

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, MARCH 16, 2011

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

The subcommittee met at 11:17 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Cochran, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

STATEMENT OF HON. RAY MABUS, SECRETARY OF THE NAVY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUE

Chairman INOUE. The subcommittee meets this morning to receive testimony on the fiscal year 2012 budget request for the Navy and Marine Corps.

And I'm pleased to welcome the Secretary of the Navy, Mr. Ray Mabus, and the Chief of Naval Operations, Admiral Gary Roughead, and the Commandant of the Marine Corps, General James Amos. I look forward to your testimony. I'd like to thank all of you for your prepared testimony. And, without objection, the full statement will be made part of the record.

For fiscal year 2012, the President's budget requests \$161 billion in base funding for the Department of the Navy. This is an increase of just one-half of 1 percent over last year's request. In addition, the budget seeks to reduce overseas contingency operation funding from \$18.5 billion to \$15 billion, reflecting the changing missions in Iraq and Afghanistan.

The very low growth of the Navy and Marine Corps budget is partly attributable to the Secretary of Defense's efficiency program. The request includes many commendable proposals, such as cutting energy costs by making our ships, aircraft, and facilities more efficient and increasing the use of alternative energy sources.

But, the subcommittee may have questions about other programs that are claimed as cost savings. For example, the Marine Corps' expeditionary fighting vehicle (EFV) has been terminated, and three new programs are being established to fill the void. While we know how much money will be saved by canceling the EFV, it is

hard to estimate how much money we will spend on the three follow-on programs.

In an age of tightening budgets, Congress needs to have a clear understanding of what budgetary proposals will produce real savings that can be better invested for our servicemembers, as opposed to delaying tough spending decisions for another day.

While the subcommittee will have many questions about the proposed budget over the coming months, there is no doubt about the importance of the Navy and the Marine Corps in the world today. Even while supporting combat missions overseas, marines and sailors are now performing life-saving humanitarian relief efforts in Japan after the catastrophic earthquake and tsunami. They are delivering supplies, searching for survivors, and rendering aid to the victims of this disaster. The people of the United States and Japan are grateful for the life-saving efforts of these men and women, and our thoughts are with all of the victims of this terrible catastrophe.

In these challenging fiscal times, it is all the more important that each dollar that Congress provides to the Navy and Marine Corps is put to its fullest use. I'm mindful that many of the budget proposals that were delivered to Congress in February were based on deliberations that occurred last summer and last fall. No matter how well planned the budget may be, it cannot predict the future. It is the job of this subcommittee and Congress to make adjustments to the defense budget, to redirect unneeded spending to higher priorities, based on new information and new developments.

This hearing is just the beginning of the process of learning how the budget request will support our national priorities. So, I look forward to working with our distinguished panel throughout the year so that our fiscal year 2012 appropriations bill will best reflect the needs of our Armed Forces.

And I'd like to now call upon Senator Cochran, the vice chairman, for his statement.

STATEMENT OF SENATOR THAD COCHRAN

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

I'm pleased to join you in welcoming our distinguished panel of witnesses this morning. Secretary Mabus, our former distinguished Governor of Mississippi, is doing a fine job, in my opinion, as Secretary of the Navy. He's reflecting credit on our State and our Nation and the United States Navy. And Admiral Roughead has become almost like a citizen of Mississippi. It seems like we turn around and he's down there at a commissioning or a christening, helping to ensure that our shipbuilding maintains a pace that will help defend our national interests in the waters of the world. And he has had a distinguished career in the Navy, and we're pleased to call him a friend.

General Amos, we appreciate very much your being a part of this panel and your leadership for the Marine Corps. We're glad to have you here.

Mr. Secretary, I know that we've had an opportunity to visit and stay in close touch on issues here. There will be questions that'll arise during the hearing, but I think I'll reserve my further comments or questions until later in the hearing.

Welcome.

Chairman INOUE. Thank you very much.
May I now call upon the Secretary.
Secretary Mabus.

SUMMARY STATEMENT OF HON. RAY MABUS

Mr. MABUS. Mr. Chairman, vice chairman, members of the subcommittee, I have the honor of appearing here today, representing the sailors, marines, and civilians that make up the Department of the Navy.

Please let me to first express my deepest sympathies to those affected by the terrible events in Japan. Our thoughts and our prayers go out to the families of the thousands of people who have lost their lives in the earthquake and the subsequent tsunami.

The Navy and Marine Corps are absolutely committed to humanitarian assistance and disaster relief operations. Ships from the 7th Fleet, including carrier USS *Ronald Reagan* and its strike group, the USS *Essex* amphibious group, with the 31st Marine Expeditionary Unit, embarked, and the command ship USS *Blue Ridge*, as well as helicopters and marines from the 3rd Marine Expeditionary Force in Okinawa, are already on station or moving to provide assistance. And they will stay in place as long as they are needed.

Ongoing operations in Japan underscore the fact that, across the world, Navy and Marine Corps are conducting missions over the full range of military operations. They remain the most formidable expeditionary force the world has ever known. And, thanks to your support, they will continue to meet the multiplicity of missions entrusted to them by our Nation.

Today, I want to spend just a minute talking about an immediate crisis that we face: the absence of a Defense appropriations bill and the increasingly serious problems of operation under a continuing resolution. The pressure of the continuing resolution has already significantly impacted procurement and reduced the resources available to maintain readiness. If the continuing resolution continues for the entire year, we will be forced to reduce aircraft flight hours and ship-steaming days, cancel up to 29 of 85 ship availabilities, defer maintenance on as many as 70 aircraft and 290 aircraft engines, and defer up to 140 maintenance and construction projects across the country. In addition, we will be prevented from constructing one Virginia-class submarine, two Arleigh-Burke destroyers, and one mobile landing platform. It will prevent procurement of two nuclear reactor cores and delay increased funding for the Ohio-class submarine replacement. It will reduce Marine Corps procurement by up to one-third, after the Marine Corps rebalances its manpower counts. And it will create nearly a \$600 million shortfall in combined Navy and Marine Corps manpower accounts. These measures not only place additional stress on the force and our families, they will weaken the industrial base and affect over 10,000 private-sector jobs.

The disruption to our fleet and shore maintenance and modernization schedules may take years to recover from and will come at a much greater cost. We strongly request congressional action to address the implications of this continuing resolution. It's particu-

larly important, considering that the submission of the 2012 budget was keyed off the 2011 numbers.

As you pointed out, Mr. Chairman, the budget request for the Department of the Navy is a one-half of 1 percent increase over the fiscal year 2011 request. It includes funds for 10 ships and 223 aircraft. It maintains our commitment to take care of our people, build a strong R&D and industrial base, and to grow the fleet.

The OCO request, which, as you pointed out, again, represents a drop of \$3.5 billion, includes funds to sustain operations, manpower, and infrastructure, as well as procure equipment to support operations in Afghanistan.

During this budget development, and today, we are keenly aware of the fiscal position of the country and the necessity to be, in your words, responsible stewards of taxpayer dollars. This request, we believe, is a strategy-driven document that is informed by fiscal realities. It balances competing requirements and does what is best for the country, the Navy and Marine Corps, and our sailors and marines.

We started this cycle by examining every aspect of everything we do. Consequently, \$42 billion in Department of the Navy efficiencies were identified over the 5-year period. As a result of these efficiencies, we've been able to add one aegis destroyer, three TAO(X) oilers, and one T-AGOS ocean surveillance ship to our shipbuilding program. With a dual-block littoral combat ship (LCS) strategy, this increases the total number of ships in the FYDP from 50 to 56, including one joint high-speed vessel to be built for the Army. The savings also allow us to buy additional F-18s, extend the service life of up to 150 aircraft, as a hedge against any delay in the deployment of the F-35 Bravo, and allow us to continue investing in unmanned systems.

The upcoming year will see deployment of the unmanned Fire Scout system to Afghanistan, and continuing testing of the UCLASS D, the forerunner of an integrated carrier-based system.

In 2010, one of the most important efforts was a decision, endorsed by Congress, to pursue the new littoral combat ship through a dual-block-buy procurement strategy. At an average cost of less than \$440 million per ship, and with the cost reductions we have seen on LCS-3 and -4, the new strategy will save taxpayers \$2.9 billion. This is a plan that's good for the Navy, good for the taxpayers, and good for the country, and shows what can be accomplished when sound acquisition principles are enforced.

