013. I applaud the Department of the Navy for considering a multi-year procurement, a prudent move that would prevent the Navy from having empty carrier decks, save hundreds of millions in valuable taxpayer dollars, and maintain the strength of the United States defense industrial base.

As you know, the F/A–18 Hornets and Super Hornets are the backbone of the carrier-based strike fighter aviation fleet. These aircraft are providing support for our warfighters through close air support missions to ground forces with an unmatched deterrent capability. The F/A–18 aircraft continues to be the Navy's only strike fighter with advanced air-to-ground and air-to-air operational capability. The continued procurement of these aircraft is necessary to continue the Navy's warfighting operations.

The majority of the F/A–18 Super Hornet aircraft have been purchased under two, multi-year procurements this past decade. With significant savings achieved from long-lead production and higher procurement rates, these agreements saved hundreds of millions of taxpayer dollars compared to more costly single-year procurements. The Navy's own estimate stated that the multi-year procurements from fiscal year 2000 through fiscal year 2009 resulted in over $1.8 billion in savings. A third multi-year procurement agreement could save hundreds of millions more in taxpayer dollars, all of which could be applied to other pressing defense requirements.

A third multi-year procurement for the F/A–18 Super Hornet aircraft also would ensure that the defense industrial base for tactical aviation is maintained through at least fiscal year 2013. In order for the United States military to maintain its current air dominance, the skills and experience of the aviation manufacturing sector must be protected for as long as possible into the future rather than curtailed.

I strongly urge that you and the Department of the Navy take aggressive steps to enter into a multi-year procurement for the F/A–18 Super Hornet aircraft. I stand ready to assist you in that effort.

Sincerely,

CHRISTOPHER S. BOND.

Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

LITTORAL COMBAT SHIP

Mr. Secretary, I'm going to get into the littoral combat ship that the Admiral alluded to. A lot of us are concerned, Mr. Secretary, that the pending request for proposal for the next 10 littoral combat ships does not appear to take capability and lifecycle costs into consideration. The upfront acquisition price of the LCS, I believe, must be balanced against total ownership expenditures, and neglecting to evaluate these criteria may result in an inaccurate picture of the total costs associated with each ship.

I'm concerned, Mr. Secretary, about fuel efficiency, which is a big cost—you mentioned this earlier, over in the Armed Services Committee—being a critical factor of competitive cost evaluation. The two LCS designs are dramatically different in this respect, as you well know.

Now, it's my understanding—if the request for proposal is not amended, it would appear that the acquisition would go forward in a direct contradiction to the statement that you made before the Senate Armed Services Committee on February 25 that said, and I'll quote your words, "I have also committed the Navy and Marine Corps to consider energy as a mandatory evaluation factor in contracting." I'd like to see the request for proposal (RFP) amended, if it needs to be, to include an evaluation factor that provides for the consideration, as you mentioned, of energy consumption costs in the valuation and the source selection decision.

As my letter to you on March 12 of this year stated, I've asked the Congressional Budget Office to review and to address the total lifecycle costs of the LCS Program. We haven't gotten a response yet. Would you consider extending the April 12 submission date, considering your statement to the Armed Services Committee and our request to the Congressional Budget Office regarding this? Be-

cause, what we want is the best vessel for the Navy. Isn't that right? And you have to consider all costs.

Mr. MABUS. Thank you, Senator. Yes, sir, in terms of total ownership cost, the entire LCS was designed with that in mind. And we believe that the current RFP addresses the need for the Navy to get the best ship possible. Either variant, either LCS 1 or LCS 2, meets all the requirements that the Navy has, in terms of operation. And in terms of total ownership cost, if you look at everything, from the manning of the vessel, which, as you know, is about 40 sailors for the core crew, and the other things that go into total ownership cost, if you look also at the way these ships are to be used—at the profile the speeds that they will be used at while they're at sea—where the fuel savings diverge is only at the very upper end of the speed of these ships.

Senator SHELBY. But, that could be a lot of money, could it not?

Mr. MABUS. Well, the profile that we've developed for these ships is that they would be used very infrequently at such high speeds. And so, I think that the current RFP, which stresses the cost to purchase the ship so that we can get enough of these ships—and both variants, we believe, meet every requirement that we have, not only operationally, but also in terms of lifecycle costs, going forward.

Senator SHELBY. Mr. Secretary, where, in the request for proposal for the year 2010 LCS procurement, does the Navy consider the fuel differential in dollars between the two competing designs over the expected life of the program? Can you furnish this to me and for the subcommittee?

Mr. MABUS. I'll be happy to furnish you the technical aspects of that RFP.

[The information follows:]

The request for proposal (RFP) for the littoral combat ship (LCS) fiscal year 2010 block buy procurement does not specifically consider the fuel differential in dollars between the two competing designs.

