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SENATE APPROPRIATIONS COMMITTEE  
SUBCOMMITTEE ON DEFENSE

STATEMENT OF

THE HONORABLE JOHN C. PHELAN  
SECRETARY OF THE NAVY

ON DEPARTMENT OF THE NAVY POSTURE

BEFORE THE  
SENATE APPROPRIATIONS COMMITTEE

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## **Introduction**

Chair, Ranking Member, and distinguished members of the Committee, I am honored to appear before you, alongside General Smith and Admiral Kilby, as the 79<sup>th</sup> Secretary of the Navy (SECNAV) to discuss the posture of the Department of the Navy. Thank you for your continued support for our Department. I represent nearly one million Sailors, Marines, and civilians who honorably serve this Nation with unmatched dedication and resolve. I deeply appreciate this opportunity to share my priorities and approach to recruiting, training, equipping, and preparing our Sailors and Marines to fulfill President Trump's goal of peace through strength. I spent the majority of my first 30 days meeting Sailors and Marines, touring facilities, and evaluating readiness.

The good news is, the Department of the Navy stands ready—however, we must do more than simply tread water. We must rebuild, we must reform, and we must refocus on what matters—Readiness, Accountability, and Deterrence.

Our Nation finds itself at a critical crossroads, facing an increasingly hostile, volatile, and unpredictable global maritime security environment. Our forces face existential threats, ranging from strategic competition to regional instability. The Nation and our allies depend on the Navy and Marine Corps team to sustain a lethal, agile, and ready force capable of responding to these evolving challenges.

Our adversaries are not waiting. China is building a navy to challenge American dominance. The Chinese Communist Party (CCP) continues to expand its fleet, build more advanced submarines, and operate more provocatively and aggressively in contested waters. If we fail to respond with urgency and resolve, we invite instability and risk ceding the seas to authoritarian influence. Our

Sailors and Marines have met these threats with professionalism and bravery. The question before us is whether this body and this government will match their determination with sustained support. Years of bureaucratic inertia, overseas combat commitments, misplaced priorities, and constrained defense spending have put our maritime superiority at risk, and the bill has now come due.

We cannot deter authoritarian regimes with red tape. We cannot win tomorrow's battles with a bloated procurement process that rewards inefficiency. We cannot credibly project strength abroad while ignoring fiscal sanity at home.

In the Indo-Pacific, the CCP is pursuing rapid and concerning growth, particularly in its naval capabilities. By 2030, the CCP is projected to have nearly 1,000 nuclear warheads, with a significant portion carried by its growing fleet of ballistic missile submarines. By the end of this calendar year, the CCP is projected to surpass a significant milestone with nearly 400 ships in its naval fleet—a dramatic expansion. This growth greatly enhances its strategic reach and power projection capabilities, and one must ask why the CCP is pursuing these offensive capabilities with such rigor. Regionally, the CCP's aggressive actions in the South China Sea pose a direct threat to freedom of navigation, continuing to challenge international law and disrupt the rights of coastal nations like the Philippines. We remain committed to supporting the Philippines and other regional allies to uphold a free and open Indo-Pacific. We must take decisive action to deter the CCP's assertiveness, and uphold peace through strength, ensuring the United States remains preeminent and fully prepared to defend its interests in every domain.

In April, I traveled to the Indo-Pacific to visit our forward-deployed units in Guam, Japan and the Republic of Korea, and I saw firsthand how our Sailors and Marines operate on the front

lines of deterrence. Aboard USS George Washington (CVN 73)—the Seventh Fleet’s premier forward-deployed aircraft carrier and a powerful symbol of America’s commitment to a free and open Indo-Pacific—I witnessed their resolve up close. Whether at sea, in the air, or ashore, our Sailors and Marines demonstrate the warrior ethos in everything they do. Nowhere is that more evident than in the Indo-Pacific.

In the Red Sea, we have successfully defended maritime shipping from Houthi rebels. Our Sailors and Marines are the backbone of Operation PROSPERITY GUARDIAN, not only countering Houthi missile and drone strikes with precision and professionalism but also providing essential protection to commercial vessels. Recently, we launched targeted strikes against Houthi targets in Yemen, reaffirming our unwavering commitment to defending American economic and security interests. I witnessed one of these strikes during my visit to U.S. Central Command headquarters and was extremely impressed by the Sailors and Marines who made it happen. Our actions in the region stand as a testament to the readiness of our Navy and Marine Corps and send a clear message to the world that the United States will uphold international law and maintain freedom of navigation.

Closer to home, our Sailors and Marines are supporting our Nation’s homeland defense at the southern border through Operation SOUTHERN GUARDIAN, specifically Task Force Sapper. Since January 2025, Marines from 1<sup>st</sup> Combat Engineer Battalion, 1<sup>st</sup> Marine Division, and 7<sup>th</sup> Engineer Support Battalion, 1<sup>st</sup> Marine Logistics Group, have been tirelessly working alongside members of other Federal agencies to fortify border security and provide vital surveillance, logistics and manpower support to the enforcement of our immigration laws. Their presence strengthens national defense and protects the homeland.

