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UNTIL RELEASED BY THE
SENATE COMMITTEE ON
APPROPRIATIONS
SUBCOMMITTEE OF DEFENSE

STATEMENT OF

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BEFORE THE

SENATE COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON DEFENSE

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CNO's Posture Hearing
FY 2008 Budget

Mr. Chairman, Senator Stevens, and members of the Committee, it is an honor to appear before you today representing the brave men and women, Sailors and civilians, of the United States Navy. And it is with great pride, tempered by the urgency of war, that I report to you the Navy's readiness to answer all bells for our nation's security, today and for generations to come. Thank you for your longstanding support.

INTRODUCTION

We are a maritime nation involved in a long, irregular and global war that **extends far beyond Iraq and Afghanistan.** The threat we face breeds within failing states and the under-governed spaces of the world and preys upon those weakened by poverty, disease, and hatred. It thrives where there is no rule of law and spreads like a malignancy through cyberspace and the vast maritime commons that serve as connecting tissue in this age of globalization.

We are also confronted by nation-states determined to develop sophisticated weapons systems, including nuclear arms. **We cannot allow ourselves to be fixated on one threat alone. Our national security is dependent upon a strong Navy** that can keep the sea lanes free, deter aggression, safeguard our sources of energy, protect the interests of our citizens at home and reassure our friends abroad. We must never relinquish overmatching capability and capacity.

While our ground forces are engaged in Iraq and Afghanistan, the Navy - with its ability to deliver two unique attributes day to day **- global reach and persistent presence** – will continue to support our responsibilities worldwide and provide a powerful deterrence, both in day-to- day operations as well as being a vital element of **our nation's "Strategic Reserve."** As we pace the rapidly changing security environment, there is no alternative to a well balanced Fleet.

Much has changed in the world since I testified before this committee last year. Iran has been emboldened by the Israel/Hezbollah war and continues the overt pursuit of a

nuclear production capability. North Korea has test fired long range ballistic missiles and conducted an underground nuclear detonation. China has demonstrated the ability and willingness to conduct out of area diesel submarine operations and their advanced military and space technology development continues apace. The stated desire for, and apparent pursuit of, weapons of mass destruction (WMD) and advanced delivery systems has increased among terrorist organizations and their state sponsors. And within our own hemisphere, some leaders have become increasingly vocal in their opposition to policies of the United States.

Last Spring I signed the Navy Strategic Plan (NSP) to better align budgetary decisions with future operations and risk assessments. The NSP also laid the foundation for the Naval Operating Concept (NOC), which I co-signed with the Commandant of the Marine Corps in August 2006. The NOC is intended to define the objectives and missions of the Navy-Marine Corps Team and to underscore our warfighting interdependence.

The President's National Strategy for Maritime Security (NSMS) calls for enhanced international cooperation to ensure lawful and timely enforcement actions against maritime threats. During the Cold War, our Navy was guided by a Maritime Strategy focused on containing and defeating the spread of communism and Soviet domination. It is time to develop a new Maritime Strategy based on global reach and persistent presence – a strategy that includes core Navy warfighting competencies and deterrence, strategic communication and information operations, shaping and stability operations, emerging and enduring partnerships.

At the International Sea Power Symposium in September 2005, the Chiefs of 49 navies and coast guards, among 72 countries represented, discussed a new vision of sea power in the 21st century. That vision of sea power encourages international partnerships for maritime security and awareness, consisting of vessels and capabilities from partner nations around the world - nations with a shared stake in international commerce, security and freedom of the seas: the "1,000 Ship Navy."

This year the US Navy and Coast Guard have joined maritime forces around the world interested in participating in Global Maritime Partnerships - a proverbial "1,000 Ship Navy." Membership in this "global fleet" is not

proscriptive and has no legal or encumbering ties. It is envisioned to be a Free Form Force of maritime partners who see the promise of sea power to unite, rather than to divide: Collective security on the oceans highways through a global maritime network.

United States Navy's VISION

Americans secure at home and abroad; sea and air lanes open and free for the peaceful, productive movement of international commerce; enduring national and international naval relationships that remain strong and true; steadily deepening cooperation among the maritime forces of emerging partner nations; and a combat-ready Navy -- forward-deployed, rotational and surge capable -- large enough, agile enough, and lethal enough to deter any threat and defeat any foe in support of the Joint Force.

PRIORITIES

In last year's testimony, I identified three priorities addressed by our FY2007 budget. We have made progress in all three and our FY2008 Budget reaffirms our commitment to these priorities. We seek your assistance as we move forward, placing particular emphasis on strengthening our core warfighting capabilities and increasing our own military capacity as well as that of our partners. Our three priorities remain:

I. **Sustain combat readiness** … with the right combat capabilities - speed, agility, persistence, and dominance - for the right cost.

II. **Build a fleet for the future** … balanced, rotational, forward deployed and surge capable - the proper size and mix of capabilities to empower our enduring and emerging partners, deter our adversaries, and defeat our enemies.

III. **Develop 21st Century leaders** … inherent in a strategy which, through a transformed manpower, personnel, training and education organization, better competes for the talent our country produces and creates the conditions in which the full potential of every man and woman serving our Navy can be achieved.

I. SUSTAIN COMBAT READINESS

A. FY2006 in Review

The Navy answered all bells in 2006. We met the demands of Combatant Commanders for well-trained, combat-ready forces -- deterring aggression while conducting Operation Enduring Freedom, Operation Iraqi Freedom, international disaster relief, and humanitarian missions. We successfully evacuated over 14,000 American citizens safely from Lebanon and demonstrated our resolve, capability and partner building capacity in Exercises VALIANT SHIELD, RIMPAC, and Partnership of the Americas.

Over 10,000 Navy Individual Augmentees continued to make significant contributions around the world in all manner of joint and coalition billets, particularly in the CENTCOM Area of Responsibility. We continued to provide vital direct and indirect combat support to the Marine Corps through a variety of Blue in Support of Green programs, and we supported homeland defense initiatives with the U.S. Coast Guard, including the development of a Maritime Domain Awareness Concept of Operations (CONOPS) and the establishment of three Sector Command Center-Joint, interagency harbor operations centers.

Last year the Navy also made progress toward improving our core warfighting competencies: anti-submarine warfare, mine warfare, and ballistic missile defense. As the missile tests on the Korean Peninsula and the out of area deployment of a Chinese diesel submarine remind us, we must ensure we sustain our overmatching capability and capacity in these, and other, core warfighting mission areas.

B. Current Readiness

I recently returned from a trip to Iraq, Afghanistan, Djibouti, Bahrain, and ships at sea in the Arabian Gulf. I visited with Sailors conducting special operations and combat support in Iraq, flying combat sorties in support of OEF and OIF, providing security protection for oil platforms, conducting civil affairs missions in Afghanistan, participating in Theater

Security Cooperation activities in Horn of Africa, and standing watches onboard USS DWIGHT D. EISENHOWER, USS ANZIO, and USS BOXER – reassuring our allies in the region while providing a formidable deterrent to Iran.

Our Navy's readiness is superb and our Sailors are performing at exceptional levels at sea and ashore. The men and women of your Navy are on watch AROUND THE WORLD, AROUND THE CLOCK.

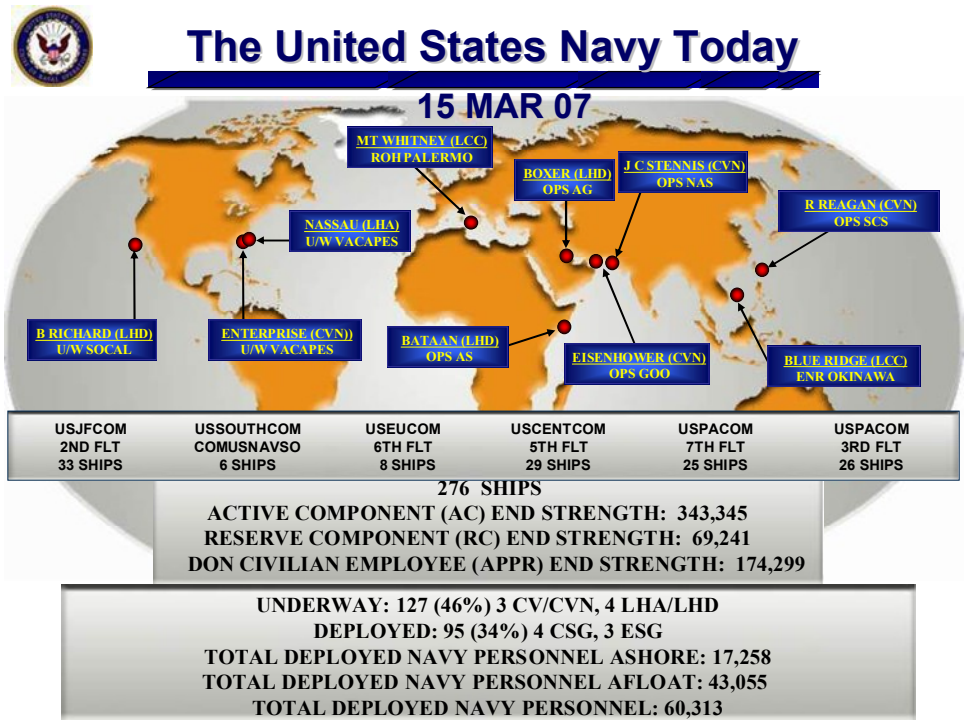

Figure 1

On 15 March 2007 we had 95 ships on deployment (34% of the Fleet) and 127 ships underway (46% of the Fleet) in every theater of operation; this included 3 aircraft carriers, and 4 big deck amphibious ships (LHA/LHD), and approximately 25 submarines (Figure 1).

That same day, 2,744 active and reserve Seabees, and 4,896 of our active and reserve medical corps were serving overseas, many in combat support roles. Additionally, 817 members of the Navy Special Warfare community were deployed overseas (of 3,616 deployable), as were 247 Explosive Ordnance Disposal personnel (with 105 surge-available to deploy), and 744 Naval Coastal Warfare/Expeditionary Security Force

personnel (of 2,640 deployable). Earlier this month, 167 Sailors from the Navy's first, newly established Riverine Squadron arrived in Iraq to provide area security at the Haditha Dam.

Worldwide, on 15 March 2007, there were 60,313 of our Sailors deployed ashore and afloat worldwide, conducting strategic deterrence; intelligence, surveillance and reconnaissance; anti-submarine warfare training, ballistic missile defense, mine counter warfare, counter piracy and counter-drug patrols, theater security cooperation activities, and humanitarian assistance. On that day there were 31, 120 Sailors serving in the CENTCOM AOR, 13,007 of whom, were on the ground building roads and schools, offering combat care and medical assistance to our Fleet Marines, providing timely intelligence support to Special Operations, and contributing to the myriad combat support and reconstruction missions ongoing in that region. No less vital are the sailors and civilians - the Total Navy - who serve the shore-based infrastructure that underpins our Fleet worldwide.

Perhaps the greatest enabler of our current, and continuous, readiness has been the ongoing development of the Fleet Response Plan (FRP). FRP is an evolving, deliberate process to ensure increased and continuous availability of trained, ready Navy forces capable of a surge response forward on short notice. FRP does not change training requirements, operational capabilities or the amount of maintenance. Rather, it delivers enhanced surge capability while providing rotationally deployed forces to fulfill Global Force commitments.

Another key enabler of our Fleet readiness is family readiness. "Family readiness" means Sailors' families are prepared for the absence of their loved one. The Navy strives to reduce the uncertainty and apprehension experienced by our Navy families in these stressful times, while strengthening the programs and resources available to support them.

Without the support of our families - and, without SUPPORTING them in return - we cannot hope to sustain Combat Readiness. We owe our Sailors and their families the very best Quality of Life we can offer.

This includes top-notch housing and installations, the best health care we can provide, and a strong commitment to child care.

C. Requirements to Sustain Combat Readiness

As we adapt to asymmetric threats and the challenges of irregular warfare, we cannot lose sight of Navy's core warfighting competencies. We must continue to improve performance in anti-submarine and mine warfare, anti-surface warfare, anti-air warfare, strike warfare, ballistic missile defense, and other core maritime supremacy missions. We will continue to mature our Fleet Response Plan (FRP) and strengthen Fleet and Family Readiness … to ensure combat ready, surge-capable forces are available to meet any contingency. Natural disasters abroad and hurricanes here at home taught us valuable lessons. We need to extend the FRP philosophy of "continuous readiness" to our shore commands, our people, and to our families.

To sustain our combat readiness, we seek congressional support in the following areas:

- Anti-submarine warfare. Submarines with improving stealth and attack capability - particularly modern diesel attack submarines - are proliferating world-wide at an alarming rate. Locating these relatively inexpensive but extremely quiet boats presents our Navy with a formidable challenge. Navy is pursuing a distributed and netted approach to ASW. Some of the key ASW programs we must continue to develop and field as quickly as possible include: the Deployable Distributed Autonomous system (DADS); the Reliable Acoustic Path Vertical Line Array (RAPVLA); the Surface Ship Torpedo Defense System (SSTD); the Aircraft Carrier Periscope Detection Radar (CVNPDR); and, the High Altitude ASW Weapon Concept (HAAWC).