The RFP includes an evaluation factor under the technical/management category for Life Cycle Cost Reduction Initiatives. Since the inception of the LCS program, the Navy has focused on reducing both acquisition cost and life cycle cost in LCS class ships. In this regard, lifecycle cost considerations are emphasized in both designs through the Navy's requirements for reduced manning, open architecture and missing package modularity that have been key design parameters since the inception of the program. Total Ownership considers research and development costs, investment costs, disposal costs, and operating and support costs including maintenance, manning, training, fuel, and infrastructure support. Fuel costs are an important contributor to the estimated life cycle cost for each ship design, but are also highly dependent on the speed-time profile assumed for the LCS mission.

Senator SHELBY. That would be very interesting to get, because we're interested in the total lifecycle cost. And you stand by your words, do you not, before the Armed Services Committee?

Mr. MABUS. Yes, sir.

Senator SHELBY. Okay.

Mr. MABUS. And not only total lifecycle cost, in terms of manufacturing, but also what energy requirements the shipyards themselves use. That was the import of my words——

Senator SHELBY. Okay.

Mr. MABUS [continuing]. Before the Armed Services Committee.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman INOUYE. Senator Kohl.

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

Mr. Secretary and Admiral Roughead and General Conway, we thank you all for being here today.

I'd like to congratulate the Navy on the successes the Marinette-built littoral combat ship, U.S.S. *Freedom*, has had in the Caribbean. It's already making a great contribution to the war on drugs, and you should be very proud; I know everybody in Wisconsin is.

Just to review the previous questioning, Mr. Secretary, there are a lot of concerns being raised about the total ownership costs of the two competing LCS designs. And that, of course, is a fair thing to do, because we all want taxpayer dollars to be spent wisely. But, aren't long-term costs already a part of the criteria that you will be using to evaluate these designs, which does include fuel consumption? I think you responded to the previous question that way.

Mr. MABUS. Yes, sir, that's correct.

Senator KOHL. As far as fuel efficiency goes, don't you now have real data on the first LCS, *Freedom*, and its fuel consumption, not just estimates? Is the ship's fuel consumption about what you expected?

Mr. MABUS. Yes, sir.

Senator KOHL. Mr. Secretary, one of the concerns, as well, has been the experimental nature of the Austal ship design and use of aluminum as a building material. Aluminum is not traditional for Navy ships; it wears differently, and it melts, as we know, at lower temperatures. Compared to steel construction, how much experience does the Navy have estimating the maintenance costs, over decades, of aluminum ships? How much experience do you have evaluating the maintenance requirements Trimaran vessels?

Mr. MABUS. In terms of aluminum, Senator, other ship types have been made out of aluminum for many years now. And looking at other ships that have been made this way, we have been able, we think, to look at what that will—what sort of maintenance will be required over time. And it's because of things like that that we think that either variant of these—of the LCS will meet all our requirements, both in terms, as I said, of operations and in terms of lifecycle costs and maintenance, as we go forward. We don't foresee any significant issues for either variant.

And as the CNO said, and I want to echo this, it's crucial to us to get the cost of these ships down so that we can buy the numbers that we need. We, over the 30-year shipbuilding plan, propose to buy 55 of these. They have become one of the backbones of the fleet. And we're taking this exceptionally seriously, and we will pick the best ship for the Navy today and the Navy of the future.

Senator KOHL. Thank you.

Aren't aluminum ships, Mr. Secretary, more expensive to fix, in part because not all shipyards have welders, or enough welders, trained to work on aluminum?

Mr. MABUS. My understanding, Senator, is that welding for aluminum and welding for steel are very similar, and that the training required to do aluminum could be done in a normal course of events.

Senator KOHL. Finally, I'd like to say, in closing, that this is an argument, as we know, about cost, but one of these ships, because of its radical design and nontraditional material, I believe, makes

it riskier and harder to determine the long-term costs. It seems, in a very real sense, that we're comparing apples and oranges.

But, I thank you for your testimony. I thank you for your frankness and your interest and your concern in making the correct decision.

Thank you, Mr. Chairman.

Mr. MABUS. Thank you, Senator.

WOMEN ON SUBMARINES

Chairman INOUYE. Thank you very much.

I have one further question.

I participated in an ancient war many years ago, and in that war, the women I saw were nurses, far away from the combat zone. But, today we have women in all branches, in all areas, and I commend the Department of Defense for that decision. However, recently, I've been receiving e-mail and letters on the decision to assign women on submarines. May I have your thoughts on that, sir? Admiral?

Admiral ROUGHEAD. Yes, sir. I believe that the initiative that we have put forth, and have made notification to the Congress, that it's our intent to incorporate women into our submarine force, is exactly the right thing to do. The young women who serve in the Navy today are absolutely extraordinary. There is great interest among the young women who serve, in joining our submarine force.

In fact, just this past weekend, I was at a function, and a young woman came up and thanked the leadership for moving forward, and that she was putting in her papers to join.

We have a very good plan to incorporate women into our submarine force, starting with our ballistic missile submarines and our guided missile submarines, the SSBNs and the SSGNs. The young women will begin in the officer ranks, attend nuclear power school, submarine school, and the plan has the first women coming aboard in 2011.

The skill, the competence, the drive, the focus, and the dedication of the young women who serve today, I believe that this will enhance the capabilities of the force, and I look forward to being able to have this implemented before the end of 2011.