The Arleigh Burke-class guided-missile destroyers USS Thomas Hudner (DDG 116), USS Gravelly (DDG 107), and USS Spruance (DDG 111), along with the Freedom-class littoral combat ships USS Marinette (LCS 25) and USS Minneapolis-Saint Paul (LCS 21), have operated alongside Patrol Squadrons (VP) 26 and 46 to strengthen maritime security across the Caribbean and the Gulf of America. These crews are working hand-in-hand with the U.S. Coast Guard to deter and disrupt illegal activity, including the smuggling of drugs, migrants, and other contraband. Early in my tenure, I visited USS Gravelly in the Gulf and flew with the Sailors of VP-26 aboard a P-8A as they conducted surveillance operations in support of the Joint Task Force–Southern Border, helping stop illicit activity before it reaches our shores. Their presence and capabilities make it clear: the Department of the Navy is protecting our borders and can respond rapidly to emerging threats.

While the Navy stands ready to protect the seas, the challenge of rebuilding our Nation’s hollowed out shipbuilding industry is a major national security imperative and President Trump’s top priority for the U.S. Navy. We are aggressively seeking to improve and accelerate ship construction, prioritizing modernization, and expanding the capacity of our maritime industrial base, forged by a new path that enhances our naval capabilities at the speed of relevance. These efforts include increasing the production of advanced ships, submarines, and vital support infrastructure while strengthening partnerships with the private sector and international allies to ensure we maintain a competitive edge in a rapidly evolving maritime environment.

Over the past month I have visited eight shipyards across the Nation’s East Coast and the Indo-Pacific. I assessed their operations, capabilities, and progress. Each visit provided invaluable insight into the current state of our shipbuilding efforts and allowed me to engage directly with the workforce delivering our maritime readiness. I spoke directly with shipyard leaders and the

hardworking tradesmen essential to our Navy's operations. The discussions were insightful and highlighted the dedication and skill of their workforce. I now have a clear picture of where our shipbuilding dollars have been going and am developing a plan to fix what is broken in our funding and contracting processes. We invest billions of dollars, and yet we continue to face delays, cost overruns, and capacity shortfalls. This not only impacts our readiness but is an unacceptable waste of taxpayer funds.

Despite the challenges posed by an aging fleet and limited resources, I am particularly impressed by the commitment of the shipyard teams to meet the increasing demands of ship maintenance and modernization. These visits reaffirmed the critical role shipyards play in maintaining our readiness, and this continued investment in their infrastructure and workforce will be vital to our national security. I am committed to working with Congress to ensure our Nation's shipyards are fully supported as they continue their invaluable work.

Whether operating in the Gulf of America or across the Indo-Pacific, our Navy and Marine Corps team is on watch. Our ships, aircraft, and personnel are a reminder that America will defend its borders, its people, and its principles. We will make the appropriate investments to increase our readiness in a prudent and financially responsible way.

I have made it a personal priority to visit shipyards, meet the welders, talk to the deckplate workers, and assess the real-world readiness of our shipbuilding industry. These Americans are patriots, and they deserve our full support. As we recently did in the renegotiation of the FY24 Virginia Class submarine contract, we will continue to prioritize American workers by cutting red tape, reducing administrative burdens, and allowing them the flexibility to do what they do

best—build the world’s greatest Navy. We will continue to pursue a more balanced and shared risk philosophy with our private sector partners.

### Priority of the Department of the Navy

I have not spent my career in the Pentagon or Beltway bureaucracy, and that’s precisely why President Trump nominated me to serve as SECNAV—to challenge the status quo, to bring a fresh perspective to the Department, to bring a reformer’s mindset, and to restore the core mission of our Navy and Marine Corps.

The Department of the Navy has suffered from years of suboptimal management decisions, inefficient and burdensome bureaucracy, and poor capital allocation resulting in delayed shipbuilding and huge cost overruns. Too often, taxpayer dollars are wasted, while maintenance backlogs grow and vital modernization efforts lag. This is a result of poor decision-making by the Navy, budget uncertainty, huge expenditures in prior conflicts, and lack of a clear warfighting vision. We owe it to our warfighters—and to the American taxpayer—to fix it.

Under President Trump’s leadership, we are beginning to right the ship. His executive order to Restore America’s Maritime Dominance is not just a policy shift—it is a wake-up call. We must rebuild our maritime industrial base. We must modernize our infrastructure. We must secure Arctic waterways. And we must ensure every dollar is spent on a fleet ready to deter and, if necessary, defeat any threat.

Readiness is my north star, and every decision we make must meet the test of enhancing our readiness. I intend to lead this Department with three focus areas that will guide our vision for the United States Navy and Marine Corps:

1. Strengthen Shipbuilding and the Maritime Industrial Base.
2. Foster an Adaptive, Accountable and Innovative Warfighter Culture.
3. The Health, Welfare and Training of Our People and Their Families.

These three priorities will steer our department and shape the future of our fleet and force. As we commemorate the 250th anniversary of the founding of our Navy and Marine Corps later this year, our focus will be on maritime warfighting dominance far into the future.

### **Strengthen Shipbuilding and the Maritime Industrial Base**

We allowed our industrial base, installations, and physical infrastructure to decay for decades, and the bill is now coming due. We must rectify this and make much needed investments which will pay off in the long run. The Navy and Marine Corps' ability to maintain maritime dominance is increasingly being challenged. Our department urgently needs to maintain, modernize, and expand the fleet to counter emerging threats and uphold our national security interests.

Significant challenges in the shipbuilding industrial base—stemming from decades of underinvestment and neglect—have resulted in delayed shipbuilding programs, inadequate sustainment of our in-service vessels, systemic inefficiencies, and an inexperienced maritime workforce. Taken together, these compounded problems undermine operational readiness and the capacity to build and sustain the Navy and U.S-flag shipping fleets.