- SONAR restrictions. ASW is a very complex and challenging warfighting competency in which to achieve and sustain the required level of expertise. Therefore every opportunity we have to gain and maintain proficiency at the ship/unit level, and every opportunity we have to integrate

units in complex scenarios is crucial to our readiness. Unfortunately, our ability to train in the same manner in which we fight is under attack in public forums, including the courts. Thus far, we have seen little scientific basis for the claims lodged against the Navy. However, these allegations present the potential for severe restrictions on our continued ability to train effectively, as we saw in RIMPAC '06 wherein we lost three days of valuable ASW training with active sonar because of a court restraining order. Navy is currently executing a comprehensive plan of action to cover all our at-sea training areas with environmental compliance documents by the end of 2009. We are committed to maintaining an open dialogue, continuing to advance our scientific understanding of the impacts of sonar on marine mammals, and complying with the relevant statutes. We have consistently made this clear as an organization in our debate on this issue. Maintaining proficiency in ASW is a daily challenge, and while our long-term compliance documents are being developed, we cannot afford to stop training. We owe it to our Sailors to ensure they receive the training they need to fight and win.

The Marine Mammal Protection Act (MMPA) requires permits for activities that may affect marine mammals. This includes military activities, including certain Navy activities at sea. The National Defense Authorization Act of 2004 included a provision that authorizes the Secretary of Defense to grant exemptions to the MMPA for certain military activities critical to our national defense. On 23 January 2007, the Deputy Secretary of Defense granted Navy a National Defense Exemption (NDE) for two years covering mid-frequency active (MFA) sonar activities for major exercises and in major operating areas, as well as the use of Improved Explosive Echo Ranging sonobuoys (IEER). The NDE will help Navy continue to conduct the sonar training necessary for our national defense while protecting marine mammals through established mitigation measures.

- Naval Expeditionary Combat Command. NECC is developing into a true force of choice in phase zero (pre-conflict) and phase V (reconstruction) operations, and as a vital part of our nation's long war against terrorism. Included in the Naval Expeditionary Combat Command today are 30,363 Active and Reserve component Sailors including 15,339 in the Naval Construction Force, 6,557 in Naval Coastal Warfare, 3,607 in the Navy Expeditionary Logistics Force, 2,482 in Explosive Ordnance Disposal, 712 in the Riverine Force, 591 in the Navy Expeditionary Guard Battalion, 441 in Visit Board Search and Seizure/Intel, 431 in the Maritime Civil Affairs Group, 85 in Combat Camera, 68 in the Expeditionary Combat Readiness Center, and 50 in the Expeditionary Training Group. All new forces - Riverine, Expeditionary Training Group, Maritime Civil Affairs and Maritime Expeditionary Security Force - will meet full IOC objectives in FY2007. Riverine will deploy its first squadron to Iraq this month to provide area security at Haditha dam and interdiction operations on the Euphrates river. Your continued support of our Riverine capability and capacity is vital. Our second Riverine Squadron was established on 2 February, 2007 and our third Squadron will be stood up this June.

- Sea Basing. It would be difficult to consider any future expeditionary missions without recognizing the need for a sea base from which to stage Joint Forcible Entry Operations, Theater Security Cooperation, and humanitarian assistance activities. Sea Basing provides operational maneuver and assured access to the joint force while significantly reducing our footprint ashore and minimizing the permissions required to operate from host nations. These are operational characteristics that will prove increasingly vital in the post-OIF/OEF political-military security environment. Navy is exploring innovative operational concepts combining sea basing with adaptive force packaging that will further support national security policy and the Combatant Commanders' objectives worldwide. Our 30 year shipbuilding plan provides for Sea Basing that covers the spectrum of warfare from Joint

Forcible Entry to persistent and cooperative Theater Security Cooperation.

- Ballistic Missile Defense. Missile tests on the Korean Peninsula and by Iran, along with the proliferation of ballistic missile technology underscores the growing need for a robust, sea-borne ballistic missile defense system. Last year, the Navy made further progress on our Aegis Ballistic Missile Defense (BMD), the sea based component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept short and medium range ballistic missiles with ship-based interceptors (SM-3). The Sea-Based Terminal Program will provide the ability to engage Short Range Ballistic Missiles (SRBMs) with modified SM-2 BLk IV missiles from Aegis BMD capable ships.

- Depot Level Maintenance. Ship and aviation depot level maintenance is critical to enable the continuing readiness of our warfighting capabilities. Support of our O & MN accounts will ensure we don't defer critical maintenance.

- USS GEORGE WASHINGTON. The USS GEORGE WASHINGTON will relieve USS KITTY HAWK as our forward deployed Naval forces CVN in Japan in FY2008. This transition, vital to our security interests in the Asian Pacific region, needs to be fully funded.

- Fleet and Family Readiness. The Navy is addressing Fleet and family readiness in many critical areas, four of which are: minimizing financial risk and predatory lending; improving crisis management and response procedures; enhancing child care programs and centers; and, improving ombudsman programs. We also continue to work with those families struggling to recover from the devastation of Hurricanes Katrina and Rita.

- Steaming Days. The FY 2008 budget provides funds necessary to support 48 underway days per quarter of the active operational tempo (OPTEMPO) for deployed forces and 22 underway days per quarter for non-deployed forces (primarily used for training). Our FY 2008 baseline budget estimates also include reductions to peacetime OPTEMPO levels. The FY 2008 budget supports the "6+1" surge readiness level from our Carrier Strike Groups. As in FY 2006 and FY 2007, it is anticipated that operational requirements will continue to exceed peacetime levels in FY 2008.

II. BUILD A FLEET FOR THE FUTURE

A. FY 2006 in Review

In 2005 the Navy conducted extensive analysis to determine the minimum required force structure needed to meet the security demands of the 21st century with an acceptable level of risk. In February 2006, the Navy unveiled a new 30-year shipbuilding plan that will provide a Battle Force of approximately 313 ships by 2020 with more capacity and capability than was ever dreamed when our fleet was much larger in size. Stabilizing this plan, which remained essentially unchanged in our 2007 submission, is intended to provide the shipbuilding industry with sufficient predictability to maintain critical skills and to make business decisions that increase efficiency and productivity in order to meet the Navy's projected shipbuilding requirements.

Last year we began to see our future Fleet taking shape. We currently have 38 ships under contract for construction, and in FY 2006 ships that had been designed a few short years ago rolled down the ways. We christened the first FREEDOM Class Littoral Combat Ship, amphibious assault ship MAKIN ISLAND, amphibious transport dock ship GREEN BAY, Guided Missile Destroyers GRIDLEY and SAMPSON, nuclear fast attack submarine HAWAII, auxiliary dry cargo ships ALAN SHEPARD and SACAGAWEA, and the aircraft carrier GEORGE HW BUSH. We commissioned the amphibious nuclear attack submarine TEXAS and the guided missile

destroyer FARRAGUT. We also rolled out the first EA-18G GROWLER.

In FY 2006, the increased wartime OPTEMPO of Operations IRAQI FREEDOM, ENDURING FREEDOM and the Global War on Terror continued to wear down Navy's aging, "legacy" aircraft. Expeditionary aircraft utilization has dramatically increased, particularly for EA-6B airborne electronic attack aircraft, MH-60 multi-mission helicopters, P-3 maritime patrol aircraft, EP-3 electronic surveillance aircraft, and F/A-18 C/D attack aircraft, thus shortening the expected service life (ESL) of these aging airframes.

Improving our own capacity was only part of the Navy's focus in FY 2006. We also pursued the broadest possible approach to strengthening maritime security through partnerships. This included closer cooperation with the US Coast Guard and our other interagency partners, international organizations, non-governmental agencies, commercial shippers, and maritime nations great and small.

Perhaps the most tangible application of Navy's global reach and persistent presence in building partner capacity was last year's five month deployment of the hospital ship MERCY in the summer of 2006 to the tsunami-affected areas in South and Southeast Asia. Working with embarked military medical personnel from Canada, Australia, Singapore, India and Malaysia as well as representatives from 11 non-governmental organizations, MERCY's accomplishments ashore and afloat included: 60,081 patients seen, 131,511 total services provided; 1,083 surgeries; 19,375 Immunizations; 20,134 Optometry Evaluations, 16,141 glasses distributed; 9,373 Dental Extractions; 236 biomedical equipment repairs, 254 people trained; 59 major and 177 minor medical systems restored to 100% operational capacity; and, 6,201 host nation students trained.

In an August 2006 public opinion survey, conducted by Terror Free Tomorrow, Indonesians and Bangladeshis overwhelmingly indicated their support of this humanitarian mission. In Indonesia, 85% of those aware of MERCY's visit had a favorable opinion, and in Bangladesh this figure was 95%. Further, 87% of those

polled in Bangladesh stated that MERCY's activities made their overall view of the United States more positive. These polling results provide some indication of the power of partnerships.

B. Current Force

By the end of FY 2007 we will have stopped the free fall of our Navy and our Fleet's net size will have grown from a low of 274 ships in March 2007 to 279, including five newly commissioned ships.

Navy is in the process of evaluating the impact global developments have had on our risk assumptions, and ultimately whether or not this will affect the build rate of our future Battle Force. Whatever the outcome of this evaluation, we will work closely with our partners in industry to control requirements costs and provide the industrial base the stability it needs to become more productive.

Future platforms and combat systems must be designed and built with the knowledge that we plan to continually upgrade them over their lifetime. An Open Architecture approach to software acquisition and development of integrated weapons systems is a critical part of this business model. Free and open competition in which the best idea wins is the goal.

The FY08 President's Budget Submission provides for procuring seven new ships in FY 2008 and 67 new ships over the FYDP (FY08-13). To facilitate the stability required to achieve reduced costs in this constrained industrial sector, no changes in ship acquisitions were made in FY 2008 from PB07 to PB08. The Navy has a long-range vision to reduce types and models of ships, to maximize reuse of ship designs and components, and to employ a business model that encourages the use of open architecture and mission systems modularity.

The next major challenge in building a fleet for the future is to deliver a long range aviation procurement plan. Much work has been done analyzing Joint warfighting capabilities and capacity based on threat and risk assessments driven by Defense Planning Guidance. Consideration has also been given to

affordability, industrial capacity and production times associated with next generation aviation warfare. The Navy will work to deliver a stable aviation build plan that transforms and balances aviation capabilities with respect to conventional and irregular warfare, reduces excess capacity, and achieves technological superiority through cost-wise investments in recapitalization, sustainment and modernization programs.

PB08 procures 188 aircraft in FY 2008 and 1295 aircraft across the FYDP (FY08-13), reduces average aircraft age from 74% to 50% of expected service life, and concentrates on resourcing critical maritime and Joint effects. The plan is structured to support required economic order quantity investments and facilitate Multi-Year Procurement (MYP) contracts.

We must include the vital contribution that can be made in securing the global commons by our partners with common interests. The President's National Strategy for Maritime Security states, that, "The safety and economic security of the United States depends upon the secure use of the world's oceans." It further notes that, "Maritime security is best achieved by blending public and private maritime security activities on a global scale into an integrated effort that addresses all maritime threats."

I believe an international "1000 ship navy," offers a real opportunity to increase partner nation capabilities while reducing transnational crime, WMD proliferation, terrorism, and human trafficking. Regional maritime security partnerships are already taking shape worldwide that support this ideal, some with and some without direct US Navy involvement. The self-organizing evacuation of non-combatants from Lebanon during the Israeli-Hezbollah war, in which 170 ships from 17 countries came together, accomplished their mission, and dispersed is often cited as a good example of how such partnerships might work.

Critical to increasing partner capacity in the war on terror, as well as building strong global maritime partnerships (the "1000 ship navy") that promote maritime security, is the Building Global Partnerships

Act of 2007, being submitted to Congress by the Department of Defense as a top legislative priority. The BGP Act will significantly improve our ability to help friendly nations develop capabilities to better govern and defend their territorial waters and the global maritime commons, denying access to terrorists and criminal organizations. We encourage your support for this vital legislation that will further enable support for the "1000 ship navy" concept.

Sea Power in this century cannot be harnessed by a single nation acting alone. If we are to build a fleet for the future capable of keeping pace with globalization, we must leverage the capacity of our partners with common interests. The positive potential of Sea Power and freedom of the seas can only be achieved through a collective and cooperative approach focused on international rule of law and freedom of the maritime commons.

C. Requirements to Build a Fleet for the Future

We have worked hard with Congress and Industry to start to create stability in our shipbuilding plans and industrial base. We must continue to fund and build a balanced, effective Battle Force of about 313 ships … the minimum force required to guarantee the long-term strength and viability of U.S. naval air and sea power with acceptable risk. We recognize the need to control requirements, maintain program stability, curb costs, and monitor best business practices. We need support for sustained funding of our shipbuilding account – consistent with the 30-year plan – that is critical to provide our partners in industry the stability they need to curb cost growth and sustain our vital shipbuilding industrial base.