Chairman INOUYE. I thank you very much, and I congratulate you on your decision.

Admiral ROUGHEAD. Thank you, sir.

Chairman INOUYE. Any further questions?

ADDITIONAL COMMITTEE QUESTIONS

If not, Secretary Mabus, Admiral Roughead, General Conway, the subcommittee thanks you for your testimony today, and we thank you for your service to our country. And if we may, through you, thank the men and women in uniform who are willing to stand in harm's way in behalf of us.

Thank you very much.

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

QUESTIONS SUBMITTED TO HON. RAY MABUS

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

Question. This year, the Navy began a major development effort on a new ballistic missile submarine to replace the aging Ohio-class. Nearly $6 billion is committed to designing the submarine over the next 5 years, and the cost of each submarine is expected to be $7 billion.

Secretary Mabus, the Navy's 30 Year Shipbuilding Plan projects an average of $15.9 billion in shipbuilding costs over the next three decades. What steps are being taken to insure that the new ballistic missile submarine will be affordable?

Answer. Fiscal year 2011 funding continues the major U.S. investment in the Ohio-class replacement submarine started in fiscal year 2010. The key to an affordable future sea-based strategic deterrence fleet is the proper level of investment now in early design work and up-front critical research and development.

Current efforts leverage a United Kingdom (U.K.) investment of $288 million (fiscal year 2008-fiscal year 2010), and synchronize with the U.K. efforts to develop a Common Missile Compartment (CMC). Cooperation with the U.K. mitigates technical risk and contributes to reducing acquisition cost.

The Ohio Replacement Program will also leverage design and construction lessons learned and ongoing cost reduction initiatives from the Virginia Class Submarine Program.

The Navy is managing the shipbuilding portfolio as a business unit and is looking for ways to better leverage its buying power, such as:

—Leverage cost savings and value creation on basis of broader business arrangements across contracts and shipyards.

—Evaluate each ship class and identify cost reduction opportunities while balancing warfighting requirements, costs, and industrial base realities.

—Incorporate open architecture for hardware and software systems and increase the use of systems modularity.

—Emphasize repeat builds of ships, commonality, cross-program buys, and design re-use to drive down costs.

—Use contract incentives, such as multi-year procurements, fixed price contracts, and other mechanisms to increase competition at the vendor level.

Question. Secretary Mabus, as you know, the Subcommittee has supported the Navy's decision to end procurement of the DDG 1000 program and restart the DDG 51 program. I understand that in addition to restarting the DDG 51 program, the Navy now proposes to terminate the next generation cruiser in order to build an improved version of the DDG 51, the so-called Flight III.

What are the industrial-base consequences of canceling the cruiser and instead building improved DDG–51's?

Answer. The President's budget for fiscal year 2011 includes eight DDG 51 class ships, to be procured between 2011 and 2015. This shipbuilding plan, combined with the continued technology development of the Air and Missile Defense Radar (AMDR), offsets the industrial base consequences of canceling the next generation cruiser CG(X) and ensures stability for the industrial base in procuring future Navy surface combatants. CG(X) was envisioned to fulfill a critical role in Integrated Air and Missile Defense (IAMD). However, due to the ship's projected high cost and the immaturity of its combat systems technology and still evolving joint Ballistic Missile Defense (BMD) architecture, the Navy determined that it is not feasible to continue to pursue a new-design CG(X) procurement program at this time. The increased demands for additional capability and capacity in IAMD make it critical to pursue the technology development and combat system design for application on a future combatant.

Question. Secretary Mabus, you listed alternative energy as one of your top priorities upon taking office. This Committee has added more than $54 million over the past 3 years to Navy alternative energy initiatives and similar amounts to the other Services as well. This does not even begin to count the many dozens of alternative energy and energy efficiency earmarks the Congress has approved in the same period, or the substantial amounts of alternative energy funding contained in the stimulus bill.

Could you please describe to the Committee your top energy initiatives, and how the fiscal year 2011 budget supports your plan?

Answer. In October 2009, I established five energy goals within the Department of Navy (DON) that would aggressively reduce the amount of foreign oil consumed by DON:

—1. *Acquisition Process Reform*.—Evaluation factors when awarding contracts for platforms, weapons systems, and facilities will include lifecycle energy costs, fully-burdened cost of fuel, and contractors' energy footprint;
—2. *Sail the "Great Green Fleet"*.—Demonstrate a Green Strike Group in local operations by 2012 and sail it in 2016. The Strike Group will be made up of nuclear vessels, surface combatant ships using biofuels and hybrid electric propulsion systems, and aircraft flying on biofuels;
—3. *Reduce Petroleum Use in Non-Tactical Vehicles*.—By 2015, reduce petroleum use by 50 percent in commercial fleet through use of flex fuel vehicles, hybrid electric vehicles, and neighborhood electric vehicles;
—4. *Increase Alternative Energy use Ashore*.—By 2020, produce at least 50 percent of shore-based requirements from alternative resources and 50 percent of all Naval installations will be Net Zero energy consumers;
—5. *Increase Alternative Energy Use Department Wide*.—By 2020, 50 percent of total energy consumption will come from alternative resources.