The United States must not allow a single point of failure in our industrial base to jeopardize our warfighting capabilities. This is not just a readiness issue—I consider this a national security crisis. The President's call to rebuild our Nation's shipbuilding industry was heard loud and clear and is my top priority as Secretary. A robust and reliable naval fleet is essential to projecting



power, ensuring freedom of navigation, and controlling the sea to maintain peace and stability in key regions around the world. It is crucial that the Department of the Navy collaborates closely with Congress and the shipbuilding sector to take swift, decisive action in support of new and creative solutions for current and future naval operations.

Make no mistake, shipbuilding delays challenge our department. Inability to meet established ship construction and maintenance timelines—whether due to supply chain disruptions, workforce shortages or technical hurdles—has placed the Navy in a precarious position. We cannot project power or guarantee freedom of navigation if our ships are not ready, or our fleet is not growing. Programs such as the Ford-class aircraft carriers and the Columbia-class ballistic missile submarines encounter delays that threaten to extend the gap between the planned retirement of older vessels and the delivery of their replacements. Compounded delays not only strain operational readiness but increase costs and reduce the fleet’s overall capability. Such setbacks underscore our urgent efforts to address systemic shipbuilding issues. Thus, I will seek ways to streamline shipbuilding efforts and reduce the maintenance backlog so that the Navy can build and maintain the fleet required to safeguard national interests well into the future.

Recognizing these foundational gaps and needs, the Navy established the Maritime Industrial Base Program Office. It supports the strategic priorities outlined by the President to rebuild and expand shipbuilding capacity, invest in cutting-edge manufacturing technologies, and attract and develop a highly skilled maritime workforce. These investments are fundamental not only for economic resilience, but also for safeguarding America’s maritime infrastructure and national interests.

Meeting our commitments and deadlines are non-negotiable. We are not only shipbuilding—we are building alliances, deterring adversaries and cementing America’s dominance at sea for decades to come. We will not throw money at the problem—we will fix it at the root.

#### President’s Budget 2026 (PB26)

The FY26 budget, when released, will do more than check boxes. It will revive the warrior ethos, rebuild the force, and reestablish deterrence—not by growing bureaucracy, but by getting results.

#### Restoring America’s Maritime Dominance Executive Order

On April 9, 2025, President Trump signed the “Restoring America’s Maritime Dominance” Executive Order (EO). We have ceded strategic ground for too long by allowing our commercial shipbuilding industry to atrophy, hollowing out the very capacity we need to maintain a credible naval deterrent. The EO aims to revitalize the U.S. maritime industry, addressing weaknesses in the commercial shipbuilding capacity and workforce shortages that have compromised national security.

One focus area of the EO is revitalizing our domestic shipbuilding capacity. For too long we have relied too much on foreign sources of certain components and materials critical to our fleet. By investing in shipyards with greater domestic and foreign capital, modernizing infrastructure and re-skilling the workforce, we will ensure that the United States has the capacity to build and maintain the most advanced naval vessels in the world. This effort will support national security, create high-quality jobs, strengthen the economy, and restore American leadership in maritime innovation.

Our Navy's strategic role is foundational to the protection of the U.S. homeland, securing global trade routes, the defense of allies, and the deterrence of adversaries. Ensuring that the U.S. Navy and Marine Corps team remains the world's preeminent naval force is critical to advancing American interests.

Together, with Congress, we can deliver the resources and reform necessary to make American shipbuilding great again—and ensure that our Navy and Marine Corps remain the most capable force in the world.

#### Virginia/Columbia-Class Submarine Production

Strategic deterrence does not work if the systems behind it are aging, delayed, or unreliable. That is why the Columbia-class and Virginia-class submarines are not just big-ticket items—they are the critical backbone of our ability to deter war and project strength beneath the waves.

Columbia-class submarines are designed to replace the aging Ohio-class ballistic missile submarines, providing the Nation with a modern and advanced platform for continuous at-sea deterrence, which is critical to deterring nuclear conflict. These submarines will also ensure the effectiveness and availability of the Nation's sea-based strategic deterrent for the coming decades as the most survivable leg of the nuclear triad. Virginia-class submarines are designed for attack and reconnaissance missions and are more versatile and stealthier than their predecessors, the Los Angeles-class submarines.

Production of Columbia and Virginia-class submarines is critical to maintain and enhance the Navy's strategic deterrence and undersea warfare capabilities. Both classes of submarines play key roles in strengthening national defense and ensuring maritime superiority. However, the Navy must maintain a production capacity of one Columbia-class submarine and more than two

Virginia-class submarines per year to sustain the existing submarine fleet and also meet the United States' commitments to deliver Virginia-class submarines to Australia under AUKUS, a trilateral security agreement with Australia, the United Kingdom and the United States. The Navy is providing rigorous oversight, supporting and increasing use of workforce development pipelines and leveraging supplier development funding to mitigate risks.

I recently had the opportunity to commission the Virginia-class submarine USS Iowa (SSN 797) in Groton, Connecticut. During that visit, I saw firsthand the hard work, precision, and attention-to-detail our industrial workforce puts into making a nuclear-powered submarine. I will ensure the same level of skill and workmanship happens on all new builds and that rigorous oversight ensures ships are being built on time and on budget. Their production cannot be allowed to fall victim to bureaucratic inertia or misplaced priorities.