We heard the message from Congress very clearly: We need more ships, but they have to be affordable. The LCS strategy supports the industrial base by keeping workers employed at two shipyards, and is indicative of the Department's push to ensure acquisition excellence. We believe that the fixed-price contracts used for LCS are a model.

Significant additional savings were also achieved through the termination, as you pointed out, Mr. Chairman, of the expeditionary fighting vehicle for the Marine Corps. I believe it's very important to emphasize that this decision in no way changes our Nation's commitment to amphibious warfare. We have to maintain an amphibious assault capability that will put marines ashore, ready for the fight. But, the EFV is simply not the vehicle to do this. Its

cost per unit would have consumed one-half the Corp's total procurement and 90 percent of its vehicle-related operation and maintenance account in the years 2018 to 2025.

In aviation programs, we're closely monitoring the Joint Strike Fighter (JSF), particularly the Marine Corps variant, the B. After a 2-year period of very focused scrutiny, we'll make an informed recommendation about resolving the technical and the cost issues.

Ashore, we continue to confront rising healthcare costs caused by an increasing number of beneficiaries, expanded benefits, and increased utilization. To deal with these trends, we must implement systematic efficiencies in specific initiatives that improve the quality of care and customer satisfaction, but, at the same time, much more responsibly manage costs. We concur with the recommendations made by the Secretary of Defense to ensure fiscal solvency and benefit equity for our retirees.

Finally, as the chairman pointed out, we are continuing efforts to invest in and develop alternative energy. The latest headlines from around the world reinforce this basic point. Energy is, first and foremost, an issue of national security. We cannot allow volatile regions of the world to control the price and affect the supply of fuel we use.

In the last year, the Navy and Marine Corps took huge steps forward, flying an F-18 Hornet on biofuel, conducting a large-scale expansion of solar power, and beginning extensive expeditionary energy initiatives in Afghanistan. What we're doing in Afghanistan is already saving lives as we reduce our reliance on fossil fuels.

In closing, I want to thank you again for your support. Thank you for always looking out for our sailors, marines, and their families, and for your support of efforts to make the Navy and Marine Corps better, stronger, and better able to defend our Nation.

PREPARED STATEMENT

It's a solemn privilege to lead the naval services during an era of protracted war and national challenge. I have been profoundly moved by the sacrifice and devotion I have witnessed in the sailors and the marines who defend us. The Navy and Marine Corps are, and will remain, ready to do any mission America gives.

Thank you.

Chairman INOUE. I thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE RAY MABUS

Chairman Inouye and Vice Chairman Cochran, I have the honor of appearing here today on behalf of the nearly 900,000 Sailors, Marines, and civilians that make up the Department of the Navy. I have appeared before this Committee on a number of occasions, and I am happy to be here again, along with the Chief of Naval Operations and the Commandant of the Marine Corps, to report on the readiness, posture, progress, and budgetary requests of the Department. We consider ourselves privileged to lead the dedicated men and women of the Department who are selflessly serving the United States all around the world.

Today, your Navy and Marine Corps are conducting missions across the full range of military operations. They are engaged in combat in Afghanistan, stability operations in Iraq, deterrence and ballistic missile defense in the Pacific, Arabian Gulf, and the Mediterranean, as well as humanitarian assistance and disaster relief operations across the globe. Our unmatched global reach, endurance, and presence continue to allow the Navy and Marine Corps—in partnership with our sister services—to secure and advance America's interests wherever challenges or crises have

arisen, as well as operate forward to prevent crises from occurring. We remain the most formidable expeditionary fighting force the world has ever known, and with your continued support, the Navy and Marine Corps will continue to meet the multiplicity of threats that endanger international peace and security.

But today we are very concerned about the absence of a Defense Appropriations Bill for fiscal year 2011 and the negative effects of operating under a continuing resolution for the remainder of the year. We are equally concerned about passage of a bill that reduces the topline from the level requested in the fiscal year 2011 President's budget. Either course of action significantly impacts the resources available to grow the fleet and jeopardizes recent efforts to restore and maintain readiness levels commensurate with the standards expected of the Navy and Marine Corps.

Without legislative action, limiting fiscal year 2011 procurement accounts to fiscal year 2010 levels will:

- Prevent start of construction of one Virginia-class submarine to be built in Groton and Newport News which will break the existing Multi-year Contract.
- Prevent start of construction of one Mobile Landing Platform to be built in San Diego.
- Prevent start of construction of one or possibly both programmed Arleigh Burke-class destroyers to be built in Bath and Pascagoula due to DDG 1000/DDG 51 swap language that prevents award of either ship unless both are authorized and appropriated.
- Preclude fourth and final increment of full funding for construction of CVN 78 (U.S.S. *Gerald Ford*) and advance procurement for CVN 79.
- Prevent procurement of two nuclear reactor cores for refueling of one aircraft carrier and one ballistic missile submarine, as well as delay increased funding for research and development of the Ohio-class replacement and replacement of two Moored Training Ships that provide half of the force's nuclear training capability.
- Prevent completion of one Arleigh Burke-class modernization.
- Reduce Marine Corps procurement by \$563 million. This would add to equipment shortfalls generated by 9 years of conflict and prevent equipment replacement or purchase of 4 H-1 helicopters, numerous LAVs, MTRVs, LVSRs; tech upgrades to counter IED jammers; communication and intelligence equipment; tactical fuel systems to power our vehicles and generators; engineering equipment to move ammo, gear and supplies; air conditioners and heaters to take care of Marines and sensitive gear; and EOD improvements to protect them.

Reductions to expected procurement levels will create additional stress on the force, as units in service pick up additional commitments to cover the seams created by fewer available platforms.

Likewise, fixing fiscal year 2011 operations to fiscal year 2010 levels has created a \$4.6 billion shortfall in Navy and Marine Corps operations, maintenance, and training accounts. Faced with this prospect, the Department began efforts in January to mitigate the impacts of operating under the continuing resolution, which over the course of the fiscal year will cause us to:

- Reduce aircraft flight hours and ship steaming days, including a reduction of four non-deployed air wings' flight hours to minimal flight-safety levels.
- Cancel up to 29 of 85 Surface Ship availabilities.
- Defer maintenance on 70 aircraft and 290 aircraft engines, bringing the combined backlog of aviation maintenance close to 1-year redlines.
- Defer 41 facilities maintenance projects and 89 new construction projects in Arizona, California, Florida, Georgia, Hawaii, Louisiana, Maryland, North Carolina, Rhode Island, South Carolina, Virginia, and Guam. These cuts equal an approximate 50 percent reduction and will eliminate, among many projects, dry dock certifications, bachelor quarters maintenance projects, repairs to Explosive Handling Wharves (EHW) at Bangor and Kings Bay that support ballistic missile operations, and modernization projects to support introduction of new training aircraft.

The combined effects of the continuing resolution will directly impact the strength of the industrial base and over 10,000 private sector jobs at shipyards, factories, and Navy and Marine Corps facilities across the country. The degradation or loss of perishable skill-sets within our workforce, including many nuclear workers, and the disruption to both our fleet and shore maintenance and modernization schedules will take 3 years to recover based on rotational schedules alone—and only at significantly greater cost than requested in the fiscal year 2011 President's budget.

Finally, there is almost a \$600 million shortfall in Navy and Marine Corps manpower accounts. As a result of this shortfall, the Services must raid other accounts in order to meet payroll for the duration of the year. We are currently living within funding constraints by limiting or conducting short-notice permanent change of sta-

tion moves; however, this tactic places significant hardship on our military families and is not sustainable over the entire fiscal year.

We strongly request congressional action to address the implications of the continuing resolution on our forces and our people by taking action to enact the fiscal year 2011 President's budget.

DEPARTMENTAL PRIORITIES

As I testified last year, there are four imperatives I believe the Department of the Navy must address to maintain preeminence as a fighting force and successfully meet the challenges of the future. They are: Taking care of our Sailors, Marines, civilians, and their families; treating energy as a strategic national security issue; creating acquisition excellence; and continuing development and deployment of unmanned systems.

These priorities underpin every action of the Department, from supporting current operations to developing the current year's budget request, finding efficiencies within the Department, and preparing our Navy and Marine Corps for the future.

Fundamentally, it comes down to a question of resources, of ensuring that our people have what they need to do their jobs, ensuring the Nation that the Navy and Marine Corps uses our fiscal and energy resources wisely, and ensuring that seapower, as a resource, remains readily available to meet the Nation's policy requirements and the orders of the Commander in Chief.