The President's fiscal year 2011 budget request includes an additional $174 million to support these goals. The following describes this investment in detail:

Research, Development, Testing and Evaluation—$40.9 million

$7 million supports the Naval variable cycle engine technology program, which is focused on optimizing aviation engine performance at all operational conditions. This energy efficiency effort supports goals 2 and 5.

$13.6 million for the Hybrid Electric Drive. The operating efficiency/fuel savings for DDG 51 class ships will be achieved by employing fewer gas turbines for propulsion and ship service power generation while also loading gas turbines to their optimal operating condition. The Hybrid Electric Drive supports goal 2.

$20.3 million will fund various energy conservation programs in support of goals 2 and 5:

—$1 million to establish an Incentivized-Energy Conservation (I–ENCON) for aviation programs.
—$1.2 million to support a fleet scheduler plan in the Naval Ship Incentivized-Energy Conservation (I–ENCON).
—$8 million to enhance F414 Engine Efficiency.
—$3 million supports Aircraft Energy Efficiency Conservation R&D, including:
  —T–56 turbine, compressor, and inlet housing upgrades;
  —Development and testing of F/A–18 E/F flight management system.
—$2 million supports the F/A–18 Bring Back Weight initiative to certify F/A–18E/F & E/A–18G aircraft structures to increase carrier bring back weight.
—$2.9 million supports high energy efficient HVAC systems.
—$2.2 million supports improvements to the LCAC hovercraft.

In addition to the $40.9 million outlined above, the Office of Naval Research will invest $136 million in fiscal year 2011 for power and energy programs that directly and indirectly support my energy initiatives, including a PB 2011 energy initiative focused primarily on alternative energy and biofuels. This investment will support goals 2, 3, 4, and 5.

Procurement—$4.2 million

$2.1 million for Navy variant Environmental Control Units (ECUs) to provide improved generator capabilities (to reduce log tail in theater).

$2.1 million for Onboard Vehicle Power capability to use vehicles' internal combustion engine to provide power for communication and auxiliary systems, situational awareness devices, environmental control, and other electric powered accessories.

These efforts support goals 3 and 5.

Operation and Maintenance—$96 million

Will fund advanced metering efforts, facilities energy efficiency upgrades, and continue energy audits, all in support of goals 4 and 5.

National Defense Sealift Fund—$3.3 million

Includes Military Sealift Command's initiatives to include Energy Audits and evaluation of other technology currently being used by the shipping industry to more efficiently plan routes, monitor energy usage, realize cost savings for fuel burned reaching ships in theater. These efforts support goals 2, 4, and 5.

Military Construction—$30 million

Three $10 million solar arrays will be constructed at MCRD San Diego, California; MCB Camp Pendleton, California; and MCB Camp Lejeune, North Carolina. These projects support goals 4 and 5.

Question. Secretary Mabus, are there enough engineers and tradesmen trained in "green collar jobs" to support your goals for increasing energy efficiency and research into alternative power sources?

Answer. Yes, I do believe there will be enough engineers and tradesmen trained in "green collar jobs" to support the ambitious goals I have announced within the Department of the Navy. Our Navy engineers and architects have years of experience incorporating sustainable principles such as the Leadership in Energy and Environmental Design (LEED) Green Building Rating System. As this new economy emerges, the Department of Labor is providing over $500 million in grants, as part of the American Recovery and Reinvestment Act initiative, to fund workforce development projects that promote economic growth by preparing workers for careers in the energy efficiency and renewable energy industries. Additionally at the Department of Veterans Affairs, a new program called Veterans Green Jobs (VGJ) is teaching returning veterans to become leaders in creating a more secure and sustainable future for the United States.

All across the United States universities, community colleges, and vocational technical institutions, are developing curriculum to address this new and exciting field. This emphasis on Green Collar Jobs is being embraced in both the public and private sector. Businesses see an improvement in their bottom line, through energy cost savings and by going green, which causes a ripple effect throughout the supply system. By working together, and with the Department of the Navy taking the lead, the United States will move away from dependence on fossil fuels and move toward a more secure energy future.

Question. Secretary Mabus, last year the Congress approved multi-year procurement authority for the F/A–18 aircraft. What is Navy doing to follow up on that course of action?

Answer. The Navy is actively working with the prime contractor and OSD to determine if sufficient savings are available through a multi-year acquisition contract.

As described in the February 26, 2010, letter from Deputy Secretary of Defense to the committees, within the last few months, the Department's procurement profile for the F/A–18 increased by 35 aircraft and extended the final year of procurement from 2012 to 2013. The prime contractor provided a viable offer committing to a multi-year procurement on February 22, 2010. The Director, Cost Analysis and Program Evaluation (CAPE), is currently conducting a cost analysis of the potential savings of a multi-year versus single year procurement, as required by statute.