#### Battle Force Ship Assessment and Requirement (BFSAR)

To compete and win in an era of peer military competition, the United States requires a balanced naval force capable of striking targets in all domains. Our warfighters must be adaptable, demonstrate presence, achieve sea control and be capable of projecting power by delivering precision effects at long ranges. This mission is achieved through a robust fleet and force. The most recent BFSAR report identified a future battle force structure objective of 381 ships—a significant increase from the current 295-ship battle force. This increase comprises specific force structure goals for each type of battle force spanning surface combatants, aircraft carriers, amphibious ships, submarines, logistics and support ships as well as unmanned vessels. The Navy will continue to grow ready, lethal, and survivable warfighting capacity at a rate supported by the fiscal guidance, industrial base capacity, and our ability to sustain the battle force. We

cannot build a fleet big on paper and weak in practice. Our target is clear, and our obligation is constitutional: provide for the common defense efficiently and effectively.

### Shipyard Infrastructure Optimization Program (SIOP)

To achieve the operational readiness required to support the demands of our nuclear fleet, the Naval Enterprise must be able to deliver aircraft carriers and submarines from depot-maintenance periods on time. SIOP is a meaningful attempt to improve submarine and aircraft carrier depot maintenance at the Navy's four public shipyards, measured primarily by capacity throughput and maintenance duration performance. SIOP will achieve these outcomes by expanding shipyard capacity, optimizing configuration and utilities, modernizing equipment and ensuring facilities meet modern codes. Amongst other key performance parameters, SIOP will reduce maintenance availability of submarines and aircraft carriers, ensuring shipyard facilities and dry docks meet modern code and increase the resiliency of their critical infrastructure to withstand any number of scenarios.

SIOP is beyond the study and analysis phase. It has tracked and modeled entire maintenance evolutions—22 at this time—to identify inefficiencies and choke points at our shipyards, utilized that data to build digital twins to identify optimal workflows and is generating development plans to implement them. It has standardized capital equipment investment plans to drive commonality across the shipyards. It will implement industry-standard business processes like the Navy's "next generation RFID tracking" to remove all manual reporting and drive security, accountability and auditability. It will add amenities to the shipyards to increase the quality of service of the over 37,000 shipyard workers the Nation relies on. The Navy's final development

plan is approved for Pearl Harbor Naval Shipyard, and the final plans across all shipyards will be completed in early 2026.

SIOP has completed one submarine dry dock retrofit, has three new submarine dry docks under construction, and will provide future capacity to meet class maintenance plans. One Ford-class dry dock is in construction, and the other is in design. Various pier and utility upgrades to meet new class requirements have been completed with additional upgrades in the construction and design stages. A ribbon-cutting ceremony was held at Portsmouth Naval Shipyard in February 2025 to celebrate the opening of a waterfront production facility that collocates light machine shops, production shops, artisan support, engineering and project management teams. That project alone will save 5,800 man-days per submarine availability. 175-ton portal cranes are on contract for each shipyard—standardizing them—and the Navy reaped the benefits of economic order quantity procurements. These are just some examples of the 44 projects and 246 pieces of capital equipment that SIOP has completed to date and the 48 projects and \$6.0 billion of projects on contract.

The progress made under SIOP is what real reform looks like: an efficient, data-backed, and accountable investment in the people and infrastructure we depend on to keep our fleet afloat.

## AUKUS

AUKUS is an opportunity to strengthen deterrence in the Indo-Pacific. We must increase submarine production if we are going to meet U.S. requirements in the Indo-Pacific and realize AUKUS Pillar I. The United States cannot afford to weaken its own submarine forces during this critical period, which is why President Trump is leading a whole-of-government approach to revitalize American shipbuilding.

## Capabilities Supporting the Navy Nuclear Deterrence Mission

Peace through strength only works if that strength is credible—and in the modern age, that means a reliable, modernized nuclear deterrent. The Navy’s strategic deterrence capabilities are foundational to maintaining peace and stability. Key to this mission is the modernization of Nuclear Command, Control and Communications systems, along with the advancement of Submarine-Launched Ballistic Missiles and the Nuclear Sea-Launched Cruise Missile. However, the industrial base supporting these critical programs faces challenges, including aging infrastructure and limited production capacity. The Navy is working diligently to address these gaps, particularly by replacing the E-6B Mercury aircraft with the E-130J while balancing conventional and nuclear missile demands with industry leaders. Timely investments and sustained resourcing are essential to ensuring the continued effectiveness of our nuclear deterrence capabilities and to counter emerging threats from our adversaries. We must modernize and recapitalize these critical assets to guarantee the Navy’s readiness in the years ahead.

## Arleigh Burke-Class Destroyer Upgrades

Flight III DDG-51s, the newest iteration of the surface fleet’s workhorse, will provide enhanced Integrated Air and Missile Defense with the AN/SPY-6(V)1 radar and Aegis Baseline 10 combat system. These combat system enhancements meet the growing ballistic missile threat by improving radar sensitivity and enabling longer range detection of more numerous and increasingly complex threats. There are currently 23 Flight III ships on contract through FY27. The acquisition strategy is structured to provide continued, timely procurement of battle force surface combatants by leveraging current production lines at both Huntington Ingalls and Bath Iron Works as we prepare to transition a future large surface combatant. But let’s be clear: these

upgrades only matter if the ships are delivered on time, on budget and without bureaucratic delays. That's where oversight comes in. We're not writing checks for promises—we're demanding results.

### Constellation-Class Frigates

The Constellation-class was designed to deliver a highly capable, multi-mission platform that bridges the gap between larger surface combatants and smaller, more agile vessels.

Unfortunately, the program is not without its difficulties. Due to post-contract design modifications by the government, we continue to navigate significant challenges in production.

We need to take a hard look at what we are building and how we are building it. I am committed to a full review of programs and platforms that focus on our future needs, not priorities of the past. Our focus is on delivering a reliable, cost-effective, and lethal ship that will serve as a cornerstone of distributed maritime operations for decades to come.