SEAPOWER: A CRITICAL STRATEGIC ENABLER

It is clear that we live in a time of sweeping change and an era of strategic realignment. The President has stated that we "must pursue a strategy of national renewal and global leadership—a strategy that rebuilds the foundation of American strength and influence." Seapower has always been a part of that foundation and will continue to be an indispensable asset to American leadership and economic strength in the global community of nations. American seapower, as it has done for generations, continues to guarantee freedom of navigation and international maritime trade, underpinning global economic stability and facilitating continued global economic growth. No other component of American military power is as flexible or adaptable as seapower. I see one of my primary responsibilities as Secretary to be ensuring continuation of this responsiveness, flexibility, and adaptability through the policies we adopt and in the ships, aircraft, and weapons systems that we build.

Maritime nations have many inherent strategic advantages. Naval forces operating in the open ocean provide an effective conventional deterrent to those who threaten regional stability or promote extremism. Strong expeditionary forces can swiftly respond to crises and make potential adversaries pause before committing hostile actions. But should deterrence fail, our combat ready naval forces must be prepared to conduct sustained combat operations.

The Navy and Marine Corps are America's "Away Team." They exist primarily to protect our Nation far from home and respond quickly to crises wherever and whenever they occur. Exploiting their inherent mobility and maneuverability at sea, naval forces gather information, perform surveillance of seaborne and airborne threats, defend regional partners, deter prospective adversaries, interdict weapons of mass destruction, disrupt terrorist networks, conduct humanitarian assistance and disaster relief, and support the work of American diplomacy. This variety of capabilities is a primary feature of seapower, and it provides the President and our Nation with unmatched flexibility to deter conflict and, if necessary, project power from the sea to defend U.S. national security interests. The ability to accomplish these tasks without placing a large presence ashore and absent concerns of sovereignty is absolutely critical in our world of increasingly sophisticated threats and growing geopolitical complexity.

It is for these reasons, and in order to improve global force projection capabilities that the Navy, Marine Corps, and Air Force are working on an Air Sea Battle (ASB) concept to improve joint capabilities and cooperation in addressing anti-access/area-denial challenges.

Unique in history, the blanket of maritime security and stability provided by American maritime power is the first to be used for the good of the whole world. But in order to ensure continued American leadership in issues of maritime policy and security, we strongly recommend accession of the United States to the Convention on the Law of the Sea, an action that has been similarly and repeatedly recommended by multiple Secretaries of the Navy and Chiefs of Naval Operation. Accession by the United States would enhance stability of the navigational rights inherent to the Convention and would strengthen our bargaining position in inter-

national discussions of Arctic Policy and access to resources and sea lines of communication.

CURRENT OPERATIONS

Over the past year, our forces have successfully navigated the world's growing complexity and have consistently demonstrated the utility, effectiveness, and flexibility of seapower and maritime forces.

Following completion of the Marines Corps' mission in Iraq, the primary operational focus of the Department has been supporting the war effort in Afghanistan. Over 30,000 Marines and Sailors are committed to the fight there, working all across the country, with the largest concentration operating as Regional Command Southwest (RC-SW) along the Helmand River Valley.

In my visits to the Marines on the ground throughout the year, I had the opportunity to look firsthand at the progress made by our increased presence in Helmand. In December, I visited three Forward Operating Bases (FOBs) with increasing levels of stability in three separate districts of Helmand: Sangin, Marjah, and Nawa—or as the Marines put it, I went to look at where the fight is, where the fight was, and where there is no fight.

In Nawa, I saw a strong partnership between the local government, Afghan National Police, the Afghan National Army, and our Marines—who have built the capacity of their partners so that they may shortly assume responsibility for their own security. The district is very safe, and because of the success of the counter-insurgency effort, Nawa is growing in both political strength and economic activity.

In Marjah, after successful operations to clear it last spring, the markets are open, schools are being built, and a local government is working to build capacity. In my visit just 3 months ago, I personally walked the streets of Marjah to witness the progress, something that even in the summer of 2010 would have been unthinkable. Then, just stepping outside the gates of our forward operating base would have generated a pitched battle. Now, it brought out street vendors and men on motor-bikes.

I also went to Sangin District near the Kajaki Dam in Northern Helmand, which has been a Taliban stronghold for years and for the past few months has been the main effort of the fight in Helmand. Our Marines in Sangin have been conducting intensive combat and security missions in support of the counterinsurgency strategy, and concurrently—even in the midst of the fight, have been testing new solar energy equipment to expand their operational reach. Together with their partners from the Afghan National Security Forces, they have taken the fight to the Taliban and are facilitating the Afghan Government's reestablishment of local control.

Elsewhere across Central Command, the Navy has over 14,000 Sailors on the ground supporting joint and coalition efforts and another 10,000 Sailors at sea supporting combat operations, including from our carriers operating in the Indian Ocean, where we are launching approximately 30 percent of the strike or close air support missions that watch over our Marines and Soldiers on the ground in Afghanistan.

In addition to combat operations, the Navy and Marine Corps remain globally engaged in a host of other security and stability operations. On any given day, more than 72,000 Sailors and Marines are deployed and almost half of our 286 ships are underway, ready to respond where needed.

It was the Navy and Marine Corps that were the first on scene after both the devastating earthquake in Haiti and the summer's catastrophic floods in Pakistan. Within hours of the January 12th earthquake, both Navy and Marine Corps assets were en route to Haiti. A total of over 10,000 Sailors and Marines and 23 ships, including the carrier U.S.S. *Carl Vinson*, the Bataan and Nassau Amphibious Ready Groups, and the hospital ship U.S.N.S. *Comfort* ultimately participated in Operation Unified Response.

Halfway around the world, after Pakistan was struck by devastating August floods that impacted nearly a fifth of its population, helicopters from the U.S.S. *Peleliu* and the 15th Marine Expeditionary Unit supported the Government of Pakistan through delivery of 2,000 tons of relief supplies and by contributing to the rescue of over 10,000 people. Later, the ships of the Kearsarge Amphibious Ready Group deployed early to provide a continuous U.S. humanitarian presence.

In response to the administration's strategic direction, the Navy is scaling up our ballistic missile defense (BMD) force and their deployments to enhance our deterrent posture, especially in the defense of Europe. Our multi-mission, BMD-capable, Aegis cruisers and destroyers now routinely deploy to the Mediterranean and the Arabian Gulf, as well as the Western Pacific to extend our deterrent umbrella for our allies. I had the opportunity a few months ago to visit the destroyer U.S.S.

Ramage after she completed her first BMD deployment, and I can assure you that the Sailors on these ships are some of the most professional and dedicated men and women in the country, and they are incredibly excited about their work. We appreciate Congress' continued support of the destroyer and cruiser modernization programs that are bringing additional BMD capability to the fleet.

Our growing BMD capability is complemented by our traditional sea-based, strategic nuclear deterrent centered upon our globally deployed and proficient ballistic missile submarine force.

In the Western Pacific, as an integral part of U.S. diplomatic actions, several times last year the U.S.S. *George Washington* sortied to the South China Sea and the Sea of Japan in response to territorial disputes with North Korea and open North Korean provocation. In late November, after the North Korean artillery attacks on Yeonpyeong Island west of Incheon, the *George Washington* strike group conducted a training exercise with the South Korean Navy in order to demonstrate the continuing value and strength of our alliance.

We are also working to build regional capacity and resolve security issues of common international concern.

In support of our Maritime Strategy, both the Navy and Marine Corps routinely engage with nations all around the world to build capacity and forge stronger maritime partnerships. In the "Rim of the Pacific" or RIMPAC exercise, 32 ships, five submarines, and more than 170 aircraft from 14 nations participated in the world's largest multinational maritime exercise encompassing every aspect of traditional naval warfare.

Global Partnership Stations in Africa, South America, and the Pacific are training hundreds of Sailors, Marines, and Coast Guardsmen from dozens of nations and are bringing advanced medical and civil engineering assistance to those in need. The Africa Partnership Station alone has trained with 32 African and European partners since 2007. And between them, Pacific Partnership 2010—conducted by the U.S.N.S. *Mercy*—and Continuing Promise 2010—conducted by the U.S.S. *Iwo Jima*—treated over 100,000 patients and conducted over 20 civil engineering projects.