If sufficient savings are identified, the Secretary of the Defense will certify to Congress the amount of savings and notify Congress of its intent to enter into a multi-year procurement (MYP). In addition, Navy is working with the committee staffs for legislative relief to fiscal year 2010 MYP language in National Defense Authorization Act and Defense Appropriations Bills.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

Question. Secretary Mabus, there has been some advocacy for additional funding outside the normal shipbuilding budget to fund a new ballistic missile submarine fleet. If the Navy does not receive additional funding for the project in the coming years, do you foresee the $80 billion or more cost of the program forcing big shipbuilding cuts and triggering industry consolidations?

Answer. Recapitalizing the SSBN force with funding from the SCN core budget will impact the Navy shipbuilding programs (fiscal year 2019-fiscal year 2033). In total, the Department of the Navy's annual SCN and NDSF budgets average approximately $15.9 billion per year (fiscal year 2010 dollars) throughout the period of the fiscal year 2011 Annual Long-Range Plan for Construction of Naval Vessels.

Because of the expected costs for these important national assets, annual SCN budgets during the mid-term planning period (fiscal year 2021-fiscal year 2030) will average about $17.9 billion (fiscal year 2010 dollars) per year, or about $2 billion more than the steady-state 30-year average. Even at this funding level, the total number of ships built per year will inevitably fall because of the percentage of the shipbuilding account which must be allocated for the procurement of the SSBN.

As a result of the limited shipbuilding and the rapid retirement of ships built in the 1980s, after peaking at 320 ships in fiscal year 2024, the overall size of the battle force is forecast to gradually fall, reaching 288 ships in fiscal year 2032.

In the far-term planning period (fiscal year 2031-fiscal year 2040), average SCN budgets return to about $15.3 billion (fiscal year 2010 dollars) average per year. After the final order for Ohio class replacement in fiscal year 2033, the average inventory per year begins to rebound from a low of 288 ships in fiscal year 2032 to 301 ships in fiscal year 2040.

The need to fund SSBN recapitalization will result in some risk to the Navy's shipbuilding plan. Given the expected challenges of the mid and far term periods, significant consideration must be given to ascertain the way ahead for the Navy. DON will have to consider operational demands that could change force structure requirements as well as inherent technology requirements of future platforms and the effect they have on platform cost. Additionally, we will need to complete an analysis of force structure requirements over the next decade as we get a better understanding of what threats and obstacles lie in front of us to determine what the complexion of the 2040 force ought to look like and the efficacy of the planned force in meeting those challenges.

The Navy recognizes that stabilizing ship procurement to help sustain minimum employment levels and skill retention promotes a healthy U.S. shipbuilding industrial base.

The Navy also recognizes that building the required force structure will largely depend on controlling shipbuilding costs (including combat systems) within an affordable range. The Navy is committed to maintaining stability in requirements, funding and profiles in an effort to control costs. This will require the combined efforts of the Navy and the shipbuilding and combat systems industries. Working in conjunction with Congress, the Navy will procure and sustain the force structure necessary to deliver the capabilities required of United States naval forces.

QUESTIONS SUBMITTED TO ADMIRAL GARY ROUGHEAD

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

Question. Admiral Roughead, in December, the Congressional Research Service reported that the Department of the Navy will have a shortfall of 243 strike fighters in 2018. The Navy today is projecting a shortfall of about 100 aircraft toward the end of the decade. That 100-aircraft shortfall assessment was made prior to the recent grounding of 104 F/A–18s due to structural cracks. Could you address the steps that the Navy is taking to reduce the shortfall and the risks associated with that plan?

Answer. The Navy is today projecting a shortfall of about 100 strike fighters in the 2018 timeframe. Anticipating a shortfall, the DON continues to identify further opportunities to reduce its impact. The strike fighter shortfall can be mitigated through the application of the near and long term management actions. Examples are—the Marine Corps modifying it's F–35 transition plan by transitioning some Hornet squadrons earlier and leveraging the service life remaining in the AV–8B fleet, the Navy accelerating the transition of five legacy F/A–18C squadrons to F/A–18 E/F and transitioning two additional F/A–18C squadrons to F/A–18E/F using the remaining attrition F/A–18E/F reserve aircraft, and reducing the Navy Unit Deployment Program (UDP) and USMC Expeditionary F/A–18A+/C/D squadrons from 12 to 10 aircraft per squadron. Although global demand may challenge implementation of some of these actions in the near term, changes in the operational environment in the future may allow additional flexibility in their implementation. As we go forward, we are considering all options to manage our inventory and balance risk, including SLEP to some number of F/A–18 (A–D) aircraft to extend their service life to 10,000 flight hours and optimizing depot efficiencies. SLEP analysis continues and will be addressed in the fiscal year 12 budget process.

The Department of the Navy continues to rigorously manage the service life and warfighting effectiveness of each of our legacy Hornets, Harriers, and Super Hornets to ensure the maximum contribution to the nation's security for the taxpayer dollars invested.

Question. This year, the Navy began a major development effort on a new ballistic missile submarine to replace the aging Ohio-class. Nearly $6 billion is committed to designing the submarine over the next 5 years, and the cost of each submarine is expected to be $7 billion.