### Unmanned Systems

If the last few years of conflict have taught us anything, it is that we will not win the wars of the future with the platforms of the past. Success in modern warfare will require the rapid, scalable production and integration of air, surface, and subsurface unmanned systems (UxS). Recent warfighting in Ukraine and the Middle East demonstrate that while UxS have not replaced manned systems, they effectively serve as force multipliers, amplifying intelligence and lethal capabilities at significantly lower cost and reduced risk.

The MQ-25 fuel tanker, prepared for deployment in 2026, will free up our fighters for strike capability. The Marine Corps' family of small UxS are attritable systems providing



reconnaissance, target acquisition, and battle damage assessment, improving strategic planning while reducing personnel risk. Integrating rapid development of unmanned surface and subsurface systems into the shipbuilding industrial base is an important component of modernizing our fleet.

Our ability to deter future conflict or to prevail, if necessary, will benefit from high quantities of low-cost UxS for use in close-range reconnaissance or one-way strike missions with lower numbers of high-cost sophisticated UxS with surveillance and/or mid- to long-range strike capability. The Navy is prototyping, experimenting, and integrating a variety of UxS into the fleet through efforts such as Replicator and in close collaboration with the Defense Innovation Unit.

As we expand our own UxS industrial base and production we must also continue to expand our capacity to effectively counter unmanned systems operated by our adversaries. We are investing in both ends of the spectrum: low-cost, high-quantity platforms for close-in reconnaissance and strikes and more sophisticated unmanned systems with long-range and surveillance capabilities. And we're not naïve—our adversaries are doing the same. That is why counter-unmanned systems capabilities must evolve just as quickly. We either lead the next wave of innovation—or pay the price of others doing it first.

### Munitions

Continued engagements in the Red Sea have sharpened my focus on our stockpile of munitions. Since October 2023, Navy ships have engaged in combat operations against Houthi rebels, expending many air defense munitions that we are working with industry to replenish. These operations primarily targeted Houthi military equipment used to threaten shipping, aiming to

degrade their capabilities. We performed exceptionally well in this extremely high-tempo hostile environment.

The backbone of kinetic ship defense has been our Standard Missile series of interceptors. While expensive compared to Houthi threats, the SM-2, SM-3, and SM-6 have performed well in this combat environment. In January 2024, the Navy successfully adopted much less expensive Sidewinders and Hellfire missiles in addition to air engagement layered defense tactics over the Red Sea. Further, we are striking Houthi training sites, weapons infrastructure and storage facilities, degrading their capabilities left of launch. With the support of the supplemental funding bill, we were able to test and evaluate land-based counter-UAS systems for future use and improve the MK-45 (5”) Gun weapon system to have a more active role in counter-UAS. I will work to ensure that our Navy can grow its munition stockpile in a timely, fiscally balanced way that does not degrade our security. We cannot afford to run out of ammunition during a fight. Growing the stockpile must be done with discipline—balanced against budget realities, but without compromising our security. Bottom line, we need to make sure we have the right ammunition in the right place on the right platform. That is the standard I will hold the Department to.

### Amphibious Warship Readiness

The Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) is a versatile, combat-ready force package. The Navy-Marine Corps team’s amphibious warships deliver certified, combat-ready ARG/MEU teams to meet the needs of the Combatant Commanders and serve as the Nation’s 911 crisis response force. The ARG/MEU remains one of the Department of the Navy’s force offerings to combatant commanders for crisis response, deterrence, and

warfighting. However, maintenance challenges have hindered the Department's ability to generate amphibious warships, negatively affecting Marine Corps training and ARG/MEU force generation. These persistent issues reduce ARG/MEU presence and leave Combatant Commanders without the capabilities needed for steady state operations and crisis response.

To address this, Navy and Marine Corps' uniformed leaders signed a joint letter to improve amphibious warship readiness. The Office of the Chief of Naval Operations, Naval Surface Forces, and Naval Sea Systems Command are leading the Navy's efforts to improve its overall amphibious maintenance performance. The truth is we are not doing a good enough job. We need to do more in this area, and this will be a priority of mine.

#### Littoral Mobility

If we expect our forces to operate forward, we must give them the tools to move, survive, and strike in contested terrain, particularly as they maneuver through the first and second island chains in the Indo-Pacific. Recognizing this capability gap, the Navy-Marine Corps team is pursuing the Landing Ship Medium (LSM) and the Littoral Maneuver Bridging Solution to fill this need in the priority theater. Separate and complementary to amphibious warships, the LSM will be a purpose-built platform designed for mobility, beach access, and sustainment in austere and contested environments, ensuring Naval Expeditionary Forces can campaign effectively.

#### **Foster an Adaptive, Accountable and Innovative Warfighting Culture**

As the Nation's first line of defense, the Navy and Marine Corps play an indispensable role in securing national interests and protecting our way of life. However, to truly strengthen our defense posture, we must first ensure that the Department of the Navy is accountable to the American taxpayer. Without a solid foundation of fiscal responsibility, transparency, and

efficient resource management, we cannot expect to foster a culture of adaptability and warfighting excellence that is critical to our future success. Not just for appearance's sake—but because no military can sustain its edge without earning the trust of the American taxpayer every single day.