In the Caribbean and South America, we continue to work with the Coast Guard-led Joint Interagency Task Force—South to synchronize forces from 13 nations and interdict the flow of illegal narcotics into the United States. In 2010 naval forces contributed to the seizure of over 133.2 tons of cocaine, 3.2 tons of marijuana, 92 boats and aircraft, and \$2.7 billion in drug revenue.

In the Gulf of Aden and western Indian Ocean, the Navy remains committed to counter-piracy efforts with approximately 16 partner nations. Combined Task Force 151, in cooperation with forces from the EU, NATO, and other nations deploying individual units or task groups, is operating off of Yemen and in the Somali Basin to protect the safe passage of maritime commerce. Where our forces are located, pirate activity has fallen, but the areas involved are huge, and as Secretary of State Clinton said in April 2009, the solution to Somalia piracy lies largely with Somalia, through building its capacity to police itself and offering young pirates viable alternatives to that way of life. We are treating the symptoms of piracy, rather than its fundamental cause: Somalia's failure as a state. Despite the international community's commitment, piracy has both continued to increase and move further offshore, a measure of pirate resiliency and the strong economic incentives that underpin it. Nine of ten pirates captured are ultimately freed as there is often insufficient evidence or political will to prosecute them, or to incarcerate them after conviction. We strongly endorse additional international efforts to address these concerns.

FISCAL YEAR 2012 BUDGET SUBMISSION

Over the past year, I have visited with thousands of Sailors and Marines stationed with our forward operating forces at sea and our combat forces in Afghanistan. I can report, based on both the direct observations I mentioned and from personal inputs from Joint and Combined commanders, that the quality of our Sailors and Marines is superb and we are continuing to protect America's interests abroad. But while we are prevailing today, we must also build the foundation for the Navy and Marine Corps of tomorrow.

During the development of the President's fiscal year 2012 budget submission our Navy and Marine Corps leadership team made numerous difficult tradeoffs to preserve current readiness while better posturing the Navy and Marine Corps for the challenges of the future. I believe that the result provides a balanced approach that will enable the Services we lead to successfully perform our assigned missions, even while setting a course for future success. It is important, however, to reiterate that the fiscal year 2012 budget was developed based upon ultimate passage of the President's fiscal year 2011 budget. If the continuing resolution now in place remains the

de facto budget for the year, or if a Defense appropriations bill is passed that reduces the amounts requested in the fiscal year 2011 President's budget, the proposed fiscal year 2012 budget will not be sufficient to recover from delays, cancellations, and mitigations we have been forced to put in place this year.

Over the past year, we have examined every aspect of what we do and how we do it in order to eliminate waste and move every resource possible toward operations and successfully executing our missions now, and in the future. At the direction of the Secretary of Defense, in June 2010, the Services were formally asked to continue this process through an efficiencies review, which we developed through three complementary approaches; buying smarter, streamlining our organization and operations, and being more efficient in the way we use, produce, and acquire energy. This effort has had a substantial impact on our overall budget, allowing us to invest more in our core warfighting missions and enhance our acquisition plans. Savings were also derived from OSD-mandated, Defense-wide efficiencies.

Since the review began, the Department of the Navy has identified approximately \$35 billion in self-generated efficiencies over the next 5 years. When DOD-wide efficiencies are factored in we will achieve \$42 billion in savings. These savings will facilitate adding one guided-missile Aegis destroyer, three T-AO(X) fleet oilers, and one T-AGOS ocean surveillance ship to our shipbuilding plan, which with our dual-block LCS strategy will increase the total number of ships in the FYDP from 50 to 56, including one JHSV to be built for the Army, an average of more than 11 ships per year. We were also able to accelerate a Mobile Landing Platform from fiscal year 2015 to fiscal year 2012 and increase R&D funding to support the accelerated procurement of the T-AO(X), and the development of the next amphibious dock-landing ship (LSD(X)).

The savings allowed additional investments in the Next Generation Jammer to provide greater protection for tactical aircraft, electronic warfare systems, ballistic missile sets, and the new air and missile defense radar that will equip our DDG-51 Flight III destroyers. The savings allowed increased funding for a new generation of sea-borne unmanned strike and surveillance aircraft; and gave us the ability to buy additional F/A-18s and extend the service life of 150 aircraft as a hedge against more delays in the deployment of the F-35B, the Short Take-Off and Vertical Landing (STOVL) variant of the Joint Strike Fighter.

We addressed Marine Corps needs by increasing equipment funding for units in dwell and for repair and refurbishment of Marine equipment used in Iraq and Afghanistan. Based on heavy usage rates, we requested \$2.5 billion for Marine reset in the fiscal year 2012 OCO request, and estimate a \$5 billion reset liability upon termination of the conflict in Afghanistan. We also added funding for fire and maneuver platforms, command and control capabilities, and intelligence, surveillance, and reconnaissance.

We found the \$35 billion through a close and systematic review of our programs and by cutting excess capacity in our support establishment. Over the FYDP, with congressional support we will reduce Navy manpower ashore and reassign over 6,000 personnel to operational missions at sea; use multi-year procurement and production efficiencies to save more than \$1.1 billion on the purchase of new airborne surveillance, jamming, and fighter aircraft; and disestablish both Second Fleet and excess staffs for submarine, patrol aircraft, and destroyer squadrons plus one carrier strike group staff.

Programmatically, one of the most important efficiency efforts was the decision endorsed by Congress to pursue the new Littoral Combat Ship (LCS) through a dual-block buy procurement strategy. Over the past years the message from Congress has been clear, we must build more battle force ships as affordably as we can, consistent with the statutory requirements laid out in the Weapons System Acquisition Reform Act of 2009. We heard that message clearly, and are grateful to the administration for its support and to the many Members of Congress who worked with the Navy to make the LCS program an example of what can be done right when strict acquisition standards are laid out and enforced.

With an average cost of \$440 million per ship, and with the cost reductions we have seen demonstrated on LCS 3 and 4, the Navy will save taxpayers approximately \$1.9 billion in fiscal year 2012-16. More importantly, the fact that prices were so dramatically reduced from the initial bids in 2009 will allow us to save an additional \$1 billion—for a total of \$2.9 billion—through the dual award of a 10-ship contract to each bidder. This plan is truly one that is good for the Navy, good for taxpayers, and good for the country.

At the recommendation of both the Commandant and myself, significant additional savings were also achieved by the Department of Defense through termination of the Expeditionary Fighting Vehicle (EFV) program. The Nation absolutely must retain and rebuild an amphibious assault capability that will get Marines from

ship to shore in a protected amphibious tracked vehicle ready for the fight. This is a core capability the Marine Corps must have. But the EFV is not the vehicle to do this. Conceived in the 1980s, the EFV was the previous generation's solution to a tactical problem that has since fundamentally changed. Just as importantly, the EFV's cost per unit would have eaten up over half of the Corps' total procurement account and 90 percent of the Corps' vehicle-related operation and maintenance account; the requirements levied on the vehicle outstripped what could affordably be achieved.

We are committed to developing and fielding an effective, survivable and affordable amphibious capability that will meet the Corps' amphibious requirements. This will be done through upgrading existing vehicles, through service-life extensions, and by working with OSD and industry to go as fast as possible in the acquisition and contracting process to develop a successor program to the EFV, one that will meet today's requirements for this critical Marine Corps capability.

We are also closely overseeing the Joint Strike Fighter program. In particular, we are providing additional focused attention on the Marine Corps variant, the F-35B, which the Secretary of Defense has placed on a 2-year probation. During this time, solutions to the unique F-35B technical issues will be engineered and assessed while production will be held to a minimum sustaining production rate of six aircraft per year in fiscal year 2012 and fiscal year 2013. This low-production rate is required to ensure continuity in the engineering workforce involved in the design and assembly of the F-35B at the prime contractor and key vendors without a loss in learning and to sustain the supplier base of F-35B unique parts. After this 2-year period of focused F-35B scrutiny, an informed decision will be made about how to proceed with development and production of this variant, to include the potential for program cancellation.

I want to point out that it is only the F-35B (STOVL) variant that is on probation. The F-35C variant, which will be flown off of our aircraft carriers, is doing satisfactorily and will be procured by both the Navy and the Marine Corps.