To build a fleet for the future and strong partnerships, we seek congressional support in the following areas:

- 11 Carrier Force. The 30 year shipbuilding plan recognizes that as a result of the retirement of USS ENTERPRISE in FY 2013, the number of aircraft carriers will drop to 10 for a period of approximately 30 months, until the USS GERALD FORD enters active service. Legislative relief

is required from the FY 2007 National Defense Authorization Act requiring a carrier force of 11. In developing the 30 Year Shipbuilding Plan, Navy conducted extensive analysis that concluded the temporary drop to a carrier force of 10 from FY 2013 through FY 2015 is an acceptable, though moderate, risk. A carrier force of 11 is recognized as minimum risk over the long run.

- Littoral Combat Ship. The Littoral Combat Ship program remains of critical importance to our Navy. Current cost estimates exceed established thresholds for detail design and construction of LCS 1, the lead Lockheed Martin hull. This recent cost growth has provided an opportunity to reinforce the Navy's commitment to providing warfighting capability through affordability. The Navy is executing a pause in the construction of LCS 3, the second Lockheed Martin hull, to conduct a thorough review of the program, and to examine both internal and external factors relating to the acquisition and contracting processes, practices, and oversight and the related impact on cost. The Navy remains committed to bringing Littoral Combat Ship capability into the Fleet quickly and by means of an acquisition strategy that is executable, affordable, and in the best interests of the Navy.

- VIRGINIA Class Multi-Year Procurement (MYP). Navy is seeking multi-year procurement authority in FY 2008 for VIRGINIA Class submarine contracts beginning with the FY 2009 ship. Continued MYP authority will help maintain a stable SCN profile and greatly aid in VIRGINIA Class cost reduction initiatives. In order to support our long-term submarine force structure of 48 boats, Navy plans to increase the build rate of this Class to two/year beginning in FY 2012.

- Split Funding for ZUMWALT Class DDG. The support of Congress for last year’s split funding request was greatly appreciated. This year Navy requests the second half of split year funding for dual lead ships of the ZUMWALT Class destroyer to maximize competitive efficiencies and focus

design efforts. Split funding will also lend stability to the shipbuilding industrial base. This funding strategy supports the current budget structure, enhances future competitive opportunities, and limits liability for appropriations in future years.

- Joint Strike Fighter. The F-35 Joint Strike Fighter remains the cornerstone of Navy's continuing superiority in air warfare. Although risk associated with the recent two year slide in the carrier variant of the F-35 will be mitigated by an increased buy of F/A-18E,F variants, there should be no doubt that JSF is a much more capable aircraft. I encourage your continued strong support of this program to guard against further delays in production.

- Legacy Expeditionary Aircraft Replacment. As our aging, legacy aircraft reach the end of the service lives, funding for follow-on programs becomes critical. Among these programs are the P-8A multi-mission maritime aircraft, the F/A 18-E/F and JSF, the EA-18G airborne electronic attack aircraft, the V-22 tilt-rotor aircraft, and the MH-60R/S and CH-53K helicopters. Navy's RDT&E program is also vital to this effort.

- Research and Development. To achieve *the speed of war* Navy is pursuing Innovative Naval Prototypes (INPs) - revolutionary "game changers" for future naval warfare. These initiatives have resulted in the development of an electro-magnetic rail-gun prototype; new concepts for persistent, netted, littoral anti-submarine warfare; technologies to enable Sea-basing; and the naval tactical utilization of space.

- Public Shipyard Loading. As we work with industry on shipbuilding cost reduction, we must ensure legislation and policy support best business practices and efficiencies. Apportioning work based upon funding quotas to drive work-loading in public Naval shipyards potentially diverts efficiency opportunities away from the private sector. Public yards provide vital services for nuclear propulsion and

submarine work, and these critical competencies must be maintained. However, our first priorities in shipyard loading should be quality, efficiency, and cost savings. We seek your assistance in removing restrictions on our work-loading flexibility.

- Shore Installations and BRAC V. In addition to our ships and airplanes, another critical piece of Force Structure is our shore infrastructure, to include installations, piers and support facilities, training ranges, schoolhouses, hospitals, and housing. Supporting a "Surge Navy" demands we create an infrastructure that leverages advanced technology, sound investment and intelligent sustainment for the Fleet, for our Sailors and their families. The Navy's Ashore Vision 2030 is our roadmap for transforming the Navy shore infrastructure over the next 25 years; it is aligned with the congressionally-mandated Base Realignment and Closure (BRAC) process.

  The Continuing Resolution (CR) voted into Public Law in February 2007, decreased Department of Defense BRAC V funding from $5.6B request to $2.5B. Without Supplemental funding to remedy the $3.1B reduction this law made in the DoD BRAC request, Navy's BRAC V funding will essentially be cut from $675M to $291M – a 57% reduction. This would devastate a program entering the critical stages of execution. This reduction would also delay, or in some cases negate, our ability to harvest savings and reap funds from land sales and transfers. Should this shortfall be remedied through FY 2007 Emergency Supplemental Appropriations funding, Navy would do its best to minimize the impact of this delay through prompt execution of funds.

- MHC Transfers. Legislative authority for planned ship transfers are an important aspect of inter-operability with the navies of our allies. These transfers also contribute to the 1000 Ship Navy vision by building partner nation capacity, while reducing the taxpayer costs of maintaining or disposing of decommissioned ships. Navy seeks

authority to transfer coastal mine hunting ships (MHCs) to Lithuania and Turkey. Limited in speed and endurance, the MHCs were designed as non-deploying assets. With no sweep capability and without redundant engineering and combat systems equipment, they are constrained in their ability to conduct mine clearance operations. For the MHCs to provide utility in a Homeland Defense role, they would have to be strategically distributed across the United States which would drain limited fiscal and manpower resources and hamper the Navy's ability to field a responsive and capable MCM force. These ships are scheduled for decommissioning in FY 2008 and if authority is timely, they can be "hot transferred" which is less expensive for both the United States and the recipient.

- United Nations Law of the Sea Convention. To interact more effectively with our maritime partners, it is time to ratify the Law of the Sea Convention. Robust operational and navigational rights codified in the Law of the Sea Convention must be preserved for the Navy to continue to maximize its ability to execute the National Strategy for Maritime Security. Accession to the Convention is of critical importance to global naval maritime and over flight mobility.

III. Develop 21st Century Leaders

A. FY2006 in Review

In FY 2006, Navy continued to meet recruiting and retention goals for most ratings and designators in the active and reserve components. We achieved 100% of our overall active component enlisted recruiting goal, and our overall enlisted retention goal was exceeded at 104%. We met 98% of our overall active component officer accession goal and 99% of our active officer end strength goal. Navy will continue to remain vigilant in what is proving to be an **increasingly difficult recruiting environment**.

FY 2006 was the fifth year of support for the Global War on Terror. Continued wartime OPTEMPO for

Operations OIF and OEF has raised concern for the health and welfare of some parts of our expeditionary force. Medical ratings and designators, Explosive Ordnance Disposal (EOD) personnel, Divers, Special Warfare Combat Crewmen (SWCC), and SEALs remained recruiting challenges.

Last year, Navy put a great deal of effort into analyzing and addressing the root causes of these recruiting shortfalls. New authorities provided in the Fiscal Year 2007 National Defense Authorization Act, such as increased accession bonuses and college stipends, are expected to help mitigate medical officer recruiting challenges. Increased accession bonuses for SEAL/Navy Special Warfare ratings and improved training techniques to reduce attrition will help us meet future requirements in our Global War on Terror intensive ratings.

The Expeditionary Combat Readiness Center (ECRC), a command within the NECC, was established in FY2006 as the single process owner for the deployment of Navy Individual Augmentees (IA) and In-lieu of (ILO) forces, of which the Navy is currently fielding over 10,000 Sailors. The ECRC helps organize, process, train, equip, and deploy IAs, providing reach-back support and eventually helping them re-integrate with their parent command. Additionally, all active duty Sailors now process through one of four Navy Mobilization Processing Sites (NMPS) which has greatly enhanced consistency in processing between our Active and Reserve components. The ECRC NMPS and are helping Navy process IAs while meeting a goal of 60 day advanced notification of deployment.

Central to Navy’s ability to sustain overall readiness, particularly in support the Global War on Terror through the Individual Augmentee program, was, and is, the near-seamless integration of our Active and Reserve components. Since 11 September, 2001 over 42,000 Navy Reservists have been mobilized in support of the Global War on Terror (GWOT), representing over 80% of the total number of Sailors deployed on the ground in theater. On any given day, over 20,000 citizen-Sailors are on some type of Active Duty (AD) or Inactive Duty (ID) orders at their supported commands meeting global COCOM requirements. This

number includes about 5,000 RC Sailors mobilized in support of OIF and OEF. Additionally, we maintain the capacity to rapidly increase contingency support with more than 28,000 RC Sailors yet to be mobilized.

Navy's Active/Reserve Integration program (ARI) aligns Reserve Component (RC) and Active Component (AC) personnel, training, equipment and policy to achieve unity of command. It leverages both budgetary and administrative efficiencies, as well as ensuring that the full weight of Navy resources and capabilities are under the authority of a single commander. Navy Reservists are aligned and fully integrated into their AC supported commands, and often conduct "flex-drilling," putting multiple drill periods together to provide longer periods of availability when requested. This flexibility enables our Reserve Sailors to better balance the schedules and demands of their civilian employers and families while achieving greater technical proficiency, more cohesive units and increased readiness.

The Reserve Component is a critical enabler of the "Sailor for Life" concept that is central to our Strategy for our People. This approach to recruiting, retention, and professional development explores innovative opportunities for career on-ramps and off-ramps, providing fluidity between the active and reserve components. Last year, Navy continued to actively pursue incentives that will develop a more adaptable, better educated, and more highly skilled workforce while encouraging Sailors to serve longer and more productively.

Based on national demographic trends and the pace of globalization, it is clear we must build a more diverse Navy. According to the U.S. Census Bureau, by 2030 African Americans will comprise approximately 14% of the population nationally, Hispanics 20%, and Asians/Pacific Islanders/Other 10%. Our officer corps currently consists of 81% non-minority and our enlisted ranks are approximately 52% non-minority. To ensure we have the best people, from the widest talent pool available, we must do a better job of recruiting and retaining our nation's young minority students.

B. Current Status of Our Sailors and Civilians

Perhaps no where else in our Navy is the pace of change more profoundly felt than in our Manpower, Personnel and Training Enterprise. It is here that the dynamics of globalization, cultural diversity, advancing technologies, generational differences, changes in the labor market, and declining numbers of hard science degrees among America's youth combine to make recruiting and retention more challenging than ever.

Currently, only three in ten high school graduates meet the minimum criteria for military service, including academic/mental, physical, and social/legal requirements. With all four armed services, a great number of colleges and universities, as well as corporate America seeking talented and qualified high school graduates, competition is stiff.

If we are to pace the security challenges of this century, our Sailors and civilian workforce must evolve with our weapons systems. We must recruit today the young men and women who will be leading the Fleet tomorrow. This will be a more specialized, technically capable, better educated, more culturally diverse and aware Navy than we have today. **And it will be smaller.**

Unfortunately, the old model of recruiting and detailing in which we focused on simply *filling* specific requirements, is no longer sufficient. Today, and in the future, as we reduce the size of our force to align it with increasingly sophisticated systems in a complex security environment, we must strive to FIT the right person to match the requirements. And as we eliminate excess infrastructure ashore and increase our global outreach and persistent presence forward, the ratio of sea to shore billets will become more balanced. In order to make the right FIT for each individual Sailor, we must be mindful of providing geographic stability, satisfying work, personal and professional development, and, to the degree possible, predictability in their future assignments.

Admittedly, we could adapt more easily to the rapidly changing security environment if we could focus on a specific enemy or choose between effectiveness in irregular warfare or major combat operations – between asymmetric or conventional threats. Unfortunately, we cannot choose; we must prepare for both.

Nor can we make it the responsibility of each Sailor to individually sort out priorities or determine how to accommodate the greater breadth of learning and the depth of experience the future requires. Rather, we must adjust our personnel strategies to account for the dynamic nature of the demands on our people while assuring a predictable availability of current capability and future capacity suitable to the needs of the Joint Force and the nation.

As we develop and build more efficient and automated ships, planes, and combat systems, personnel reductions are inevitable, and as crew sizes decrease, the skill level and specialization requirements increase. The Navy has reduced its active end strength by some 35,000 sailors over the last four years. In 2003 our active component consisted of 375,700 Sailors; at the end of FY 2007 we will have 340,700; and, by the end of FY 2008 we will have 328,400. As we look ahead to the smaller, more capable ships entering service in the FYDP, we anticipate a stabilization of that trend at an active end-strength between 320,000 and 325,000. We are also trimming our Reserve Component which will have gone from a total of 87,800 in 2003 to a total of 71,300 at the end of FY 2007 and 67,800 by the end of FY 2008. But these reductions are more about shaping the right force, than simply trimming its size. Our priority, then, is to recruit some 45,000 active sailors with the right mix of diversity, education, and skill sets necessary to serve our Fleet in 2009 and beyond.