Accountability is not just a regulatory requirement—it is the bedrock upon which we build a stronger, more efficient Navy and Marine Corps. To instill an environment of adaptability and warfighting culture, we must first demonstrate sound business practices and financial discipline. Under my leadership, the Department of the Navy will achieve a clean audit, following the example set by the Marine Corps, which has completed two consecutive unmodified audits. Financial transparency and audit compliance are essential to ensuring we operate with integrity, maximizing every dollar invested in our defense and holding ourselves accountable to the taxpayers we serve.

To build a more resilient and responsive force, we must embrace the principles of better business practices in all aspects of our operations. This includes fixing broken procurement processes, streamlining logistics, and optimizing the lifecycle management of assets. By applying proven business strategies and techniques, we can eliminate inefficiencies, reduce waste, and ensure that we deploy resources where they will have the most significant impact.

We must also foster a culture of continuous improvement, where we integrate innovation and forward-thinking into the way we do business. This means leveraging technology to drive smarter decision-making, adopting lean management practices to eliminate unnecessary overhead, and building relationships with private industry to access cutting-edge solutions. By

embracing a disciplined, business-focused approach, we not only improve the effectiveness of our operations we also increase our ability to respond quickly to changing threats.

Once rigorous accountability and efficient management is established, we can turn our attention to building a truly adaptive and responsive force. An accountable organization can make informed decisions, pivot swiftly to meet emerging challenges and invest in the modernization needed to maintain a competitive edge. As we work to modernize our forces and implement a more agile warfighting culture, we must do so with a mindset that every resource is used effectively, and every decision is backed by sound logic. Ultimately, agility is worthless without integrity—and readiness means nothing if the system behind it is hollow.

#### Planning, Programming, Budgeting and Execution Reform

If we're going to rebuild a lethal, responsive, and accountable military, our budget process must work for warfighters—not bureaucrats. The Department of the Navy's reform efforts will help rebuild our military by aligning resources to counter threats. As part of the overall DoD effort, the Department of the Navy has streamlined budget exhibit submissions to Congress and consolidated budget line items to enhance transparency and efficiency. We welcome continued engagement with our DoD partners, Congress, and other key stakeholders to identify additional opportunities to accelerate these reforms. Because when we align resources to mission—not politics—we give our Sailors and Marines the tools they need to succeed. The Department has leveraged the Navy Cost Agency to refine cost analysis, ensuring execution feasibility and operational priorities inform funding adjustments.

#### Taxpayer Advocacy Project and Promoting Individual Accountability

Accountability isn't a talking point—it's a requirement. Every dollar the Department of the Navy spends belongs to the American taxpayer, and we will treat it that way. That's why I have directed our acquisition teams to use every tool available to drive better value, develop and enforce better contract standards, and hold people—and companies—responsible when they fall short.

To ensure full accountability, we are working with the USDS Department of Government Efficiency (DOGE) to leverage every available tool so that the Department obtains the best value in its contracts. We will provide Program Executive Officers, Program Managers, Contracting Officers, and legal staff with strategies and authorities to improve and enhance negotiations with industry. This effort includes utilizing programs such as the Taxpayer Advocacy Project (TAP) which, through the efforts of attorneys and acquisition professionals, has focused on contractor refusal to deliver technical data despite statutes and regulations allowing for such delivery and contract clauses mandating delivery. It has also examined and considered public filings of major defense contractors, analyzed contractor performance, and engaged with other agencies and Congress.

Likewise, TAP and Promoting Individual Accountability (PINACL) initiative aim to hold any officer, director, shareholder, partner, or employee accountable for corporate misconduct. PINACL furthers the Department's policy to take vigorous action to deter and eliminate acquisition fraud, waste and other related improprieties whenever they occur. We will secure the best value for the taxpayer and ensure excellence in contract performance remains a central part of our business culture. I vow to use every means necessary to accomplish this. While we look forward to building closer and more collaborative relationships with industry, accountability remains a key priority.

I am not here to wage war on industry. I am here to demand excellence. That means fair partnerships built on transparency, performance, shared risk and value. It is time contractors know: the era of excuses and no accountability is over.

### Better Business Practices

#### *Modernizing Our Information Technology Infrastructure*

Modernizing our information technology (IT) infrastructure ashore and afloat is a strategic imperative for the Department of the Navy as it ensures this essential backbone of our maritime power remains secure, survivable, and capable of securely delivering the information needed anywhere at the speed of relevance to maintain decision advantage. The DoD's Technology and Program Protection (T&PP) seeks to help manage the risk of adversarial exploitation and technology compromise. Soon, I intend to sign the Department's first comprehensive policy for T&PP which will integrate cross-functional Department of the Navy and DoD policies, prescribe protection requirements, and define roles and responsibilities for unified implementation.

The Department's efforts are focused on optimizing our IT infrastructure ecosystem to an agile, organically digital state that can continuously evolve as technology and threats evolve. The Navy and Marine Corps have demonstrated measurable improvements in customer satisfaction, cybersecurity and operational resilience, decreasing user time lost and cost per user by migrating people to their cloud-based collaboration and productivity solutions. The Department is modernizing at all levels of the IT ecosystem, delivering core infrastructure services such as our digital work environment where users can securely access their data anywhere on any device with performance that will put them on the same level as best-in-class experiences in industry.

#### *Counterintelligence and Insider Threat Management*

Our Nation faces increasingly complex and aggressive threats from our strategic competitors including foreign intelligence services and proxies that target our information, personnel, technology, and operations. The scale of these challenges demands a comprehensive approach to ensure we effectively characterize and deter these behaviors to maintain our competitive edge. To protect our operations, programs and most critical technologies, the Department of the Navy's Counterintelligence (CI) and insider threat programs require an enterprise approach across our three CI components: 1) the Naval Criminal Investigative Service, 2) the Navy, and 3) the Marine Corps. We have made great strides in dynamically engaging with a broader DoD enterprise, fostering greater adaptability and resilience against potential threats. Only through an enterprise approach can the Department of the Navy protect our operations, programs and critical technologies.