The President's budget request of \$161 billion will maintain our commitment to take care of our people, build a strong R&D and industrial base, and grow a fleet capable of sustaining our preeminence as the world's most formidable expeditionary force. The fiscal year 2012 request of \$15 billion for contingency operations includes incremental costs to sustain operations, manpower, equipment and infrastructure repair as well as equipment replacement to support our operations in Afghanistan and elsewhere.

The fiscal year 2012 President's budget request includes funds for 10 Navy battle force ships, including: 2 Virginia-class submarines, 1 Arleigh Burke-class destroyer, 1 Mobile Landing Platform ship, 1 Joint High Speed Vessel, 1 Amphibious Transport Dock Ship, and 4 Littoral Combat Ships.

In aviation, we have requested 223 aircraft in the fiscal year 2012 baseline budget, including: 13 F-35 Joint Strike Fighters for both the Navy and Marine Corps, 24 MH-60R and 11 P-8As to replace the aging current ASW and maritime patrol squadrons, 18 MH-60S for logistics support, 1 KC-130J, 25 H-1 variant helicopters, 30 MV-22 tilt-rotor aircraft, 28 F/A-18E/F fighter/attack planes, 12 E/A-18G to continue replacing the veteran EA-6B, 5 E-2D Advanced Hawkeyes, 36 Joint Primary Aircraft Trainers for our student aviators, and 20 Unmanned Aircraft.

The fiscal year 2012 President's budget request also contains funding for the Navy Unmanned Combat Aerial System demonstration and continues development of the Broad Area Maritime Surveillance (BAMS) unmanned system.

The individual efficiency initiatives the Department has put in place will continue to further streamline our organizations and operations, will reshape and reduce both capacity and personnel associated with the Department's "tail," and will contribute to the dramatic transformation already underway in how the Department does its business. More importantly, they will sharpen the operating "tooth," free up critical resources for maintaining and accelerating our shipbuilding and aviation acquisition plan, maximize fleet capabilities, and help preserve a strong industrial base.

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

The Navy and Marine Corps have continued to recruit and retain the high quality men and women we brought into the Services in the past years, and 2010 was no exception. Both the Navy and Marine Corps met or exceeded their mission quotas and quality standards.

We recognize that quality of life programs are important for morale and the military mission. We recruit Sailors and Marines, but we retain families. We continue to provide a wide array of readiness programs, including deployment support serv-

ices, morale and welfare services, and child and teen programs. These award winning career management, training, and life-work balance programs are nationally recognized for their excellence not only by respected national human resource organizations, but even more by the Marines and Sailors that benefit directly from them.

Medical care for our Wounded Warriors, already outstanding, continued to get better throughout the year. Since Operations Enduring Freedom and Iraqi Freedom began, over 12,000 Marines and Sailors have been wounded in action. Their service and sacrifice mandates that we provide quality care for those who have given so much for our country. Our medical community continues to meet this challenge and make advances in dealing with the signature wounds of the current wars: traumatic brain injuries, mental health issues, amputation, and disfiguring injuries, and Navy Medicine continues to reach out to its colleagues in both civilian and Veterans Affairs hospitals to improve our understanding and improve overall care for our people.

But care for our Wounded Warriors does not end in the hospital. We have undertaken a commitment to bring our Veterans back into the workforce of the Department of the Navy through several Wounded Warrior outreach programs and hiring conferences. We are not there yet, but we are moving toward the goal of being able to say to every Wounded Warrior—if you want a job, we have one for you. As a representative example, in the past year alone, the Naval Sea Systems Command hired 200 Wounded Warriors. In 2011 we will continue to make employment opportunities for Wounded Warriors a priority for the Department.

It is important to note that rising healthcare costs within the Military Health System continue to present a fiscal challenge for the Department. Like the Secretary of Defense, both I and Departmental leadership are particularly concerned that the rate at which healthcare costs are increasing and the relative proportion of the Department's resources devoted to healthcare cannot be sustained; the Military Health System is not immune to the pressure of inflation and market forces evident in the civilian healthcare sector.

The military faces a growing number of eligible beneficiaries, expanded benefits, and increased utilization throughout the military healthcare system. As a Department, we must be resolute in our commitment to implement systemic efficiencies and specific initiatives which will improve quality of care and customer satisfaction but will at the same time more responsibly manage cost. We have made progress, but there is more to do. We concur with the recommendations made by the Office of the Secretary of Defense; we must create incentives such as the Home Delivery Pharmacy Program and implement modest fee increases, where appropriate, to both ensure the fiscal position of the system and ensure equity in benefits for our retirees.

Taking care of Sailors and Marines also means aggressively addressing the issues of sexual assault prevention and response. Last year, you supported the establishment of a new Office of Sexual Assault Prevention and Response (SAPRO) reporting directly to me to focus attention on the issue, develop effective training, and coordinate prevention and response programs across the Navy and Marine Corps. However, it is clear through sexual assault surveys that this crime remains a significant problem in the services, and within some populations we have seen a negative trend of an increased number of assaults. But I can assure you that we are not accepting this trend, and we will not rest while any cases of this awful crime continue to occur.

In 2010, the Department moved forward on expanding the opportunities for women in the Navy. We established a comprehensive plan to integrate women into the submarine force, beginning with our ballistic missile and guided missile Ohio-class submarines. This summer, the first 21 women officers were selected for nuclear training—and they have begun their approximately 15-month training pipeline. The first of these officers will get to their boats beginning in November 2011.

We are preparing to move forward with successfully implementing congressional guidance with respect to repeal of "Don't Ask, Don't Tell" in 2011.

Overall, the fiscal year 2012 budget reflects a carefully crafted request for the fiscal support and resources necessary to sustain the force in light of the ongoing demands on our people and their families. Thank you for your continuing support.

ENERGY SECURITY AND LEADERSHIP

Energy consumption in the Navy and Marine Corps has become a strategic vulnerability, an operational Achilles' heel, and a readiness challenge. This has made our energy usage a national security issue of rising importance. As a Department, we rely too much on fossil fuels, making our forces susceptible to fluctuations in both price and supply. Dramatic shifts in cost and availability can be caused by a

host of man-made or natural events in volatile areas of the world. Those potential shocks could have, in turn, strategic, operational, and tactical effects upon our forces. A survey of headlines around the world today demonstrates exactly the point we are trying to make—energy is first and foremost an issue of national security.

Without sustainable and reliable sources of energy and increased efficiency in our platforms, we may find ourselves paying an exorbitant price for operating our fleet, training our aviation and ground forces, and running our installations that support them. The ability to train and prepare forces for deployment could be curtailed. Worse still, our naval forces may find that future adversaries target our operational dependence on petroleum, as we see in attacks on fuel convoys in Afghanistan today. Our dependence on a fragile fuel distribution network increases our footprint, drains resources from the tip of the spear to supporting logistics lines, and ties up combat forces for security. Thus, energy diversity and efficiency are essential to maintain our warfighting capabilities and enhance our combat effectiveness.

This is a topic I have spoken on a great deal, in front of this committee last year, around the world in speeches to industry and military audiences, and in conversations with international leaders. Through these events and discussions, it has become clear that energy security is not just an American issue—it is an issue that affects both our allies and potential adversaries alike. History has taught us that competition for resources has been one of the fundamental causes of conflict for centuries, and today, competition for energy still provides one of the most inflammatory sources of potential conflict.

Energy, or more specifically denial of energy, could affect many of our NATO partners in Europe and indeed the strength of the alliance itself. Many of our partners are dependent upon external sources for their energy, so for them—denial of energy is a weapon, one just as real as the threat of tanks or airplanes.

For all these reasons, and in order to improve our long-term strategic position and enhance the future operational effectiveness of our forces, I have charged the Navy and Marine Corps with accelerating the exploration and exploitation of new ways to procure, produce, and use energy.

This effort began in October 2009, when I issued my five energy goals for the Department, the most important of which commits the Navy and Marine Corps to generate at least 50 percent of all the energy we use from alternative sources no later than 2020. Alternative sources include all renewable forms of energy such as solar, wind, geothermal, and ocean energy, as well as biofuels and nuclear energy.

We are on track to meet all our goals, and throughout 2010, we demonstrated progress through many energy programs, partnerships, and initiatives. Throughout the year, we successfully conducted both ground and airborne tests of an F/A-18 Hornet and MH-60 Seahawk helicopter, and ran a Riverine Command Boat (experimental) on renewable biofuel blends made from either camelina or algae. Recently, we also completed testing of a marine gas turbine engine that will enable us to certify our frigates, destroyers and cruisers for biofuel operations. In each case, there was no impact on performance and no degradation to engine reliability. Together, these tests represent critical milestones for the Department's goal of demonstrating the Great Green Fleet in 2012 and its planned deployment in 2016. In late 2010, the Navy conducted concurrent but unrelated tests of a more efficient F/A-18 engine in order to generate an increase in the aircraft's range.