The Strategy for our People provides the framework through which we will size, shape and stabilize the Navy Total Force. The execution of Navy's overarching Strategy for Our People focuses on six goals: capability driven management; a competency based workforce; an effective Total Force; increased diversity; being competitive in the Marketplace; and, being agile and cost efficient. The achievement of

these goals depends on our ability to execute our programs of record. This strategy will satisfy future Joint warfighting needs by attracting, retaining, and better educating Sailors and civilians capable of adapting and responding to mission needs anytime, anyplace, anywhere. [Figure 2]

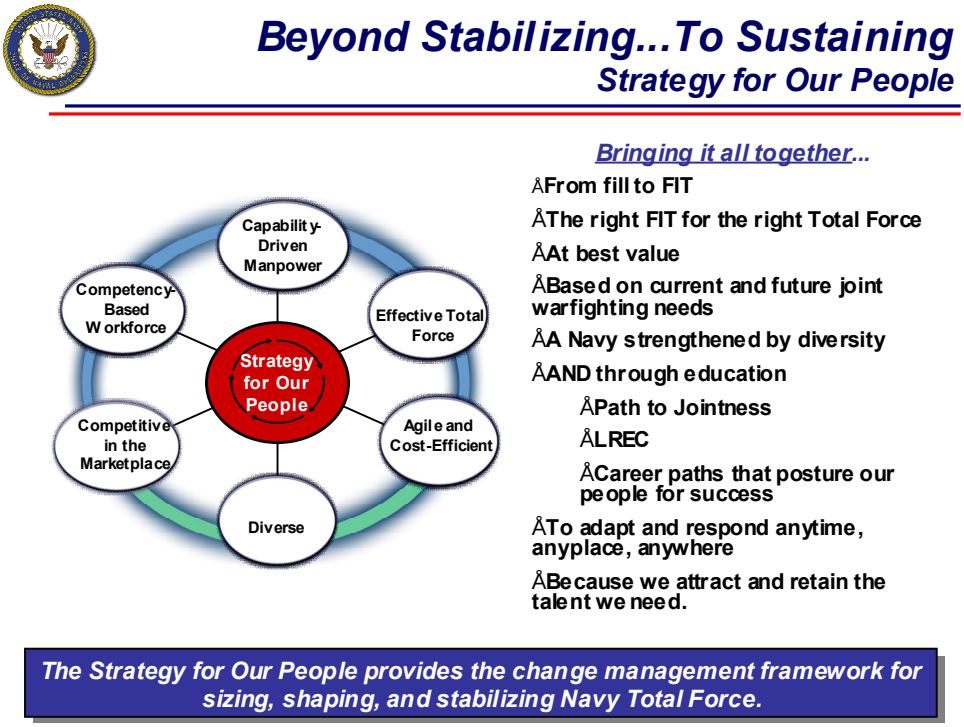

FIGURE 2

Capability driven manpower... Warfighting missions and operations have become more complex and uncertain. Navy work and workforce requirements are constantly shifting and evolving with changes in required operational, political and strategic capabilities. Basing manpower requirements on current and projected warfighting needs will ensure we meet today's operational requirements while continuously updating and balancing the workforce as needs change.

A competency based workforce... The Force Planning Concept suggests the joint force must develop unique capabilities that fall outside the realm of conventional warfighting. This means an expansion of the Navy workforce requirements beyond traditional

roles (e.g. Maritime Civil Affairs Group). Developing the workforce based on competencies allows the Navy to continuously evaluate critical skills and create a workforce well-matched to the needs of the warfighters. A competency-based workforce also enables the Navy to determine where there is workforce commonality (or exclusivity) across a range of military operations so efficiencies can be realized.

An effective Total Force... A constrained fiscal environment and workforce reductions demand our focus on applying the best resources to jobs as creatively as necessary. Viewing workforce components as one integrated team of Sailors and civilians provides flexibility and reduces risk while better meeting warfighting needs. Leveraging the strength of the Total Force provides maximum flexibility in applying the right skill-set to a requirement in the most cost-efficient manner.

Diversity... The changing demographics of the American population and the diversity of our missions in the world demand Navy take proactive steps to ensure it has access to the full range of the nation's talent. Leveraging the strength of the nation's diversity creates an environment of excellence and continuous improvement, in which artificial barriers to achievement are removed and the contributions of all participants are valued.

Being competitive in the Marketplace... The Navy is faced with recruiting and retention challenges in an era of increased military operations, a strong civilian economy, and a decreasing propensity for military service. To remain competitive with the other services, academic institutions, and corporate America the Navy must revise and update its personnel policies and programs so it is attractive to the desired talent base and successfully competes with the private sector for the best talent.

Being agile and cost efficient... Expanding capability-driven workforce requirements and fiscal constraints require the Navy to deliver a more capable, versatile force. Agility means swiftly developing and implementing strategies, policies and processes to proactively meet evolving needs and

challenges while focusing on the skills and abilities most in demand right now. Cost-efficient means we do this economically and without fiscal waste.

Education is another area that will be treated as a strategic investment in our future. Our Education Strategy must reflect the technological basis of our core warfighting skills, the interdependence of joint and combined operations, the complexity of decision-making, and the sophisticated regional knowledge and grasp of political-military issues expected of Navy leaders. The objective of the Education Strategy is to enhance overall performance excellence in current and future joint operations and operations support by addressing the individual needs of those who are currently serving as well as the future force.

C. Requirements to Develop 21st Century Leaders

The challenges we face in shaping the force are considerable. We must deliver on the Strategy for our People.

To Develop 21st Century Leaders, we seek congressional support in the following areas:

- Combat Casualty Care. The objective of Navy's combat casualty care is to maximize the continuum of quality care with lifesaving interventions as close to the battlespace as possible and with no decrease in quality of service during rehabilitation and recuperation. On the battlefield this includes forward surgical access and capabilities that have resulted in dramatically improved survival rates; diagnosis of mild/moderate traumatic brain injury/closed-head injury; improved patient care during transport; and, careful monitoring of mental health surveys administered during and after deployment to combat areas. After leaving the combat area, there is a 99.2% survival rate once an injured Sailor reaches a Navy Medical Treatment Facility. Navy supports the Secretary's ongoing review of Walter Reed Army Medical Center and the National Naval Medical Center at Bethesda and is currently and seperately evaluating, through our Inspector

General, the material condition and Quality of Service at each of our Navy Medical Treatment Facilities.

Our highest priority is to win the Global War on Terror. Second only to this is our determination to take care of those wounded in this fight and their families.

- Health Care Cost Control. The Navy is committed to ensuring our Sailors and their families receive top quality health care throughout the continuum of service. By 2009 our Navy will not only be smaller, it will be leaner. Health care costs continue to rise at a rate disproportionate to inflation. DoD TRICARE costs have more than doubled in five years from $19 billion in FY 2001 to $38 billion in FY 2006, and analysts project these costs could reach $64 billion by 2015 - more than 12% of DoD's anticipated budget (versus 8% today). Yet this problem extends beyond our active duty, or even our reserve, health care costs. One of the significant drivers of this increased cost is the TRICARE for Life program developed for the 2001 National Defense Authorization Act.

  We could not have anticipated the growing number of retirees and their dependents, not yet Medicare eligible, who have chosen or have been driven to switch from private/commercial health care plans to TRICARE in order to better cope with rising health care costs. Despite greatly increased utilization rates, TRICARE Premiums have not changed with inflation since the program began in 1995, so that total beneficiary cost shares have declined substantially – 27% of total benefit cost in 1995 while 12% in 2005. In fact, from FY08 to FY13, Navy’s accrual costs for future retirees alone are expected to increase by $4B (a 16% increase) despite a flattened and stabilized end strength over that same period of time.

  There is no longer any tolerance for inefficiencies in our manpower system and very little flexibility in our MPN account. This has

a carry-over effect by further pressurizing our procurement accounts. We again urge Congress to implement the initiatives and administrative actions that will restore appropriate cost sharing relationships between beneficiaries and the Department of Defense.

- DOPMA Relief. While Navy end strength is reduced and stabilizes across the FYDP, the demand continues to increase for experienced officers to fill joint requirements, core mission areas and jobs related to the war on terror. Navy is already operating at or near control grade limits imposed by Title 10, resulting in billet-grade suppression. Navy currently suppresses 106 captain, 279 commander, and 199 lieutenant commander billets at a lower pay grade (a total of 584 control grade billets). If Title 10 limits were increased by five percent, Navy would be authorized to grow 131 captains, 304 commanders, and 478 lieutenant commanders. Funding to current control-grade requirements would give Navy the authority to grow 25 captains, 25 commanders, and 279 lieutenant commanders as future control-grade requirements emerge. This legislation is critical to Navy's ability to carry out the National Military Strategy.

- Special Pay and Incentives. Navy will continue to seek funding for special pay, recruitment and retention bonus to maintain the right balance of skills out workforce.

- Sailor for Life. Navy requires assistance in providing sufficient flexibility in transitioning between our active and reserve components as we pursue our Sailor for Life initiatives.

- Path to Jointness. The Navy is committed to pursuing a Path to Jointness - developing Joint leaders both in the officer and senior enlisted communities. We are pursuing initiatives that will: establish the professional military education (PME) requirements for the ranks of E-1 through 0-8 across our active and reserve components; ensure that PME graduates are closely

tracked and assigned to billets that exploit their education and accelerate their development as Joint leaders; assess policy effectiveness by tracking the number and percentages of PME graduates assigned to career enhancing billets, and require one hundred percent fill of Navy resident student billets at all Joint, Service and foreign war colleges.

- Tuition Assistance. The Navy is committed to supporting its Sailors who choose education as a path to personal and professional development. The Navy provides one hundred percent reimbursement up to $250 and $50 per semester hour for up to 16 credit hours. This is an increase from previous policy which only allowed reimbursement up to 12 credit hours. Tuition assistance is capped by DoD at $4,500 per person per fiscal year.

- National Security Personnel System (NSPS). NSPS is a new personnel system that will create new civil service rules for the 750,000 Defense Department civilian workers. It strengthens our ability to accomplish the mission in an ever-changing national security environment. NSPS accelerates efforts to create a Total Force (active-duty military personnel, civilian personnel, Reserve, Guard, and contractors), operating as one cohesive unit, with each performing the work most suitable to their skills and the Department’s priorities. The Department of the Navy needs a Human Resource system that appropriately recognizes and rewards employees' performance and the contributions they make to the mission. NSPS gives us better tools to attract and retain good employees.

  Department of the Navy deployment of the remaining portions of NSPS continues. Pay and performance provisions have so far been deployed to approximately 4,000 employees and another 16,000 will be done by Spring, 2007. Further deployment of non-enjoined portions of the law will continue. Specifically, the pay, performance, recruiting, workforce shaping and

other provisions of this new personnel system will be enacted throughout 2007-2008.

IV. Conclusion

Our Navy is truly a bargain, costing the taxpayers less than 1% of the GDP. Though we are increasingly stretched, the Navy is in great shape and our people are remarkable. But as we strive to sustain combat readiness, build a fleet for the future and develop 21st century leaders we cannot allow ourselves to take this for granted. We must be mindful of the need to maintain a strong Navy now, with our ground forces stretched thin in Iraq and Afghanistan, but also after they return home.

Our nation depends upon a strong Navy with the global reach and persistent presence needed to provide deterrence, access, and assurance, while delivering lethal warfighting capacity whenever and wherever it is needed. Our Navy is fighting the Global War on Terror while at the same time providing a Strategic Reserve worldwide for the President and our Unified and Combatant Commanders. As we assess the risks associated with the dynamic security challenges that face us, we must ensure we have the Battle Force, the people, and the combat readiness we need to win our nation's wars.

We have put the rudder over, and I believe we have the course about right. Simply reacting to change is no longer an acceptable course of action if our Navy is to successfully wage asymmetric warfare and simultaneously deter regional and transnational threats: Two Challenges, One Fleet. Our nation's security and prosperity depend upon keeping our shores safe and the world's maritime highways open and free.

ANNEX I

Programs and Initiatives to Achieve CNO Priorities

Sustain Combat Readiness

Programs and practices of particular interest include (listed in order of FY 2008 dollar value):

Mobile User Objective System (MUOS)

MUOS is the next generation Ultra High Frequency (UHF) narrowband satellite communications (SATCOM) system, replacing UHF Follow-On (UFO). MUOS supports communications-on-the-move to small and less stable platforms (handhelds, aircraft, missiles, UAVs, remote sensors) in stressed environments (foliage, urban environment, high sea state). UHF SATCOM provides critical command and control connectivity and is the essential common denominator for all forces. $828 million in FY 2008 keeps MUOS funded to meet all Threshold requirements and is on track to meet an Initial Operational Capability (IOC) in 2010.