We have made real progress by collaborating more effectively across the DoD. But the work does not stop there. It is going to take continued adaptability and vigilance to protect our most critical assets—and we are committed to getting it right. We cannot defend freedom if we are asleep at the wheel.

### *Cyber Security*

We can have the strongest fleet in the world, but if our networks are not protected, we are one cyberattack away from losing our edge. That's the reality of modern warfare—our systems are only as strong as the weakest firewall. In addition to kinetic attacks, the Department is committed to protecting the fleet from non-kinetic attacks, including cyber compromises. Shipboard weapons rely on networked systems; therefore, cyber protections cannot be ignored across our platforms. The Department is developing flexible, cost-effective, and robust security



solutions that leverage commercial and government-furnished hardware and software, both of which can be tailored to any platform and in any operating environment.

We are also modernizing operational technology within the Navy's defense critical infrastructure. Doing so will enhance our ability to rapidly detect, respond to and mitigate cyber threats in our operational architecture. The Department is also creating a Cyber Security Protection Enclave and a security operations center for infrastructure. Combined, these endeavors seek to counter an adversary's ability to conduct cyberattacks.

We are not just playing defense. We are challenging our adversaries' ability to operate in this domain. As digital warfare evolves, our systems must evolve faster. Protecting our platforms, data, and infrastructure from cyberattacks is no longer a luxury—it is a battlefield imperative.

### *Cyberspace*

Cyberspace assists the Navy and Marine Corps to project naval power and sustain maritime operations. The naval services must secure our enterprise networks, weapon systems, platforms, and critical infrastructure to enable mission assurance. We must present capable cyber forces that can maneuver in cyberspace and conduct both offensive and defensive operations.

Our adversaries are actively targeting our critical infrastructure with cyber capabilities. We rely on these installations to support naval operations, and we cannot allow them to be held at risk. Similarly, we must harden the weapon systems and platforms required to deliver warfighting effects. In response to growing cyber threats, the Department is deploying security solutions that enable enhanced situational awareness across our enterprise. Additionally, we will prioritize the security of critical supply chains that support naval operations and shipbuilding.

In partnership with the Chief Information Office (CIO), we are moving at speed to deploy “Zero Trust” capabilities that will improve the Department of the Navy’s cyber defenses afloat and ashore, reduce risks, and ensure we can fight through and win in a contested Information Environment. Importantly, we have achieved “Advanced Level” Zero Trust for the Navy’s unclassified enterprise IT environment. The Marine Corps is using the same architecture and approach to operate and defend their unclassified environment. These are excellent achievements.

The Navy and Marine Corps present cyber forces capable of meeting mission demands to counter adversaries. We are prioritizing recruitment, retention and training to strengthen operational readiness in accordance with US Cyber Command requirements. I look forward to supporting DoD’s revised cyber force generation model and ensuring operational commands have the cyber personnel they need to increase lethality. Under my watch, the Department will stay focused on making prioritized investments in the cyberspace domain, as one of the most cost-effective ways of multiplying lethal battlefield effects and projecting power.

### **The Health, Welfare and Training of Our People and Their Families**

As we confront the mounting challenges of shipbuilding and warfighting readiness, I recognize that our greatest asset is the extraordinary men and women who serve amongst us—the Sailors, Marines, and Department of the Navy civilians. We will continue to invest in the recruitment, training and retention of the highest caliber personnel. We will prioritize Quality of Life and Quality of Service initiatives to ensure that our Sailors, Marines and their families have the resources available to succeed when called upon to meet the mission.

### **Military Recruiting and Retention**

Recruiting and retaining Service members is essential to the success of our department. To meet these challenges head-on, the Navy and Marine Corps have increased marketing, advertising, and recruiter manning investments. The Navy and Marine Corps are on track to exceed Fiscal Year (FY) 2025 recruiting and retention numbers; however, more must be done. We cannot lose track of our commitment to fully fund recruiting efforts and sustain investments in this program. Maintaining this momentum is more difficult under successive Continuing Resolutions.

We are leveraging our services' 250<sup>th</sup> Anniversaries as powerful recruiting tools to inspire the next generation of Sailors and Marines. Through high-visibility outreach and engagement events, we are connecting 250 years of naval legacy to the opportunity to serve today. The Department's substantial leadership focus on this issue and the ability to apply monetary and non-monetary incentives and programs is vital to recruit and retain Service members in undermanned or difficult to fill positions.

### Reserve Force

The Department of the Navy Reserve Components (RC) are designed to be force multipliers that enhance strategic depth and provide critical operational support to contribute to the lethal capability of the Navy and Marine Corps. We must do more to make this a reality. Reservists bring key skills from the civilian world in fields such as business, medicine, logistics, and tech and are critical to how we operate and transform. Every effort is made to ensure reservists receive complete access to the full benefits they are entitled to with each mobilization or activation. The RC is focused on creating strategic depth by using a new "billet-based activation" dynamic. This effort aims to prioritize the mobilization of reservists based on the billets to which they are trained, which ensures their skillsets match the mobilization requirement. During the last

two and a half decades of contingency operations, the Navy Reserve provided critical operational support to the Joint Force, in some cases augmenting ground combat units or providing key operational support not aligned with their primary Navy Reserve billet or training. As the Navy Reserve shifts its conflict in the Indo-Pacific, the RC is focusing on “billet-based activation,” prioritizing the mobilization of reservists based on the billets to which they are trained, which ensures their skillsets match the mobilization requirement. The Marine Corps Reserve is restructuring units and modernizing capabilities to be a ready expeditionary force. A top priority of mine is to reduce the administrative burden placed on our Reserve force so that they can focus on warfighting. The days of Reservists conducting weekend bureaucratic paperwork exercises will end on my watch. The Department will continue to leverage our reservists to ensure a total force approach for operational and strategic planning.