Afloat, as I discussed last year, the U.S.S. *Makin Island* is using a hybrid-electric drive to dramatically lower its fuel usage at slow speeds, which we estimate will generate life-cycle savings of up to \$250 million at today's fuel prices. Over the next few years, we will continue to move forward with installation of a similar system on new construction DDGs and look at the feasibility of retrofitting the fleet with these systems in the course of routine shipyard availabilities.

The Marine Corps is also aggressively exploring energy efficiency solutions in its operating forces in theater and in the supporting establishment. The Marines realize that energy as a resource influences a Commander's operational freedom of maneuver, and its conservation and wise use can save lives on the battlefield. Reduced logistics support and fewer convoys for expeditionary forces would free up resources and limit the exposure of Marines to ambush and IEDs. Energy efficiency equals better combat effectiveness.

At home, the Marine Corps demonstrated their traditional spirit of innovation by scouring the commercial world for rugged solutions, building two Experimental Forward Operating Bases (ExFOB) at Quantico and Twentynine Palms. New alternative energy technologies tested at the ExFOB deployed this fall with the Third Battalion, Fifth Marines (3/5), posted to Sangin District in the north of Helmand Province. Immediately upon arrival, they began evaluating expeditionary solar power generators at their forward operating bases and combat outposts to supplement or replace fossil fuels. They have done this even while engaged in near con-

stant combat against a determined enemy in one of the most hotly contested districts of the war.

When I visited Sangin, I heard first-hand from a Marine First Lieutenant about what worked, what did not, and how his Marines in India Company of 3/5 were using the equipment. Two patrol bases are operating entirely on renewable energy, and another with a 90 percent reduction. One of the team-portable systems, called GREENS (Ground Renewable Expeditionary Energy Network System), is being used to provide power for the Operations Center, small radios, and small electronic equipment. And across the battalion's operating area, man-portable SPACES (Solar Portable Alternative Communications Energy System) are being used by individual squads to recharge their radios and other combat electronics. This capability made it possible for a foot patrol to operate for 3 weeks without battery resupply, reducing their burden by 700 pounds and saving more than \$40,000.

By deploying these renewable solar energy technologies the Marines in Sangin have been able to expand their operational reach, eliminate or minimize their need for fossil fuels in their generators, and dramatically reduce the need for often dangerous logistic support.

At Camp Leatherneck, the Marines have likewise begun a small bio-fuel pilot project for Helmand Province, purchasing locally produced cotton oil from an Afghan facility to mix with their own fuel. At Leatherneck, a standard generator is producing power from a 20–80 mix of cotton oil to fuel, yielding a 20 percent reduction in demand for fuel, while simultaneously demonstrating to Afghan farmers that there are alternatives to opium, and demonstrating to Afghan leaders that they can power their own economy from within Afghanistan. I am monitoring its progress closely.

As the ExFOB gets all this feedback from returning Marines, our expeditionary energy systems and programs will continue to improve and we will move even further down the road of energy efficient, combat effective forces.

In addition to these tactical and platform applications, we have implemented a number of energy projects at our facilities ashore. We are actively exploring for new geothermal resources to augment our existing 270 MW geothermal powerplant at China Lake. Last year we established the Nation's first grid-connected wave buoy at MCB Kaneohe Bay, Hawaii. Last December the Marines completed a 1.5 MW solar installation situated atop six acres of a landfill. The installation was unique because the equipment foundations were designed not to perforate the membrane covering the garbage below. Our budget request asks for continued support of these and similar projects in order to enhance our efficiency and maximize our move to greater independence and more resilient infrastructure.

And finally, throughout the year we developed partnerships with a number of Federal agencies, States, academic institutions, and industry partners including the Departments of Energy and Agriculture, NASA, and the Small Business Administration.

It is precisely because of the spirit of innovation that these partnerships embody that our Nation remains a world leader in its unrivaled capacity to stimulate and exploit cutting-edge ideas and new technologies. The U.S. Navy has always been a technological leader and has excelled at embracing change, particularly in propulsion systems and energy sources. We moved from wind to coal in the 19th century, from coal to oil early in the 20th century, and added nuclear power 60 years ago. In every transition there were opponents to change, but in every case these changes increased our combat effectiveness by an order of magnitude.

I have tasked the Navy and the Marine Corps to once again pioneer technological change through alternative energy sources. I am pleased with the progress to date, and expect it to sharply enhance the long-term strategic agility of our operating forces, as well as better posture the Department for an age of fiscal austerity and potential energy volatility. I want to stress, however, that every action and program we undertake is focused on generating improved warfighting capability and strategic flexibility, it is not just change for change's sake.

CREATING ACQUISITION EXCELLENCE

Our future combat readiness is dependent upon the design, development and acquisition of weapons, platforms, and information technology. The current ships and aircraft of the Navy and Marine Corps provide decisive advantages over today's threats. But that edge must be constantly sharpened and modernized against constantly evolving technologies. We must continue to invest in intelligence, precision missiles and munitions, networked command systems, stealth technology, unmanned vehicles and ground fighting systems. To retain our advantage across multiple warfighting areas, we rely heavily upon both our dedicated personnel and the

expertise resident in America's private sector. Throughout my tenure, I have taken the opportunity to visit shipyards, aircraft plants, vehicle factories, maintenance facilities, and warfare centers for detailed briefings and a firsthand look at the people responsible for designing and building our fleet and equipping our Sailors and Marines with vital weapon systems and technologies necessary to do their jobs. One cannot fail to recognize the creativity, dedication, and skills of our Nation's workforce.

Yet, with Government spending increasingly constrained, affordability, cost containment and total ownership costs are more important than ever. Because acquisition costs are rising faster than our top-line and because replacement systems can be more expensive than the platforms or weapon systems being replaced, we are putting tomorrow's force at risk.

Both on our own and as a result of Secretary Gates' guidance, the Department has devoted considerable effort to finding efficiencies, reducing support costs, and scrubbing our acquisition process to mitigate this impact. In accordance with the Weapons System Acquisition Reform Act passed by Congress in 2009, we have made the requirements and acquisition processes more rigorous in order to better manage the resources entrusted to us by the American taxpayer, and we are working with OSD to develop a streamlined process for acquiring information technology in a more responsive manner to better equip the warfighter with emerging technologies and ward off the cyber threat.

This requires constant examination of every single one of our policies, practices, priorities, and organizations, with a clear focus on controlling cost. Our acquisition community has been extensively engaged with industry and the Services to streamline processes, and they are ruthlessly evaluating both requirements and the supporting analyses in order to get more value out of the overall acquisition system.

The Navy and Marine Corps will continue initiatives already in place to improve processes and to instill discipline in procurement. In 2010, we strengthened our cost estimating group and met statutory requirements to obtain independent cost estimates, and we have incorporated Defense-wide best practices in the formulation of all our major programs. We have made our cost estimates more realistic and are using these improved cost and schedule plans to make necessary capability tradeoffs and difficult investment decisions at the front end of the requirements process rather than during design or construction.

A professional acquisition workforce is a key element in our overall acquisition excellence initiative and a driver in our strategy to preserve our fighting edge at an affordable cost. Accordingly, and with your strong support, we are rebuilding the acquisition workforce within Government to fulfill Federal oversight of the acquisition process and ensure that accountability to taxpayers is the foremost concern of our employees. In the last year, the Department has added nearly 1,300 acquisition professionals toward the goal of increasing the community by 5,090 over the FYDP.

Our acquisition strategies have been shaped to expand the use of fixed price contracts, leverage competition, and tighten up on the use of incentive and award fees to ensure quality systems are consistently delivered on budget and on schedule. The new acquisition plan for the Littoral Combat ship epitomizes this strategy, and is indicative of the type of fixed price contracts that will be the model for the future. The LCS block-buy contracts are the result of effective competition and give the Government full ownership of the technical data package used in construction. This will ensure our ability to pursue competitive strategies for LCS Seaframe requirements in fiscal year 2016 and beyond and affords greater congressional oversight of the program. With the new LCS strategy, we get more ships, at a faster rate, and at less cost.