NIMITZ-Class Refueling Complex Overhaul (RCOH)

RCOH subjects NIMITZ-class aircraft carriers to comprehensive modernization upgrades, maintenance work, and nuclear refueling to extend the service life of a NIMITZ-class carrier out to approximately 50 years, about 20 years longer than its originally planned service life. Execution of RCOH is required to maintain an eleven aircraft carrier force and provide Naval Tactical Air with an overmatch capability against any potential adversary. A notional RCOH consists of 3.2 million man-days and a 36-month execution period conducted at Northrop Grumman Newport News, Virginia facilities. While USS CARL VINSON (CVN 70) completes RCOH in FY 2008-09, the FY 2008 Ship Construction-Navy (SCN) funding of $297 million primarily supports the advance funding and sequencing of follow-on overhauls for CVNs 71-73.

COBRA JUDY Replacement (CJR)

$133 million in CJR funds the acquisition of a single ship-based radar suite for world-wide technical data collection against ballistic missiles in flight. This unit will replace the current COBRA JUDY / USNS OBSERVATION ISLAND, which is due to leave service in 2012. Upon achieving Initial Operating Capability, Navy will transfer the CJR to the U.S. Air Force for operation and maintenance. The CJR program has entered production stage.

Cooperative Engagement Capability (CEC)

CEC is an advanced sensor netting system enabling real-time exchange of fire-control quality data between battle force units. CEC provides the integrated, precision air defense picture required to counter the increased agility, speed, maneuverability, and advanced design of cruise missiles, manned aircraft; and in the future, tactical ballistic missiles. Funding requested for FY 2008 is $123 million.

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

Distributed Common Ground/Surface Systems (DCGS)

DCGS-N is the Navy's Intelligence, Surveillance, Reconnaissance, and Targeting (ISR&T) system. Funded at $107 million in FY 2008, DCGS-N will support the new Maritime Headquarters/Maritime Operations Center (MHQ/MOC). DCGS-N will receive and process multiple data streams from various ISR sources to provide time-critical aim points and intelligence products. It will enhance the

warfighter's Common Operational Picture (COP) and Maritime Domain Awareness (MDA).

Deployable Joint Command and Control (DJC2)

DJC2 is a Secretary of Defense and Chairman of the Joint Chiefs of Staff priority transformation initiative providing Combatant Commanders (COCOMs) with a standardized, deployable, and scalable Joint C2 headquarters capability tailored to support Joint Task Force (JTF) operations. DJC2 enables a COCOM to rapidly deploy and activate a JTF headquarters equipped with a common C2 package with which to plan, control, coordinate, execute, and assess operations across the spectrum of conflict and domestic disaster relief missions. This budget request of $31 million provides operations and sustainment for the six existing systems and continued development efforts.

Navy Special Warfare (NSW) Support

NSW programs provide critical service common support to eight SEAL teams, two SEAL Delivery Vehicle Teams, three Special Boat Teams and five NSW Groups. During Fiscal Years 2007 and 2008, six pre-positioned operational stocks will be procured and staged, hundreds of common small arms, weapons mounts and visual augmentation systems will be provided to NSW combat elements, up to twenty standard boats will continue to replace an aging fleet of sixty-one NSW training support craft and four Navy-mandated management support systems will be funded. A total of $21 million in various procurement and operations support accounts is dedicated in FY 2008.

Navy Computer Network Attack (CNA)

Navy Computer Network Attack (CNA) develops force structure for operations in the cyberspace environment. This is the programmatic continuation of Navy Cyber Attack Team (NCAT) initiative which is endorsed by several Combatant Commanders. Program focus is on unique capabilities to address Navy warfighting gaps. Our $11 million FY 2008

investment is required to develop the capability to access adversary networks and enable Information Operations (IO) in asymmetric warfare.

Marine Mammal Research/Sound in Water Effects

The Navy is committed to following proactive compliance strategies to meet legal requirements and to identify and fund marine mammal research requirements—especially related to potential effects of mid-frequency active sonar. In support, Navy has requested $10 million in funding for these efforts in FY 2008. Compliance with Marine Mammal Protection Act (MMPA), Endangered Species Act (ESA), Coastal Zone Management Act (CMZA), and National Environmental Policy Act (NEPA) related to potential effects to marine animals from sound in the water are dependent on filling gaps in scientific data and continued research on acoustic criteria. However, increasing pressures related to restricting the use of active sonar are adversely impacting Navy training and readiness. Clearer, science-based standards are needed in future MMPA amendments to ensure environmental protection while not endangering our Sailors.

Forward Deployed Naval Forces (Japan)

USS GEORGE WASHINGTON (CVN 73) will replace USS KITTY HAWK (CV 63) as the forward deployed aircraft carrier in Yokosuka, Japan in 2008. The move represents a strong and continuing commitment to the security of the Asian Pacific region and our alliance.

GEORGE WASHINGTON will be the first nuclear aircraft carrier to join the Navy's permanently forward deployed naval forces (FDNF), replacing the conventionally powered the KITTY HAWK that will retire after 47 years of superb service. Funding of $9 million in FY 2008 supports the final of several years investments for GEORGE WASHINGTON's anticipated 2008 FDNF arrival.

TRIDENT

TRIDENT is maritime intelligence production capability within the Office of Naval Intelligence providing tailored, focused, timely intelligence support to Naval Special Warfare (NSW) and other joint special operations forces operating in the maritime arena. For a relatively small investment in FY 2008 of $9 million, TRIDENT production directly supports the Global War on Terror and is a response to ongoing initiatives to improve intelligence support to NSW. TRIDENT deployed its initial two Tactical Intelligence Support Teams (TIST) in support of Naval Special Warfare in the Spring and Fall of 2006. They are currently providing both forward deployed and reach back support to NSW forces.

Undersea Warfare Training Range (USWTR)

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

Pending signature of the environmental Record of Decision (ROD) for the East Coast USWTR in April 2008, the Navy will commence hardware procurement and installation in FY 2008. Supporting this, Navy has requested $7 million in FY 2008. The West Coast ROD is scheduled for signature in September 2008. The shallow water ranges planned for both coasts will be completed in FY 2013.

Tactical Aircraft (TACAIR) Integration (TAI)

Our TACAIR Integration initiative merges Navy and Marine Corps Tactical Aviation into a seamless Naval Aviation force at sea and ashore. This is an organizational change that "buys" increased combat capability without requiring additional investment. Naval Aviation force projection is accomplished by increased integration of Marine tactical squadrons into Carrier Air Wings and Navy squadrons into Marine Aircraft Wings. Successful integration, also leveraging the common characteristics of the F/A-18s, further enhances core combat capabilities providing a more potent, cohesive, smaller and affordable fighting force.

Build a Fleet for the Future

Programs and practices of particular interest (listed in order of FY 2008 dollar value):

RDT&E Development and Demonstration Funds

Navy's $15.9 billion investment in various technology, component, and system development funds, as well as our operational development and testing programs provide a balanced portfolio. Not only do they ensure successful development of programs for our Fleet for the Future, they also leverage the Fleet, Systems Commands, warfare centers, and others to align wargaming, experimentation, and exercises in developing supporting concepts and technologies.

DDG 1000

This multi-mission surface combatant, tailored for land attack and littoral dominance, will provide independent forward presence and deterrence and operate as an integral part of joint and combined expeditionary forces. DDG 1000 will capitalize on reduced signatures and enhanced survivability to maintain persistent presence in the littoral. The program provides the baseline for spiral development to support future surface ships. Our FY 2008

request is for $3.3 billion in shipbuilding and research funds.

With the Advanced Gun System (AGS) and associated Long Range Land Attack Projectile (LRLAP) DDG 1000 will provide volume and precision fires in support of Joint forces ashore. A Global Positioning System (GPS) guided, 155 millimeter round, LRLAP will provide all weather fires capability out to 83 nautical miles. Its Dual Band Radar represents a significant increase in air defense capability in the cluttered littoral environment. Investment in Open Architecture and reduced manning will provide the Navy life cycle cost savings and technology that can be retrofit to legacy ships.

Facilities Recapitalization and Sustainment

Facilities Recapitalization is comprised of modernization and restoration. Modernization counters obsolescence by renewing a facility to new standards or functions without changing the fundamental facility size. Restoration includes efforts to restore degraded facilities to working condition beyond design service life or to fix damage from natural disaster, fire, etc. Restoration and modernization funding in FY 2008 is requested at $2.0 billion.

Facilities Sustainment includes those maintenance and repair activities necessary to keep facilities in working order through their design service life.

Navy’s sustainment rate, and Fiscal Year funding request of $1.1 billion, is at the level at which facilities can be maintained and still remain mission capable. Navy’s intent is to aggressively scrub requirements, reduce facilities footprint and drive down costs. Our goal is to provide the resources required to execute wartime missions. Our planning and footprint reduction initiatives are intended to ensure that adequate facilities are available to support our mission requirements.

CVN 21

The CVN 21 Program is designing the next generation aircraft carrier to replace USS ENTERPRISE (CVN 65) and NIMITZ-class aircraft carriers. CVN 78-class ships will provide improved warfighting capability and increased quality of life for our Sailors at reduced acquisition and life cycle costs. $2.8 billion in Shipbuilding funds for FY 2008 supports acquisition of USS GERALD R. FORD (CVN 78), the lead ship of the class, scheduled for delivery in late FY 2015. Additionally, the program has $232 million in research and development supporting work on the Electromagnetic Aircraft Launch System and other warfighting capability improvements.

F-35 Joint Strike Fighter (JSF)

F-35 is a joint cooperative program to develop and field family of affordable multi-mission strike fighter aircraft using mature/demonstrated 21st century technology to meet warfighter needs of the Navy, Marines, Air Force, and international partners including the U.K., Italy, Netherlands, Denmark, Turkey, Norway, Australia, and Canada. Navy's FY 2008 $1.2 billion in procurement buys 6 short take-off and landing variants. An additional $1.7 billion in research and development continues aircraft and engine development.

VIRGINIA Class Fast Attack Nuclear Submarine (SSN)

Navy needs to maintain an SSN force structure to meet current operational requirements, prosecute the Global War on Terror, and face any potential future threats. The VIRGINIA class emphasizes affordability and optimizes performance for undersea superiority in littoral and open ocean missions.

Lead ship operational performance exceeded expectations. Follow-on submarine performance has been even better:

- USS TEXAS (SSN 775) INSURV trial was best performance by the second SSN of any class.
- Third ship (HAWAII, SSN 776) was the most complete submarine ever at launch (greater than

90 percent complete), had the best INSURV trial of the class, and was delivered on the original contract delivery date.

$2.6 billion in FY 2008 procures one submarine. Additionally, the budget requests $137 million for technical insertions and cost reduction developments. Navy is working closely with industry to bring the cost per hull down to $2 billion (in FY05 dollars) and increase the build rate to two ships/year starting in FY 2012. Authorization of MYP will help facilitate this. This will help mitigate future force level deficiencies and achieve cost reduction goals through Economic Order Quantity (EOQ) savings and better distributed overhead costs.

F/A-18E/F Super Hornet

The Navy's next generation, multi-mission Strike Fighter replaces aging F-14s, older model F/A-18s, and assumes the S-3 aircraft carrier-based aerial refueling role. F/A-18E/F provides a 40 percent increase in combat radius, 50 percent increase in endurance, 25 percent greater weapons payload, three times more ordnance bring-back, and is five times more survivable than F/A-18C models. Approximately 55 percent of the total procurement objective has been delivered (254 of 460). F/A-18E/F is in full rate production under a second five-year multi-year contract (Fiscal Years 2005-2009). $2.3 billion in FY 2008 procures 24 aircraft as part of this contract.

MV-22B Osprey

MV-22 Osprey is the Marine Corps medium-lift assault support aircraft being procured to replace legacy CH-46Es and CH-53Ds. Current operational projections hold CH-46Es in service through FY 2018, and CH-53Ds through FY 2013. The CH-46Es are playing a critical role in the War on Terror, flying more than four times their peacetime utilization rate making delivery of the MV-22 even more critical. The MV-22's improved readiness, survivability and transformational capability (twice the speed, three times the payload and six times range of the airframes it is replacing) will vastly

improve operational reach and capability of deployed forces. The aircraft is approved for Full Rate Production and enters a congressionally approved joint five-year, multi-year procurement in FY 2008 with $2.0 billion procuring 21 aircraft. The total Marine requirement is 360 MV-22s; Navy 48 MV-22s; SOCOM 50 CV-22s.

DON Science & Technology (S&T)

The Department of the Navy S&T supports Navy/Marine strategy and guides the S&T investment portfolio to meet the future needs of the Navy, the Marine Corps, and Combatant Commands. The FY 2008 budget of $1.7 billion is a balanced portfolio comprised of discovery and invention, leap-ahead innovations, acquisition enablers, quick reaction S&T and Defense Department partnerships. A long term strategy will help balance future risks.