#### “Restoring America’s Fighting Force” Compliance

DoD’s mission is to win the Nation’s wars. To do this, we must have a lethal fighting force that rewards individual initiative, excellence and hard work based on merit. On January 27, 2025, the President issued an EO stating that diversity, equity and inclusion (DEI) policies are incompatible with DoD’s values. To promote unity and cohesion across the fleet, the Department of the Navy is participating in the SECDEF’s Restoring America’s Fighting Force Task Force to oversee the DoD’s efforts to abolish DEI offices and any vestiges of offices that subvert meritocracy, perpetuate discrimination and divide our Sailors and Marines by promoting categories of race and gender. This effort includes conducting a departmental internal validation process using qualitative and quantitative data, including in-depth document reviews, comprehensive program and data analyses, site visits including class observations, and structured interviews.

## COVID-19 Vaccine Refusal Reinstatement

Between December 2021 and January 2023, the Department of the Navy separated 1,878 Sailors and 3,748 Marines for refusing the COVID-19 vaccination, regardless of their years of service to our Nation. Now, the Department of the Navy is making things right for thousands of Service members who were discharged involuntarily or voluntarily for refusing to receive the COVID-19 vaccination. The Department is committed to supporting the direction of the President and SECDEF to ensure that Service members separated for refusal to receive the vaccination are provided the opportunity for reinstatement, should they desire, or a return to service.

## Mental Health

Mental health remains a top priority, and the Department of the Navy remains committed to ensuring the health, safety and well-being of all members within our military community. By providing a full continuum of services to promote mental wellness and address psychological, family, and personal challenges, the Department reinforces that there is “No Wrong Door” to get help. Mental health and substance abuse services are available worldwide through a range of in-person and virtual health platforms. The Department implemented the Brandon Act via ALNAV 054/23 in 2023 to reduce stigma and expand access to mental health support throughout the Navy and Marine Corps. The Brandon Act normalizes help-seeking behaviors by establishing a self-initiated command referral process.

The Department will continue to ensure 24/7 access to a wide array of crisis resources, including the Veterans Crisis Line, local Fleet and Family Centers, chaplains, and counseling centers. In doing so, we will better equip leaders across the Department with the right tools to foster healthy connections within their units. Mental health and behavioral health services are available

worldwide from Navy installation counseling centers, on the waterfront, in operational units through embedded mental health providers, at military medical treatment facilities, and via virtual health platforms. We will also continue providing our Service members with non-medical mental health services through Navy chaplains, Fleet and Family Support Centers, Marine Corps Community Counseling Centers, and Military OneSource. We will endeavor to continue programmatic investments in mental health, ensuring our Sailors and Marines stay resilient and mission-ready.

### Installations

Our installations are the warfighting platforms from which we man, train, and equip our Sailors and Marines. I am committed to ensuring our Service members have the appropriate infrastructure support required to ensure operational readiness. Many of our critical facilities are beyond service life, in poor condition, inefficient, and insufficiently resilient. In April-May 2025, I visited with Sailors and Marines stationed at Camp Lejeune and across Guam, touring both new and decrepit barracks in both locations. Some of the living conditions are simply unacceptable! We cannot have Service members living in subpar environments here in the United States and its territories. The conditions of these facilities can adversely affect the physical health of our force and impact recruiting, training, deployments, and maintenance activities. We must also provide better housing, revisit our privatization contracts, and resolve parking issues. Shipyard workers have told me they are arriving at work up to two hours early just to have somewhere to park. The status quo is not sustainable.

Although the Department of the Navy has programmed funding for the most critical and aged infrastructure, much work remains in investments and resourcing to fully address the gaps.

Critical infrastructure modernization and recapitalization are warfighting imperatives to enhance and maintain readiness.

We are also committed to military construction (MILCON) projects to enhance quality of life for families. The Navy and Marine Corps have 5 Child Development Center MILCON projects slated for completion within the next 3 years and an additional 12 MILCON projects funded through the planning and design phases. Additionally, we must continue to invest in improving the infrastructure of schools onboard our installations. The Department must do its part as a strong partner to ensure that all 160 accredited Department of Defense Education Activity schools secure Congressional support to help drive funding, legislation, and policy improvements.

### **Closing**

The mission of the United States Navy and Marine Corps has never been more vital—or more at risk. Around the globe, threats to liberty and stability are growing. But with the right priorities, the right reforms, and the right people in charge, we will rise to meet this moment.

Together, with the partnership of this committee, we will build and sustain a Navy and Marine Corps worthy of the American people's trust.

The opportunity to serve as the 79<sup>th</sup> Secretary of the Navy is the honor of a lifetime. It is a responsibility I carry with the utmost seriousness and respect. Meeting the challenges of this decade will require coordination across government, across industry, and across party lines. Your leadership—and your oversight—are essential to shaping the Navy and Marine Corps of the future.

May God bless our Sailors, Marines, civilians, and their families. And may God continue to bless the United States of America. Thank you.