The LCS dual-block procurement strategy also contributes to meeting another acquisition goal of both this committee and the Navy through its strong support of the industrial shipbuilding base. Modernizing today's force and recapitalizing the fleet affordably cannot be accomplished without a healthy industrial base and strong performance by our industry partners. We have worked hard to procure our ships, aircraft, and weapon systems at a rate intended to bring stability to the industrial base and enable efficient production. The Navy's shipbuilding and aviation plans were developed with particular regard to maintaining the unique characteristics and strength of the industrial base and our efforts have promoted increased competition, greater innovation, and better capacity within the base.

Over the FYDP, we will continue to build upon our progress to date and we will work with our shipyards, aircraft manufacturers, weapon systems providers and systems integrators to build the best possible fleet for the future.

DEVELOPMENT AND DEPLOYMENT OF UNMANNED SYSTEMS

The complex nature of today's security environment, as well as current and future anti-access/area-denial threats faced by the United States, require that the Navy and Marine Corps continue to advance in unmanned systems and exploit the contributions they make to warfighting capability. Unmanned systems are unobtrusive, versatile, persistent, and they reduce the exposure of our Sailors and Marines to unnecessary threats or dangerous environments. They can perform a vast array of tasks such as intelligence, surveillance and reconnaissance, hydrographic monitoring, mine detection, targeting, and precision strike.

Navy and Marine Corps unmanned systems have already made key contributions to operations in Iraq and Afghanistan. In Operation Iraqi Freedom and Operation Enduring Freedom, unmanned aircraft systems have flown thousands of flight hours, enhancing the effectiveness of our combat operations and undoubtedly saving lives. Unmanned ground vehicles employed by the Marine Corps have conducted thousands of missions detecting and/or neutralizing improvised explosive devices. And off the Horn of Africa, unmanned systems contribute to surveillance and tracking of suspected or confirmed pirate vessels.

The range of tasks that these capabilities may fulfill will grow substantially over time. I am determined to ensure that your Navy and Marine Corps are at the cutting edge of this military capability.

Our vision for the future will exploit unmanned systems in every domain of our operating environment (sea, air, and land) while maintaining an affordable price. The Department's Unmanned Systems will move from adjunct capabilities supporting manned systems and platforms to providing autonomous, networked, and interoperable independent capabilities—much as naval aviation matured from an adjunct to the Battle Fleet to a combat capability in its own right in the first half of the 20th century.

We will field unmanned systems in the near term to:

- Provide sensing, influence and effects where manned systems are limited by range, endurance or risk.
- Shift from relying primarily on manned platforms to accomplish missions to combinations of manned platforms, robots, augmented human performance, and remotely operated and unmanned systems that make operational sense.
- Increase the combat effectiveness of Sailors and Marines, their platforms and combat organizations to better operate against multiple types of threats.

In implementing this vision, we will embrace Unmanned Systems as critical tools in our warfighting quiver of capabilities. We will integrate them into everything we do across the full range of military operations to enhance our combat effectiveness and efficiency. And we will invest in the infrastructure to ensure we have the capabilities and capacity to properly task, collect, process, exploit and disseminate the information so the intelligence data gets to the decisionmakers and warfighters. The initiatives and investments contained in the fiscal year 2012 budget request will continue moving us along this desired track. I look forward to reporting our progress toward this vision throughout the year.

CONCLUSION

Today I have laid out our strategic posture as well as the goals and priorities that guide the Department's investment portfolio and future direction. These goals and programs will significantly influence our future capabilities and ensure we remain ready to deter regional conflict or respond rapidly and decisively to emerging crises. Our specific requests are reflected in the President's fiscal year 2012 budget submission.

In order to retain a ready and agile force capable of conducting the full range of military operations, we must carefully weigh risks and apply our available resources efficiently and carefully. This year's request reflects our strategy-driven priorities and the disciplined trade-offs that you and the American taxpayer expect of us. The Department's efficiency efforts have been beneficial in terms of enhancing our ability to invest in the future even while preserving and extending our force structure.

This is not a one-time event, as we will continuously work to increase efficiencies in every project, program, and operation, afloat and ashore. The budget request ensures that we will retain the world's most powerful and agile expeditionary force. The CNO, Commandant, and myself are committed to that aim and to being effective stewards of the Nation's resources.

As Secretary, I have seen firsthand the selfless courage of our young Marines and Sailors in Helmand; the dedication of our medical community caring for our wounded; the professionalism of our surface, submarine and aviation Sailors; and the incredible technical skills of the maintenance crews that sustain them. I have also

borne witness to the sacrifices of our personnel in hospitals in theater and at the National Naval Medical Center. A single visit to Bethesda will make you marvel at the resilience of the human spirit and the unflagging patriotism of our American service men and women.

Your Navy and Marine Corps are performing at a high operational tempo, at unparalleled levels of skill and dedication, and with remarkable results afloat, at depth, aloft, in cyberspace, and ashore. Thanks to your support, this level of performance has been sustained with the modern platforms, weapons systems, and training necessary to underwrite our readiness. Your continued support recognizes and sustains the sacrifice of our Sailors, Marines, civilians and their families. The support of this committee for our key programs and our people has been instrumental to operational success of the Navy and Marine Corps and maintenance of the world's most flexible instrument of national policy—a modernized and ready naval expeditionary force.

It is a solemn privilege to lead the Naval Services during an era of protracted war and national challenge. I have been honored by the trust the President and Congress have placed in me, and even more honored by the sacrifice and sterling devotion I have witnessed by those Sailors and Marine who go forward into harm's way to defend us. Preserving our values and our way of life is ultimately dependent upon our being prepared to use decisive force against those who threaten them. The Navy and Marines have been ready to do so for 235 years, and will continue to be ready. You can count on it.

Thank you again for your support. Godspeed.

Chairman INOUE. And now, may I call upon the Chief of Naval Operations (CNO), Admiral Roughead.

STATEMENT OF ADMIRAL GARY ROUGHEAD, CHIEF OF NAVAL OPERATIONS, UNITED STATES NAVY

Admiral ROUGHEAD. Thank you very much, Mr. Chairman. Chairman Inouye, Vice Chairman Cochran, and members of the subcommittee, it's my honor to appear before you in my fourth year as the Chief of Naval Operations, representing more than 600,000 sailors, Navy civilians, and families who operate and live globally. I appreciate your continued support for them as they continue to carry out our maritime strategy.

I echo the Secretary's comments in extending our condolences to the people of Japan, with whom we enjoy a very unique relationship with our forward-deployed naval forces assigned there.

Our Navy continues to meet operational commitments and respond to crises as they emerge. We're engaged in Afghanistan and in Iraq, with about 14,000 sailors on the ground in those countries, and another 14,000 at sea in the region. From our aircraft carriers there, we fly about 30 percent of the fixed-wing aircraft sorties over Afghanistan.

Our presence in the Middle East also gave us the flexibility to respond to the events that we see taking place there and elsewhere. We have elements of the *Kearsarge* amphibious ready group, with the 26 MEU, in the waters off of Libya, and several destroyers and submarines in the Mediterranean, available for tasking, as required.

But, our interests extend beyond the Middle East, and so do our operations. Today, we have about 70,000 sailors deployed globally, with 40 percent of our ships, aircraft, and submarines deployed, as well. They're globally present, persistently engaged.

We provide deterrence in Northeast Asia and forward presence in the western Pacific, which has enabled our swift response to the natural disaster in Japan, and our good friends and allies there. The ships of the USS *Ronald Reagan* carrier strike group remain underway off the east coast of Honshu, with significant fixed-wing

and helicopter assets supporting search-and-rescue and humanitarian assistance. At least five more ships will soon arrive from exercises in Southeast Asia. These include ships from the USS *Essex* amphibious ready group, which has the 31st MEU embarked, and which will bring additional humanitarian aid, advanced medical capability, and seaborne lift support to the Japanese Government.

We continue our counterpiracy efforts in the Indian Ocean, and we continue to build maritime partnerships in Africa and South America and throughout the Pacific.

These operations represent part of the growing demand for the offshore option that our Navy and Marine Corps team provides the Nation. We assume the lead for the first phase of ballistic missile defense of Europe, and are working with the Missile Defense Agency on providing that same capability ashore. We created the new Information Dominance Directorate, on my staff, which has enabled us to make better decisions and investments in countering the anti-access and area-denial strategies that we see in the world today. We recently established the U.S. 10th Fleet, our cyberfleet, which has demonstrated its expertise by conducting joint and naval operations in cyberspace, cryptology, and space arenas.