EA-18G Growler

The Growler is the Navy's replacement for the EA-6B. Inventory objective is 84 aircraft for test, Fleet Replacement Squadron, attrition, pipeline and 10 operational carrier airwing squadrons to provide the Navy's carrier-based Airborne Electronic Attack (AEA) capability. The program is on schedule and budget. All Key Performance Parameter (KPP) and Technical Performance Measure (TPM) thresholds are being met or exceeded. Program achieved first flight in August 2006; one month ahead of schedule. $1.6 billion supports development and procurement of 18 aircraft in FY 2008.

MH-60R/S Multi-Mission Helicopter

The MH-60R is a cornerstone of the Navy's Helicopter Concept of Operations (CONOPS), which reduces from six to two the helicopter variants in use today. The MH-60R Multi-Mission Helicopter program will replace the surface combatant-based SH-60B, carrier-based SH-60F, and anti-surface capabilities of the S-3 with a newly manufactured airframe and enhanced mission systems. Sea control missions include Undersea and Surface Warfare. The MH-60R provides

forward-deployed capabilities to defeat area-denial strategies, allowing joint forces to project and sustain power. Full Rate Production was approved in March 2006. $998 million in FY 2008 procures 27 aircraft.

The MH-60S is designed to support Carrier and Expeditionary Strike Groups in Combat Logistics, Search and Rescue, Vertical Replenishment, Anti-Surface Warfare, Airborne Mine Countermeasures, Combat Search and Rescue, and Naval Special Warfare mission areas. This program is in production. This fiscal year, Block 2 of the program will see the IOC of the first of five Organic Airborne Mine Countermeasures (OAMCM) systems (AQS-20). The remaining four airborne mine countermeasure systems will IOC between Fiscal Years 2008-2010. An Armed Helicopter capability is also expected to enter IOC this year. $504 million in FY 2008 procures 18 aircraft.

LPD 17

LPD 17 functionally replaces LPD 4, LSD 36, LKA 113, and LST 1179 classes of amphibious ships for embarking, transporting and landing elements of a Marine landing force in an assault by helicopters, landing craft, amphibious vehicles, or by a combination of these methods. $1.5 billion in this budget's shipbuilding request procures LPD 25.

LHA(R)

LHA(R) replaces four aging LHA Class ships which are reaching the end of their administratively extended service lives. LHA(R) Flight 0 is a modified LHD 1 Class variant designed to accommodate aircraft in the future USMC Aircraft Combat Element (ACE) including JSF and MV-22. The FY 2008 request for $1.4 billion supports procurement of the lead ship in the class.

Littoral Combat Ship (LCS)

Designed to be fast and agile, LCS will be a networked surface combatant with capabilities optimized to assure naval and joint force access

into contested littoral regions. LCS will operate with focused-mission packages that deploy manned and unmanned vehicles to execute a variety of missions, including littoral anti-submarine warfare (ASW), anti-surface warfare (SUW) and mine countermeasures (MCM). LCS will possess inherent capabilities including homeland defense, Maritime Interception Operations (MIO) and Special Operation Forces support. LCS will employ a Blue-Gold multi-crewing concept for the early ships. The crews will be at a "trained to qualify" level before reporting to the ship, reducing qualification time compared to other ships.

The Navy has recently identified significant cost increases for the lead ship in the LCS class (Lockheed Martin variant). A series of increases in the contractor estimated cost of completion, the most recent in December, highlighted the problem and initiated a thorough analysis by both Navy and industry. After nearly two months of in-depth study, the Navy has revalidated the warfighting requirement and developed a restructured program plan for the LCS that improves management oversight, implements more strict cost controls, incorporates selective contract restructuring, and ensures delivery within a realistic schedule.

Construction of LCS Hull #3 (Lockheed Martin) will be resumed under revised contract terms that rebalance cost growth risk between government and industry. Construction on LCS Hull #4 (General Dynamics) will continue as long as costs remain defined and manageable. This plan will provide for best value to the Navy for the completion of the first four LCS ships, procurement of existing designs in Fiscal Years 2008-2009 to fill critical warfighting gaps, and establishment of a sound framework for transition to a single design in Fiscal Year 2010. The Navy will work closely with Congress on reprogramming actions necessary to bring this program forward.

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

The P-8A replaces the P-3C Orion on a less than 1:1 basis. This aircraft provides lethality against

submarine threats, broad area maritime and littoral armed Anti-Submarine Warfare patrol, Anti-Surface Warfare, and Intelligence Surveillance Reconnaissance. The P-8A is the only platform with this operationally agile capability set. It fills Combatant Commander requirements in major combat and shaping operations, as well as the War on Terror and homeland defense. The program has been executed on time and on budget. Preliminary Design Review has successfully completed and is now in the detailed design phase. $880 million in research and development funds is included in the FY 2008 budget. Initial Operational Capability (IOC) is planned in FY 2013.

E-2D Advanced Hawkeye

The E-2D Advanced Hawkeye (AHE) program will modernize the current E-2C weapons system by replacing the radar and other aircraft system components to improve nearly every facet of tactical air operations. The modernized weapons system will be designed to maintain open ocean capability while adding transformational littoral surveillance and Theater Air and Missile Defense capabilities against emerging air threats in the high clutter, electro-magnetic interference, and jamming environments. $866 million in FY 2008 continues development work and procures three Pilot Production Aircraft. The AHE will be one of the four pillars contributing to Naval Integrated Fire Control-Counter Air. The AHE program plans to build 75 new aircraft.

ASW Programs

The Navy continues to pursue research and development of Distributed Netted Sensors (DNS); low-cost, rapidly deployable, autonomous sensors that can be fielded in sufficient numbers to provide the cueing and detection of adversary submarines far from the Sea Base. Examples of our FY 2008 request of $24 million in these technologies include:

- Reliable Acoustic Path, Vertical Line Array (RAP VLA). A passive-only distributed system exploiting the deep water propagation

phenomena. In essence, a towed array vertically suspended in the water column.

- Deep Water Active Distributed System (DWADS). An active sonar distributed system optimized for use in deep water.

- Deployable Autonomous Distributed System (DADS). A shallow water array, using both acoustic and non-acoustic sensors to detect passing submarines. DADS will test at sea in FY 2008.

- Littoral ASW Multi-static Project (LAMP). A shallow water distributed buoy system employing the advanced principles of multi-static (many receivers, one/few active sources) sonar propagation.

Further developing the Undersea Warfare Decision Support System (USW-DSS) will leverage existing data-links, networks, and sensor data from air, surface, and sub-surface platforms and integrate them into a common ASW operating picture with tactical decision aids to better plan, conduct, and coordinate ASW operations. We are requesting $23 million in FY 2008 towards this system.

To engage the threat, our forces must have the means to attack effectively the first time, every time. The Navy has continued a robust weapons development investment plan including $293 million requested in the FY 2008 on such capabilities as:

- High-Altitude ASW Weapons Concept (HAAWC). Current maritime patrol aircraft must descend to very low altitude to place ASW weapons on target, often losing communications with the sonobuoy (or distributed sensor) field. This allows the aircraft to remain at high altitude and conduct an effective attack while simultaneously enabling the crew to maintain and exploit the full sensor field in the process. This capability will be particularly important in concert with the new jet-powered P-8A MMA. A test is scheduled for May 2007.

- Common Very Lightweight Torpedo (CVLWT). The Navy is developing a 6.75” torpedo suitable for use in the surface ship and submarine anti-torpedo torpedo defense, and the offensive Compact Rapid Attack Weapon (CRAW) intended for the developing manned and unmanned aerial vehicles.

Finally, to defend our forces, key defensive technologies being pursued include:

- Surface Ship Torpedo Defense (SSTD). Program delivers near term and far term torpedo defense. The planned FY 2008 $16 million R&D investment supports ongoing development of the 6 ¾ inch Common Very Lightweight Torpedo (CVLWT) which supports both the Anti-Torpedo Torpedo (ATT) and the Compact Rapid Attack Weapon (CRAW). Also, several capability upgrades to the AN/SLQ-25A (NIXIE) are being incorporated to improve both acoustic and non-acoustic system performance to counter current threat torpedoes. These enhancements also support their use in the littorals and are scheduled to complete in FY 2009. The AN/WSQ-11 System uses active and passive acoustic sensors for an improved torpedo Detection Classification and Localization (DCL) capability, and a hard kill Anti-Torpedo Torpedo (ATT) to produce an effective, automated and layered system to counter future torpedo threats. DCL improvements include lower false alarm rates and better range determination.

- Aircraft Carrier Periscope Detection Radar (CVN PDR). An automated periscope detection and discrimination system aboard aircraft carriers. System moves from a laboratory model, currently installed on USS KITTY HAWK, to 12 units (1 per carrier, 1 ashore) by FY 2012. FY 2008 funds of $7 million support this effort.

Platform Sensor Improvements. Against the quieter, modern diesel-electric submarines, work continues on both towed arrays and hull mounted sonars. Our $410

million request in FY 2008 includes work on the following:

- TB-33 thin-line towed array upgrades to forward deployed SSN's provides near term improvement in submarine towed array reliability over existing TB-29 arrays. TB-33 upgrades are being accelerated to Guam based SSN's.

- Continued development of twin-line thin line (TLTL) and vector-sensor towed arrays (VSTA) are under development for mid-far term capability gaps. TLTL enables longer detection ranges/contact holding times, improves localization, and classification of contacts. VSTA is an Office of Naval Research project that would provide TLTL capability on a single array while still obviating the bearing ambiguity issue inherent in traditional single line arrays.

Modernization

Achieving full service life from the fleet is imperative. Modernization of the existing force is a critical enabler for a balanced fleet. Platforms must remain tactically capable and structurally sound for the duration of their designed service life.

Cruiser (Mod)

AEGIS Cruiser Modernization is key to achieving the 313 ship force structure. A large portion of surface force modernization (including industrial base stability) is resident in this modernization program. $403 million across several appropriations in FY 2008 supports this program.

A comprehensive Mission Life Extension (MLE) will achieve the ship's expected service life of 35+ years and includes the All Electric Modification (replacing steam systems), SMARTSHIP technologies, Hull Mechanical & Electrical (HM&E) system upgrades, and a series of alterations designed to restore displacement

and stability margins, correct hull and deck house cracking and improve quality of life and service on board.

Destroyer (Mod)

The DDG 51 modernization program is a comprehensive 62 ship program designed to modernize HM&E and Combat Systems. These upgrades support reductions in manpower and operating costs, achieve 35+ year service life, and allows the class to pace the projected threat well into the 21st century. Our FY 2008 request contains $159 million for this effort.

Key upgrades to the DDG 51 AEGIS Weapon System (AWS) include an Open Architecture computing environment, along with an upgrade of the SPY Radar signal processor, addition of BMD capability, Evolved Sea Sparrow Missile (ESSM), improved USW sensor, Naval Integrated Fire Control-Counter Air (NIFC-CA) and additional other combat systems upgrades.

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

T-AKE is intended to replace aging combat stores (T-AFS) and ammunition (T-AE) ships. Working in concert with an oiler (T-AO), the team can perform a "substitute" station ship mission to allow the retirement of four fast combat support ships (AOE 1 Class). $456 million in FY 2008 supports funding the 11th T-AKE (final price will be determined through negotiations expected to be completed during the summer 2007). Lead ship was delivered in June 2006 and has completed operational evaluation (OPEVAL).

CH-53K

The CH-53K Heavy Lift Replacement (HLR) is the follow on to the Marine Corps CH-53E Heavy Lift Helicopter. The CH-53K will more than double the current CH-53E lift capability under the same environmental conditions. The CH-53K's increased capabilities are essential to meeting the Marine

Expeditionary Brigade of 2015 Ship-to-Objective Maneuver vision. FY 2008 research and development funds of $417 million supports major systems improvements of the new helicopter including: larger and more capable engines, expanded gross weight airframe, better drive train, advanced composite rotor blades, modern interoperable cockpit, external and internal cargo handling systems, and survivability enhancements.

Tomahawk/Tactical Tomahawk (TACTOM)

Tomahawk and Tactical Tomahawk missiles provide precision, all weather, and deep strike capabilities. Tactical Tomahawk provides more flexibility and responsiveness at a significantly reduced life cycle cost than previous versions and includes flex-targeting, in-flight retargeting, and 2-way communications with the missile.

Our $383 million in this years request sustains the Tomahawk Block IV full-rate, multi-year procurement contract for Fiscal Years 2004-2008, yielding approximately 2,100 missiles. The projected inventory will accommodate campaign analysis requirements given historical usage data and acceptable risk.