Admiral Roughead, the Navy is working with Strategic Command to refine key decisions about SSBN–X. What have we learned about the needed capabilities of the submarine as a result of those reviews?

Answer. The Ohio replacement will be a strategic, national asset whose endurance and stealth will enable the Navy and Nation to provide continuous, survivable strategic deterrence into the 2080s. Our Initial Capabilities Document (ICD) for our Ohio replacement identified several key attributes the submarine must have, including improved stealth, survivability, reliability, endurance, tailorability, and adaptability. To ensure there is no gap in our future strategic deterrent capability, the design process for the Ohio replacement started in fiscal year 2010 to ensure suffi-

ciently developed technologies and a mature design are in place to support lead ship authorization in fiscal year 2019.

Question. Admiral Roughead, the Navy has historically assumed some risk in ship depot maintenance, while balancing resources and requirements across the Department's readiness portfolio. For the past 8 years, the Navy has requested an average of 96 percent of the projected ship depot maintenance costs in any given year. However, in fiscal year 2011, the request level has jumped to 99 percent. Considering the limited resources available in all readiness accounts, please explain the Navy's decision to make ship depot maintenance a priority in fiscal year 2011, and whether the Navy will continue to fund it at the higher level in the future.

Answer. Continued investment in depot level maintenance is essential in achieving and sustaining the force structure required to meet our global security interests. Our ships are capital assets that operate in challenging physical and security environments. Almost three-quarters of our current Fleet will still be in service in 2020. As a result of increased technical assessment, we have raised the priority of ship's depot maintenance, keeping the Fleet in satisfactory operating condition to preserve our ability to accomplish assigned missions and for the ships and aircraft to reach expected service lives.

In May 2009, Navy established the Surface Ship Life Cycle Maintenance (SSLCM) Activity to provide timely depot-level maintenance determined by an engineered assessment of expected material durability and scoped by actual, not estimated, physical condition. The SSLCM Activity's engineering assessments of maintenance requirements for DDG 51 and LSD 41/49 provided the technical foundation for our decision to increase maintenance funding in our fiscal year 2011 budget request. The SSLCM Activity is in the process of completing engineering assessment of maintenance requirements for the remainder of surface ship classes in the near term.

Question. Admiral Roughead, what kind of actions is the Navy undertaking to reduce the reliance on supplemental funding for ship and aircraft depot maintenance?

Answer. The Navy is currently engaged with the Office of the Secretary of Defense, Cost Assessment and Program Evaluation (OSD CAPE) to assess Navy's base and overseas contingency operations (OCO) funding needs as they relate to future requirements. Findings from this effort will serve as the basis for establishing a more refined apportionment between baseline and OCO funding requests for ship and aircraft depot maintenance.

Question. Admiral Roughead, as you know, the Subcommittee has supported the Navy's decision to end procurement of the DDG 1000 program and restart the DDG 51 program. I understand that in addition to restarting the DDG 51 program, the Navy now proposes to terminate the next generation cruiser in order to build an improved version of the DDG 51, the so-called Flight III.

Could you give us an update on the status of the DDG 51 restart, explain why building an improved version of the DDG 51 is an adequate substitute for the cruiser, and why it is the right ship for the fleet in the future?

Answer. We are well underway with restarting DDG 51 production and the restart is on schedule and on budget. A total of nine DDG 51 restart hulls will be procured from fiscal year 2010 through fiscal year 2015, alternating between one per year and two per year beginning in fiscal year 2010. Our fiscal year 2011 budget requests funding for the construction of two ships: DDG 114 and 115. We are also in the process of conducting a full and open competition for the Main Reduction Gears (MRG) to be installed on DDG 113 and follow on ships. Source selection is in progress, and the contract award is projected for Spring 2010. The MRGs are being procured using a firm, fixed-price contract and will be provided to the shipbuilders as Government Furnished Equipment.

Our DDG 51 restart ships (Flight IIA) will be the first constructed with Integrated Air and Missile Defense (IAMD), providing much-needed Ballistic Missile Defense (BMD) capacity to the Fleet, and they will incorporate the hull, mechanical, and electrical alterations associated with our mature DDG modernization program. We will spiral DDG 51 production to incorporate future IAMD capabilities.

In consultation with the Office of the Secretary of Defense, Navy conducted a Radar/Hull Study for future surface combatants that analyzed the total ship system solution necessary to meet our IAMD requirements while balancing affordability and capacity in our surface Fleet. The study concluded that the most cost-effective, total-ship solution to Fleet air and missile defense requirements over the near- to mid-term is a DDG 51 hull with a new Air and Missile Defense Radar (AMDR), coupled to the Aegis Advanced Capability Build (ACB) combat system. This combination of ship, sensor, and combat system will provide our Fleet with the capabilities needed for future mission success with less risk and cost than a new start cruiser

program. The first of these ships, designated as DDG 51 Flight IIIs, will be procured in fiscal year 2016.

Question. Admiral Roughead, what are the potential operational impacts to the fleet of building improved DDG 51's instead of the next-generation cruiser?

Answer. Restart of the DDG 51 class, and the spiraling of air and missile defense capabilities into the DDG 51 Flight III, will deliver required Integrated Air and Missile Defense (IAMD) capability and capacity into the Fleet sooner, at a more affordable cost, and with less risk than pursuing a new start cruiser program at this time.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. Admiral Roughead, the Navy has cancelled plans to replace EP–3 airborne reconnaissance aircraft. This decision raises the question about the replacement strategy for the Navy's Special Projects Aircraft. How long does the Navy intend to maintain and operate the EP–3 and Special Projects Aircraft, and considering the work these aircraft do, have you considered continued investment to improve the capabilities of these aircraft until a replacement airframe is selected?

Answer. Navy continues to sustain the operations and maintenance of our EP–3 and Special Project Aircraft. We are evaluating several options for our future airborne SIGINT capability, including accelerating the Initial Operating Capability (IOC) of the Broad Area Maritime Surveillance (BAMS) Spiral 3, which is SIGINT-equipped; equipping a Medium Range Ship-Based UAV with SIGINT payloads with an IOC in about 2016–2017; and outfitting a modest number of manned platforms initially with remote SIGINT sensors.

Question. Admiral Roughead, the Navy is beginning design work on a new submarine to replace the aging Ohio-class ballistic missile submarine fleet. The cost estimate to design and build 12 submarines under this program is staggering, $80 billion or more. This creates a concern as to whether the Navy can afford these new submarines without curtailing or giving up other shipbuilding efforts. Under the current shipbuilding plan and funding profile, what is your assessment of the impact this costly program will have on the industrial base and overall ship force structure level?

Answer. The battle force inventory presented in our 30-year shipbuilding plan provides the global reach, persistent presence, and strategic, operational, and tactical effects required of our naval forces within reasonable levels of funding. On balance, the force structure represented by our 30-year shipbuilding plan maintains our ability to project power across the spectrum of challenges we are likely to face throughout the time period of the report, albeit with prudent risk where appropriate. One of the plan's three basic precepts is the importance of maintaining an adequate national shipbuilding design and industrial base necessary to build and sustain tomorrow's Navy. The shipbuilding plan aims to maintain that base.

The SSBN(X) procurement will begin to constrain our shipbuilding plan in the latter part of this decade because recapitalization of our SSBNs will occur at the same time our SSN 688 submarines, CG 47 class guided missile cruisers, DDG 51 class guided missile destroyers, and LSD 41/49 class dock landing ships reach end-of-service-life. During the years in which the new submarine is being procured, the procurement of other ship types will be reduced, resulting in force level and industrial base impacts. Even under these constraints, our shipbuilding plan still achieves a peak battle force inventory of 320 ships in fiscal year 2024 and averages about 303 ships between fiscal year 2020 and fiscal year 2040.

QUESTIONS SUBMITTED TO GENERAL JAMES T. CONWAY

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

Question. General Conway, in December 2009, a key deadline passed without a decision by the Japanese Government regarding the realignment of U.S. forces on Japan and the movement of Marines to Guam. This move includes the closure of Futenma and the expanded land return to the people of Okinawa. The Government of Japan is now saying they will have a decision in May, but some are concerned that this decision may be delayed until after the July election. Can you please share with us the impact of further delays in a decision on the future force structure and the overall political relationship between Japan and the United States?

Answer. It would be imprudent to alter the force laydown, to include moving any forces to Guam, until the Futenma issue is adequately resolved. The realignments of U.S. forces on Japan and the relocation to Guam are capabilities issues, not basing issues, and we have a responsibility to provide ready and able forces in support

of the Combatant Commander. We need to look at future force laydown in the Pacific in total, and central to this are aviation capabilities on Okinawa.

The Marine Corps requires that an aviation capability must remain on Okinawa to support the rest of the Marine Air Ground Task Force there. We currently have that capability at Futenma. If a replacement facility were delayed, untenable or unresolved for whatever reason, we would maintain our current force structure and continue to operate out of Futenma.

In the context of the overall political relationship, we understand that the U.S.-Japan negotiated agreements were a comprehensive set of realignment initiatives designed to meet the strategic needs for both allies. We understand that the Government of Japan is taking a hard look at options however, we are confident that they realize the strategic value of having Marines on Okinawa for their own defense and for security in the region.

Question. General Conway, please lay out the current plan to realign 8,000 Marines and their dependents to Guam. What are your biggest concerns with the plans?

Answer. Based on the Agreed Implementation Plan, the units relocating to Guam will be the headquarters elements of the III Marine Expeditionary Force, including 1st Marine Air Wing, 3rd Marine Division, and 3rd Marine Logistics Group.

With a move of this size and scope, there are inherent concerns. We must ensure that our distribution of forces in the Pacific will provide an enduring USMC presence in the region with ready and able forces, while ensuring the quality of life for our Marines and their families.

We must balance our commitment to Japan to reduce our force structure in Okinawa, while ensuring that our force laydown in the Pacific remains responsive to the Nation's and the combatant commander's needs. A balanced Marine Air-Ground Task Force capability in the Pacific—on Okinawa, on Guam, and on Hawaii—is an essential ingredient in our ongoing analysis.