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

The F/A-18 Hornet is Naval Aviation's principal strike-fighter. This state-of-the-art, multi-mission aircraft serves the Navy and Marine Corps, as well as the armed forces of seven allied countries. Its reliability and precision weapons delivery capability are documented frequently in news reports from the front lines. $331 million in FY 2008 supports improvements to the original Hornet A/B/C/D variants provide significant warfighting enhancements to the fleet. These improvements include the Global Positioning System (GPS), Multi-functional Information Distribution System (MIDS), AIM-9X Sidewinder Missile/Joint Helmet-Mounted Cueing System (JHMCS), Combined Interrogator Transponder, Joint Direct Attack Munition/Joint Stand-Off Weapon delivery capability, and a Digital Communication System (DCS) for close-air support.

Through these improvement and upgrades, the aircraft's weapons, communications, navigation, and defensive electronic countermeasure systems have been kept combat relevant.

Although the F/A-18A/B/C/D are out of production, the existing inventory of 667 Navy and Marine Corps aircraft will continue to comprise half of the carrier strike force until 2013, and are scheduled to remain in the Naval Aviation inventory through 2022.

CG(X)

CG(X) is envisioned to be a highly capable surface combatant tailored for Joint Air and Missile Defense and Joint Air Control Operations. CG(X) will provide airspace dominance and protection to all joint forces operating in the Sea Base. Initial Operational Capability (IOC) is 2019. $227 million in research and development for FY 2008 supports CG(X) development. The ongoing analysis of alternatives is considering various propulsion options. CG(X) will replace the CG-47 Aegis class and improve the fleet's air and missile defense capabilities against an advancing threat – particularly ballistic missiles.

Standard Missile-6 (SM-6)

The Navy's next-generation Extended Range, Anti-Air Warfare interceptor is the SM-6. Supporting both legacy and future ships, SM-6 with its active-seeker technology will defeat anticipated theater air and missile defense warfare threats well into the next decade. The combined SM-6 Design Readiness Review / Critical Design Review was completed three months ahead of schedule with SM-6 successfully meeting all entrance and exit criteria. Ahead of schedule and on cost targets, our FY 2008 budget plan of $207 million will keep this development effort on track for Initial Operational Capability in FY 2010.

Conventional TRIDENT Modification (CTM)

CTM transforms the submarine launched, nuclear armed TRIDENT II (D5) missile system into a conventional

offensive precision strike weapon with global range. This new capability is required to defeat a diverse set of unpredictable threats, such as Weapons of Mass Destruction (WMD), at short notice, without the requirement for a forward-deployed or visible presence, without risk to U.S. forces, and with little or no warning prior to strike. $175 million is included in the FY 2008 request. The program and related policy issues are currently under review by the Office of the Secretary of Defense as part of the New Strategic Triad capability package.

Navy Unmanned Combat Air System (UCAS)

The former J-UCAS program transferred from Air Force to Navy lead. The Navy UCAS will develop and demonstrate low observable (LO), unmanned, air vehicle suitability to operate from aircraft carriers in support of persistent, penetrating surveillance, and strike capability in high threat areas. $162 million in FY 2008 research and development funds advance the programs objectives.

Joint Standoff Weapon (JSOW)

JSOW is a low-cost, survivable, air-to-ground glide weapon designed to attack a variety of targets in day/night and adverse weather conditions from ranges up to 63 nautical miles. All variants employ a kinematically efficient, low-signature airframe with GPS/INS guidance capability. JSOW is additionally equipped with an imaging-infrared seeker, Autonomous Targeting Acquisition (ATA) software, and a multi-stage Broach warhead to attack both hard and soft targets with precision accuracy. The $156 million in FY 2008 funding continues production to build to our inventory requirements. A Block III improvement effort will add anti-ship and moving target capability in FY 2009.

OHIO-Class SSGN

OHIO-Class SSGN is a key transformational capability that can covertly employ both strike and Special Operations Forces (SOF) capabilities. OHIO (SSGN 726) and FLORIDA (SSGN 728) were delivered from conversion in December 2005 and April 2006

respectively and are conducting modernization, certification, and acceptance evaluation testing prior to deployment. GEORGIA (SSGN 729) is in conversion at Norfolk Naval Shipyard with delivery scheduled for September 2007. The $134 million in the FY 2008 budget request is primarily for testing, minor engineering changes, and to procure the final replacement reactor core.

Broad Area Maritime Surveillance (BAMS) Unmanned Aircraft System (UAS)

BAMS is a post-9/11, Secretary of the Navy directed transformational initiative. $117 million in research and development funding continues Navy's commitment to provide a persistent (24 hours/day, 7 days/week), multi-sensor (radar, Electro-Optical/Infra Red, Electronic Support Measures) maritime intelligence, surveillance, and reconnaissance capability with worldwide access. Along with Multi-Mission Aircraft, BAMS is integral to the Navy's airborne intelligence, surveillance, and reconnaissance (ISR) recapitalization strategy. BAMS is envisioned to be forward deployed, land-based, autonomously operated and unarmed. It will sustain the maritime Common Operational Picture (COP) and operate under the cognizance of the Maritime Patrol and Reconnaissance Force.

Long Range Land Attack Projectile (LRLAP)

Long Range Land Attack Projectile (LRLAP) is the primary munition for the DDG 1000 Advanced Gun System (AGS). AGS and LRLAP will provide Naval Surface Fire Support (NSFS) to forces ashore during all phases of the land battle. All program flight test objectives have been met. Six of nine guided test flights have been successfully completed. Test failures have been isolated and corrective actions implemented with successful re-tests fired.

$74 million in FY 2008 supports continued development. Current ammunition inventory estimates are based on conventional ammunition calculation methods. A pending ammo study will account for increased LRLAP range and precision to better inform

decisions regarding procurement schedule and total inventory objective.

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

The Navy Vertical Takeoff and Landing Tactical UAV (VTUAV) is designed to operate from all air capable ships, carry modular mission payloads, and operate using the Tactical Control System (TCS) and Tactical Common Data Link (TCDL). VTUAV will provide day/night real time reconnaissance, surveillance and target acquisition capabilities as well as communications relay and battlefield management to support the Littoral Combat Ship (LCS) core mission areas of Anti-Submarine, Mine, and Anti-Surface Warfare. It will be part of the LCS mission module packages supporting these warfare missions. $71 million in development and procurement funding supports engineering manufacturing development, operational testing and achievement of initial operational capability in FY 2008.

Maritime Prepositioning Force (MPF) (Future)

$68 million in research and development in FY 2008 supports our first year of procurement with (4) MPF(F) ships in FY 2009. MPF(F) provides a scalable, joint seabased capability for the closure, arrival, assembly, and employment of up to the Marine Expeditionary Brigade of 2015 sized force. It will also support the sustainment and reconstitution of forces when required. MPF(F) is envisioned for frequent utility in lesser contingency operations, and when coupled with Carrier or Expeditionary Strike Groups, will provide the nation a rapid response capability in anti-access or denial situations.

Direct Attack (DA) Munitions: JDAM, LGB, Dual Mode LGB, and Direct Attack Moving Target

Inventories of direct attack munitions include Laser Guided Bombs (LGB) and Joint Direct Attack Munitions (JDAM) weapons; both are guidance kits for General Purpose bombs and strike fixed targets only. The LGB guides on a laser spot which provides precise accuracy in clear weather. JDAM provides Global

Positioning / Inertial Guidance Systems (GPS/INS) giving accurate adverse weather capability ($34 million in FY 2008). The Dual Mode LGB retrofit to LGB kits, procured in Fiscal Years 2006-2007, increases flexibility by combining laser and GPS/INS capabilities in a single weapon. The next evolutionary upgrade, Moving Target Weapon (MTW), will combine laser and GPS/INS guidance with moving target capability. Procurement is planned via a capability-based competition, with MTW upgrading existing JDAM and/or LGB kit inventories. $29 million supports this on-going MTW effort in FY 2008.

Harpoon Block III Missile

Harpoon Block III represents the only long range, all weather, precise, ship and air launched, Surface Warfare anti-ship capability. $44 million in FY 2008 supports development of a kit upgrade to existing Harpoon Block IC, the addition of a data link and GPS that will provide increased target selectivity and performance in the cluttered littorals.

Pioneer Tactical Unmanned Aircraft Sensor (UAS)

The Pioneer UAS System is a transportable Intelligence, Surveillance, and Reconnaissance (ISR) asset capable of providing tactical commanders with day and night, battlefield, and maritime reconnaissance in support of Marine expeditionary warfare and maritime control operations. The FY 2008 budget requests $38 million in operations and maintenance sustainment and $90 million in procurement for the Army's Shadow RQ-7B UAS as an interim replacement for the currently fielded Pioneer.

Language, Regional Expertise & Culture (LREC)

Achieving Navy's global strategy depends in part on our ability to communicate with and comprehend adversaries, enduring allies, and emerging partners. To facilitate this capability, Navy has developed a way forward to transform LREC in the force. Consistent with the Defense Language Transformation

Roadmap and the Navy Strategic Plan (NSP), the program incentivizes language proficiency, increases regional content in NPME, provides non-resident language instruction to all Sailors and delivers in-residence training to more Officers.

Incentivization through higher foreign language proficiency pay rates began June 06. $33 million requested in FY 2008 continues existing efforts and begins new initiatives of enhanced non-resident (on-line) and resident (for Officers) language training.

Extended Range Munition (ERM)

The concept for expeditionary operations relies on sea-based surface fire support to aid in destruction and suppression of enemy forces. The Extended Range Munition (ERM) is a 5-inch rocket assisted guided projectile providing range and accuracy superior to that of conventional ammunition. The projectile uses a coupled GPS/INS Guidance System and unitary warhead with a height-of-burst fuze. $30 million in FY 2008 research and development funding includes a 20-reliability demonstration before land-based flight and qualification testing. The program includes modifications to existing 5 inch guns and fire control systems. ERM will utilize the Naval Fires Control System as the mission planning tool.

Automatic Identification System (AIS)

AIS is a commercially available shipboard broadcast Very High Frequency (VHF) maritime band transponder system capable of sending and receiving ship information, including Navigation Identification, and Cargo. AIS significantly increases the Navy's ability to distinguish between normal and suspicious merchant ships headed towards U.S. and allied ports. Navy warships using AIS have observed dramatic increases in situational awareness, safety of ship and intelligence gathering capability. Programmed funding started in FY 2007. Initially funded in FY 2006 from ONR Rapid Technology Transition initiative and reprogramming, AIS shifted to programmed funding in FY 2007, and with our request of $28 million in FY 2008, it transitions to become a program of record.

Global Hawk Maritime Demonstration (GHMD)

Using an existing Air Force production contract, the Navy procured two GHMD Unmanned Aerial Vehicles (UAV) and associated ground control equipment. GHMD will be used for developing Concept of Operations and Tactics, Training and Procedures for a persistent ISR maritime capability in conjunction with the manned P-3 aircraft. The GHMD return on investment will be risk reduction for the BAMS UAS Program. GHMD provides a limited, high altitude, endurance UAV platform capability 8 years before the planned FY 2014 IOC of BAMS. $18 million in operations and maintenance and $6 million in procurement of spares sustains the program in FY 2008.

Remote Minehunting System (RMS)

RMS utilizes a diesel-powered, high endurance, off-board, semi-submersible vehicle to tow the Navy's most advanced mine hunting sonar, the AN/AQS-20A. The system will be launched, operated, and recovered from surface ships. RMS will provide mine reconnaissance, detection, classification, localization, and identification of moored and bottom mines. $23 million in FY 2008 supports the fielding plan commencing this year providing limited systems for use on select DDGs, 48 RMSs for the Littoral Combat Ship (LCS) Mine Warfare Mission Packages, and an additional 16 vehicles as part of the LCS Anti-submarine Warfare Mission Packages.

Joint High Speed Vessel (JHSV)

Navy, along with the Army, SOCOM and Marine Corps, is working to acquire a Joint High Speed Vessel (JHSV) that provides the required intra-theater lift capability necessary to meet each service's requirements. The acquisition of JHSV will address high-speed, intra-theater surface lift capability gaps identified to implement Sea Power 21, the Army Future Force operational concepts and SOCOM future operational plans. Additionally, it will improve Intra-theater lift currently provided by WESTPAC EXPRESS and other leased vessels. JHSV is currently

in the Technology Development Phase with Joint Requirements Oversight Council (JROC) approval of the Capabilities Development Document (CDD) anticipated soon. Navy's research and development contribution in FY 2008 is $19 million. Ultimate delivery of the first vessel is anticipated in 2010.

Aerial Common Sensor (ACS) - Future EPX (EP-3E Replacement)

Navy is on a path to recapitalize the EP-3 airborne electronic surveillance aircraft, and our $17 million in FY 2008 research and development funding contributes to this effort. ACS is the Navy's premier manned Airborne Intelligence, Surveillance, Reconnaisance (AISR) platform tailored to the maritime environment. ACS will provide data fusion and a robust reach-back capability allowing onboard operators to push intelligence to tactical commanders and operators in mission support centers. With a network-centric approach, ACS represents a significant capability in the Maritime Patrol and Reconnaissance Force Family of Systems including MMA and BAMS UAS.