We must ensure we have the right force laydown. Through the Quadrennial Defense Review, the Marine Corps analyzed refinements to the AIP that enhance operational capabilities. The AIP laydown was based on a 2006 force structure that had approximately 28,000 Marines and Sailors assigned to III MEF. Since 2006 the Marine Corps has been authorized to grow to 202,000 Marines With todays force structure, that number would be closer to 31,000. On Okinawa, the corresponding units under the AIP would account for nearly 11,000 Marines, exceeding the personnel strength provided for in the current agreement. We are examining alternatives that remain within the 10,000 Marine cap on Okinawa.

Question. The Expeditionary Fighting Vehicle has been in development for more than a decade, and many questions have been asked about its ability to protect Marines from roadside bombs. If the program can overcome its development challenges, it has been proposed that after the EFV travels from the sea to take a beach, additional armor could be then be added to afford greater protection to its crew before they continue inland.

General Conway, what is your response to those who might question this strategy as having to manage the tradeoffs of speed in amphibious operations against the protection of Marines?

Answer. Each of the Services is organized differently to achieve different missions. The Navy, Army, and Air Force are organized to dominate their respective domains (sea, land, and air) while the Marine Corps—a rapid-response, general-purpose air-ground task force—operates across all domains. In the case of the Expeditionary Fighting Vehicle (EFV) and amphibious operations, a balance of speed and force protection is essential during movement from ship to shore, and subsequent movement on land. The increased range, speed, mobility, and firepower of the EFV generates a high degree of force protection and allows our forces to maintain the initiative while keeping the enemy off balance.

If the situation becomes static, like in Iraq or Afghanistan, the application of modular armor for the EFV would offer greater force protection for our troops against the most likely threat. There would likely be some trade-off under that configuration with regards to speed and mobility—but the added protection brings the vehicle to MRAP-like survivability. Moreover, our lessons learned over the past several years have shown us speed is not necessarily a plus where the enemy can plot—then lay Improvised Explosive Devices against—movement patterns.

In summary, we are committed to providing our Marines the best vehicle possible to meet all mission requirements while providing the greatest levels of force protection. We will do all that while acting as responsible stewards of the nation's precious resources.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. General Conway, when requirements for amphibious ships are determined and validated, is consideration given to the demand signal from geographic Combatant Commanders for amphibious ship capabilities and support. If so, could you share with the subcommittee what the aggregate demand from Combatant Commanders is for amphibious ships?

Answer. The Department took into consideration what had been historically sourced in order to meet Combatant Commanders (CCDRs) missions when the CNO and CMC developed the requirement for amphibious ships. However, the primary driver for the Navy's requirement was Marine Expeditionary Brigade (MEB) Assault Echelon lift, and 38 ships fiscally constrained to 33 ship force that supports a 2.0 MEB lift. Assessment of CCDR steady state demand and demand registered in the Global Force Management and Joint Capabilities Requirements Manager since fiscal year 2008 requires not less than an inventory of 50 amphibious ships to meet the stated needs of the CCDRs.

Aggregate CCDR demand for amphibious ships in fiscal year 2010 was for 4.3 ARG/MEUs and 3.8 independently deploying amphibious ships. Sourcing that demand, using OPNAV rotation rates, would require a force structure of 58 ships.

Question. General Conway, based on current major contingency plans what is the requirement for amphibious ships, and how can these plans be conducted with the current number of amphibious ships? What is your personal opinion concerning the amount of risk being accepted in maintaining only 29 to 31 amphibious ships to support warfighting plans for which the Marine Corps has been tasked to be prepared?

Answer. The requirement for 38 amphibious ships to conduct 2.0 MEB forcible entry operations has been fully analyzed and agreed to, in writing, within the Department of the Navy. Given the fiscal constraints facing the Department of the Navy, the Secretary of the Navy, Chief of Naval Operations, and I agreed that 33 amphibious ships in the assault echelon represents the limit of acceptable risk in meeting the 38-ship requirement we established in a letter to your committee on January 7, 2009. This 33-ship force accepts risk in the arrival of combat and combat service support elements of the MEB, and represents a trade off to preserve the Sea Shield.

The 29–31 ship inventories during the future years defense plan (FYDP) does present risk in our Nation's ability to overcome anti-access challenges in locations along the "arc of instability," where there are no American military forces or basing agreements. Moreover, with the current inventory of 31 amphibious ships, we are unable to meet all of the steady state combatant commander demands for theater security cooperation, forward presence, and crisis response.

The Long-Range Plan for Naval Vessels projects an effort to build toward the 38 amphibious ship requirement. However, the closest the plan comes to achieving the requirement is 36 amphibious ships in fiscal year 2026.

SUBCOMMITTEE RECESS

Chairman INOUYE. This subcommittee will stand in recess until March 24—Wednesday—at which time we will receive testimony from the National Guard and Reserves.

The subcommittee is in recess.

[Whereupon, at 11:35 a.m., Wednesday, March 17, the subcommittee was recessed, to reconvene subject to the call of the Chair.]