Aegis Ballistic Missile Defense (BMD)

Aegis Ballistic Missile Defense is the sea based component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept Short and Medium Range Ballistic Missiles with ship-based interceptors (SM-3 missiles). The recently started Gap Filler Sea-Based Terminal Program will provide the ability to engage Short Range Ballistic Missiles (SRBMs) with modified SM-2 Block IV missiles from Aegis BMD capable ships. While all development funding is covered under the MDA budget, Navy has committed $13 million in FY 2008 for operations and sustainment of Aegis BMD systems as Navy assumes operational responsibility.

In May, 2006, USS LAKE ERIE (CG 70) successfully engaged and intercepted a LANCE short range test target with a modified SM-2 Block IV missile in a Navy-sponsored BMD demonstration. As a result, the

Navy is modifying the remaining inventory of 100 SM-2 Block IV missiles, and MDA is modifying the Aegis BMD program to support sea-based terminal engagements.

In June, 2006, Navy successfully achieved a second engagement of a separating SRBM target with the AEGIS BMD system. This successful engagement brings the tally to seven successful intercepts in nine flight tests as of December 2006. Aegis BMD has been installed on three Cruisers and 13 Destroyers. All the Cruisers and three Destroyers are engagement capable. The balance of the Destroyers are Long Range Surveillance and Track (LRS&T) capable. Additional installations are planned for 2007.

In actual operations last July, U.S. and Japanese Aegis radar-equipped Destroyers successfully monitored North Korea's ballistic missile tests.

21" Mission Reconfigurable Unmanned Underwater Vehicle System (MRUUVS)

21" MRUUVS is a submarine launched and recovered, reconfigurable UUV system that will improve current capabilities in enabling assured access. It will provide a robust capability to conduct clandestine minefield reconnaissance and general Intelligence, Surveillance, and Reconnaissance (ISR) in denied or inaccessible areas. The MRUUVS program has been restructured, moving Initial Operational Capability (IOC) from Fiscal Year 2013 to 2016 when clandestine mine countermeasure capability from LOS ANGLES Class submarines will be delivered. Accordingly, the FY 2008 funding request has been adjusted to $13 million. ISR capability and VIRGINIA Class host compatibility will arrive in follow-on increments approximately two years after IOC.

Tactical Control System (TCS)

Research and development funding of $9 million dollars in FY 2008 continues work on the Tactical Control System. The program provides interoperability and commonality for mission planning, command and control, and interfaces for tactical and medium altitude UAV systems. TCS

software provides a full range of scaleable capabilities from passive receipt of air vehicle and payload data to full air vehicle and payload command and control from ground control stations both ashore and afloat. TCS will be fielded with the Vertical Takeoff Unmanned Air Vehicle (VTUAV) system and key to supporting the LCS.

Utilities Privatization (UP)

The Navy and Marine Corps have 645 utilities systems eligible for privatization on 135 activities / installations worldwide. Of these, 394 have been determined to be exempt, 22 have been awarded for privatization, and 95 have received a Source Selection Authority (SSA) decision and are being processed for exemption or award. 122 systems are still being reviewed for an SSA decision. $3 million requested in our FY 2008 budget supports these ongoing initiatives.

Develop 21st Century Leaders

Programs and practices of particular interest include (listed in order of FY 2008 dollar value):

Health Care:

Combat Casualty Care

Combat casualty care is provided by Navy medical personnel assigned to and serving with Marine Corps units, in Expeditionary Medical Facilities, aboard casualty receiving/treatment ships and hospital ships, and in military and VA hospitals. Recent advances in force protection, battlefield medicine, combat/operational stress control, and medical evacuation have led to improved survival rates and enhanced combat effectiveness.

Since the start of OEF/OIF the Marine Corps has fielded new combat casualty care capabilities, including: updated individual first aid kits with QuikClot and advanced tourniquets, robust

vehicle first-aid kits for convoy use, Combat Lifesaver training, and new systems to provide forward resuscitative surgery and en route care. Navy Fleet Hospital transformation is redesigning expeditionary medical facilities to become lighter, modular, more mobile, and interoperable with other Services' facilities.

Naval S&T funds of $18 million in Fiscal Year 2008 in advanced technology and applied research for combat casualty care sustain our overall level of effort and focus on this mission. Additionally, mental health services have been expanded through post-deployment screenings, expanded briefings, and proactive interactions between providers and Sailors and Marines.

SAFE HARBOR Program

Our care for combat wounded does not end at the Military Treatment Facility (MTF). The Navy has established the Safe Harbor Program to ensure seamless transition for the seriously wounded from arrival at a CONUS MTF to subsequent rehabilitation and recovery, whether through DoD or the VA. Since its inception, 114 Sailors including 103 Active and 11 Reserve members have joined the program. Currently, 92 are being actively tracked and monitored including 34 severely injured last year in OIF/OEF. Senior medical staff personally visit and assist our seriously injured Sailors and their Families to ensure their needs are being met.

Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI)

The Navy has focused much attention on these complex conditions that have resulted from combat operations. With PTSD, early identification and intervention are critical elements of successful treatment and prevention. Closely aligned with war-fighters while in garrison, health-care providers instruct self-aid and buddy-aid training. When intervention is necessary, treatment occurs via

embedded mental health personnel in deployed units (e.g. via USMC OSCAR teams and Carrier Group Clinical Psychologists). All Sailors receive in-theater assessment through a Behavioral Health Assessment Tool (BHAT) and receive a Post Deployment Health Assessment (PDHA) immediately following deployment, and again 90-180 days later. This treatment coverage is comprehensive for both Active and Reserve members.

Navy is partnering with the other Services to establish a Center for Deployment Psychology to provide further education and training on PTSD treatment and other combat stress disorders. Our continuum of care in this area before, during, and after deployment, coupled with a review of policies and practices to ensure treatment for PTSD is "destigmatized," are critical steps in addressing the health needs of our deployed Sailors.

The science associated with the diagnosis and treatment of traumatic brain injuries (TBI) is evolving and the military is at the leading edge in research and treatment. Military Acute Concussion Evaluation (MACE) has been developed as part of field assessments and all casualties transitioned to Bethesda receive neuro-psychological evaluations with database tracking and follow-up as required.

When members with TBI transition from military service, they may be transferred to one of the four Veterans Administration (VA) poly-trauma centers in Palo Alto, CA, Richmond, VA, Minneapolis, MN and Tampa, FL - whichever facility is closest to the member's home of record. The four VA poly-trauma centers are among the premier treatment facilities for TBI in the country. In addition to VA tracking, when service members are transferred to the VA, they are also tracked by case managers from the referring Navy MTF at least bimonthly by the MTF Case Manager to maintain a coordinated care effort. Occasionally, the medical case management team determines in consultation with

an individual patient and their family that the patient's specific condition and/or family needs dictate that the best location for their continued care is at a civilian hospital rather than a VA or an MTF.

Quality Medical Care

While continuing to support OIF/OEF with medical personnel, Navy Medicine remains committed to providing quality care for all beneficiaries, both in deployed settings and at home. One of the main challenges has been ensuring sufficient numbers of providers in critical specialties. We continue to focus on refining and shaping our force to recruit, train, and retain the right mix of uniformed and civilian health providers thus sustaining the benefits of our healthcare system and meeting our obligations during this time of war. Despite high demands, Navy Medicine meets 100 percent of its operational commitments, and maintains quality care to our beneficiaries, without any sacrifice in quality.

Post-Deployment Health Care

Navy Medicine has developed new delivery models for deployment-related concerns and is working with the Office of Seamless Transition to improve coordination with the Veterans Administration. These include thirteen Deployment Health Clinics in areas of Fleet and Marine concentration to support operational commands in ensuring medical care for those returning from deployment.

Navy Education

Professional Military Education (PME)

Our Professional Military Education continuum provides career-long educational opportunities for professional and personal development that supports mission capabilities. It supports development of 21st century leaders who have

the capacity to think through uncertainty; develop innovative concepts, capabilities, and strategies; fully exploit advanced technologies, systems, and platforms; understand cultural/regional issues; and conduct operations as a coherently joint force. Navy PME provides a common core of knowledge for all Sailors. A primary level program was implemented via distance learning in June 2006. The initial targeted audience is junior unrestricted line officers and senior enlisted members. Additional content is in development for all junior officers. Introductory and basic levels for more junior Sailors is also under development.

Joint Professional Military Education (JPME)

Joint Professional Military Education provides an understanding of the principles of Joint warfare. Our path is designed to create a change in Navy culture so that it values jointness and therefore systematically develops a group of Navy Leaders who are strategically minded, capable of critical thinking, and skilled in naval and joint warfare. JPME Phase I is a requirement for screening unrestricted line officers for commander command beginning in FY 2009. In August 2006, Naval War College began in-residence instruction of JPME Phase II. The Naval War College has implemented a Joint Maritime Component Commander's Course to prepare future Flag Officers to serve as Maritime Component Commanders. $150 million requested in FY 2008 sustains our expanded commitment to this vital professional development.

The Naval Reserve Officers Training Corps (NROTC)

The NROTC Program comprises 59 active units at 71 host institutions of higher learning across the nation. With $173 million requested in FY 2008, the program is adequately funded to provide four and two year scholarships to qualified young men and women to prepare them for leadership and management positions in an

increasingly technical Navy and Marine Corps with service as commissioned officers. The program continues to be a key source of nuclear power candidates, nurses, and increased officer corps diversity. Focus is now on increasing strategic foreign language skills and expanding cultural awareness among Midshipmen.

The United States Naval Academy (USNA)

USNA gives young men and women the up-to-date academic and professional training needed to be effective Navy and Marine officers in their assignments after graduation. Renowned for producing officers with solid technical and analytical foundations, the Naval Academy is expanding its capabilities in strategic languages and regional studies.

The Naval Postgraduate School (NPS)

NPS is the Navy's principal source for graduate education. It provides Navy and DoD relevant degree and non-degree programs in residence and at a distance to enhance combat effectiveness. NPS provides essential flexibility in meeting Navy and Department of Defense emergent research needs, and the development of warfighters with otherwise demanding career paths and deployment cycles making graduate education opportunities difficult to achieve. NPS also supports operations through naval and maritime research, and maintains expert faculty capable of working in, or serving as advisors to operational commands, labs, systems commands, and headquarters activities. The $84 million requested in FY 2008 sustains this unique national asset and provides increases for lab upgrades, distance learning, and IT maintenance and support.

The Naval War College (NWC)

The Naval War College provides professional maritime and joint military education, advanced research, analysis, and gaming to educate future leaders. Its mission is to enhance the

professional capabilities of its students to make sound decisions in command, staff and management positions in naval, joint, and multinational environments. The $56 million requested in FY 2008 is a significant increase to support Joint Forces Maritime Component Command/Coalition Forces Maritime Component Command analysis and gaming capability, the China Maritime Studies Institute, initial investment for Maritime Headquarters (MHQ)/Maritime Operations Center (MOC), support for JPME II accreditation, funding for JPME I at Naval Postgraduate School, and for NWC Maritime Operations curriculum development.

Enlisted Retention (Selective Reenlistment Bonus)

Retaining the best and brightest Sailors has always been a Navy core objective and key to success. Navy retains the right people by offering rewarding opportunities for professional growth, development, and leadership directly tied to mission readiness. Navy has experienced significant reenlistment improvement since a 20-year low in FY 1999, reaching a peak at the end of FY 2003. This improved retention is part of a long-term trend, allowing us to be more selective in ensuring the right number of strong performers reenlist in the right ratings. Selective Reenlistment Bonuses (SRBs) are a key tool enabling us to offer attractive incentives to selected Sailors we want to retain. $359 million requested in FY 2008 will provide for nearly 79,000 new and anniversary payments helping ensure the Navy will be able to remain selective in FY 2008.

Sexual Assault Victim Intervention (SAVI)

SAVI has three major components: (1) awareness and prevention education, (2) victim advocacy and intervention services, and (3) collection of reliable data on sexual assault. Per the FY 2005 National Defense Authorization Act requirements, the Navy SAVI Program was transitioned from a program management to case management focus. Existing installation program coordinator positions were increased and became Sexual Assault Response Coordinators (SARCs), which is a standard title and

position across the Department of Defense. SARCs are accountable for coordinating victim care/support and for tracking each unrestricted sexual assault incident from initial report to final disposition. Navy also provides 24/7 response capability for sexual assaults, on or off the installation, and during deployment through the use of Victim Advocates who report to installation SARCs. The $3 million requested in the FY 2008 budget enables us to maintain this expanded SAVI program fleet-wide.

Family Advocacy (FAP)

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

Sea Warrior Spiral 1

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

Because of Sea Warrior's complexity, many issues related to sea and shore connectivity are still being worked out. Further, before fielding a usable model, the Navy plans to conduct extensive beta testing of selected ratings. Sea Warrior is funded

through the FYDP and is not expected to reach FOC until 2016.