To deliver the above, we've been pushing the fleet hard. We have 288 ships today. It is the smallest fleet since 1916, when our interests and responsibilities were nowhere near what they are today. And that's why 313 ships remains the floor of our future force, and why sustaining fleet capacity is essential to reaching that floor.

Since I became CNO, I've focused on ensuring that the Navy is ready, that our quality of work and quality of life are fulfilling to the men and women of our Navy, and that we place underperforming programs back on track. We have introduced stability, affordability, and capacity into our shipbuilding and aviation plans, and, with the assistance of Congress, we've advanced capabilities to meet the most likely evolving threats. We've secured a fixed-price dual award for 20 littoral combat ships, as the Secretary has mentioned. We've addressed our strike fighter capacity with a multiyear F/A-18 procurement. And pending a decision on the continuing resolution, we will build two Virginia-class submarines a year, another DDG-51, start the mobile landing platform, construct and refuel our aircraft carriers as planned, and continue the design of our replacement strategic submarine.

I'm pleased with our accomplishments to date, and I thank Congress for their continued support of our acquisition strategy. Our fiscal year 2012 budget request is a balanced approach to increasing fleet capacity, maintaining warfighting readiness, and developing and enhancing our Navy total force. This budget goes beyond ships and aircraft. It enhances electronic warfare, information dominance, integrated air and missile defense, and antisubmarine warfare capabilities for evolving challenges. It continues to develop a family of unmanned systems that will work in concert with our manned systems to secure access and establish maritime superiority where and when we choose. It continues our effort, over the last 2 years, to reduce total ownership costs, and leverages the opportunity presented by the Secretary of Defense's efficiencies to reduce excess overhead, improve readiness, and reinvest in

warfighting capability and capacity that improves the long-term sustainability of our force.

Importantly, it supports the Secretary of Defense's healthcare initiatives, included in the President's budget, which continues our efforts to improve healthcare, improve internal efficiency, incentivize behavior, and ensure all our beneficiaries are treated equitably, and enhance our ability to deliver high-quality healthcare for years to come.

You can be exceptionally proud of our sailors and our Navy civilians, who they are and what they do. Today's sailors are the best with whom I have ever served.

PREPARED STATEMENT

I ask for your strong support of our fiscal year 2012 budget. And I thank you for all that you do to support the men and women of the United States Navy, our enduring global force for good.

Thank you very much.

Chairman INOUE. All right. Thank you very much, Admiral.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL GARY ROUGHEAD

Chairman Inouye, Vice Chairman Cochran, and members of the Committee, it is my honor and pleasure to appear before you, in my fourth year as CNO, representing the more than 600,000 Sailors and civilians of the United States Navy. As we have done for more than 235 years, our Navy is forward-deployed around the world protecting our national security and prosperity. Today, our dedicated Navy men and women are operating globally at sea, on land, in the air, and in space and cyberspace. I appreciate your continued support for them and their families.

As the demand for our Navy continues to grow, our Maritime Strategy, which I issued more than 3 years ago with the Commandants of the Marine Corps and the Coast Guard, continues to guide our Navy's operations and investments. Its core tenets are enduring and our Navy is executing daily the six core capabilities it articulates for our sea Services: forward presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster response.

With your support, since becoming CNO, our Navy has placed underperforming programs back on track; we have introduced stability, affordability, and capacity into our shipbuilding and aviation plans; and we have advanced capabilities to meet the most likely evolving threats. We improved the performance of several programs, most notably the Littoral Combat Ship. After cancelling the LCS ships we had planned for 2007 because of unacceptable costs, last year we were able to secure a price for 20 ships through a dual award strategy that will add new and needed capabilities to our Fleet, bring important stability to the industrial base, and get us closer to the minimum of 313 ships our Navy needs. I thank Congress for their support of this strategy. We delivered five new ships in 2010, including one Virginia class submarine, two Arleigh Burke Destroyers, and two T-AKE logistics ships. We commenced testing and low rate initial production of the P-8A Poseidon Multi-Mission Maritime Aircraft and continued testing and low rate initial production of the E-2D Advanced Hawkeye. Through multi-year procurement contracts for F/A-18E/F and EA-18G, and Virginia class submarines, and planned multi-year procurements for the MH-60R/S and E-2D, we are introducing affordability in our aviation and shipbuilding plans and realizing significant savings. For example, on the Virginia class multi-year procurement alone, the savings has been \$3.2 billion. We are advancing capability to meet emerging threats, particularly in Ballistic Missile Defense (BMD) and information dominance. In BMD, we assumed lead for the first phase of the President's Phased Adaptive Approach (PAA) for BMD of Europe and we are working with the Missile Defense Agency on providing Aegis Ashore capability to support the second phase of the PAA. Our newly established Fleet Cyber Command/U.S. Tenth Fleet demonstrated its expertise conducting joint and naval exercises and operations in the cyber, network, cryptology, signals intelligence, information warfare, electronic warfare, and space arenas. We also achieved the early operational deployment of the MQ-8B Fire Scout Vertical Takeoff and Landing Tactical Unmanned Air Vehicle, the first successful flight of our Navy Unmanned Com-

bat Air System demonstrator, and a memorandum of agreement with the Air Force to pursue increased commonality between the Global Hawk and Broad Area Maritime Surveillance programs.

Our Navy continues to meet planned operational commitments and respond to crises as they emerge globally. We remain engaged in operations in Afghanistan and in Iraq. Our Navy has more than 14,000 active and reserve Sailors on the ground and another 10,000 at sea in Central Command, including ongoing Individual Augmentee support to both operations. Our aircraft carriers provide about 30 percent of the close air support for troops on the ground in Afghanistan and our Navy and Marine Corps pilots fly an even greater percentage of electronic attack missions there.

Because our national interests extend beyond Iraq and Afghanistan, so do the operations of our Navy. More than 40 percent of our Navy is underway daily; globally present and persistently engaged. Last year, our Navy provided deterrence against North Korea; conducted counter-piracy operations in the Indian Ocean with a coalition of several nations; trained local forces in maritime security as part of our Global Maritime Partnership initiatives in Africa and the Pacific; responded with humanitarian assistance and disaster relief to the earthquake in Haiti and the flood in Pakistan; and conducted the world's largest maritime exercise, which brought together 14 nations and more than 20,000 military personnel, to improve coordination and trust in multi-national operations in the Pacific. Navy sealift continues to deliver the lion's share of heavy war and humanitarian equipment in the Central Command and Pacific Command areas of responsibility, while Navy logisticians operate the seaport and airport facilities that ensure this vital materiel arrives on time. Our Sailors remain forward throughout the world, projecting U.S. influence, responding to contingencies, and building international relationships that enable the safe, secure, and free flow of commerce that underpins our economic prosperity.

Our Navy's global presence guarantees our access and freedom of action on and under the sea. We are developing with the Air Force and Marine Corps the Air Sea Battle concept that will identify the doctrine, organization, training, procedures, and equipment needed for our Navy to counter growing military threats to our freedom of action. This joint effort will inform the conceptual, institutional, and material actions needed to employ integrated forces that support U.S. operations to project power and influence, protect allies and partners, and secure our national objectives in peace and war.

I remain committed to supporting our active and reserve Sailors, Navy civilians, and their families. Our Navy continues to be recognized as a highly ranked place to work as a result of its workforce planning, life-work integration, diversity, and training opportunities. We met or exceeded overall officer and enlisted active recruiting goals last year and we are accessing a force of extreme high quality. We continue to move forward on assigning women into our submarine force, with the first women submariners on track to report aboard SSBNs and SSGNs by the end of this year. We remain committed to performance as a criterion for promotion in our Navy, and have successfully transitioned the majority of our civilian personnel out of the National Security Personnel System (NSPS). Our remaining NSPS employees are scheduled to convert by the end of this year. I appreciate the support of Congress for our Fleet and the dedicated Sailors, Navy civilians, and their families that serve our nation every day.

My priorities for the Navy remain unchanged: to build tomorrow's Navy, to remain ready to fight today, and to develop and support our Sailors, Navy civilians, and their families. We continue to advance our Navy in each of these areas thanks to your support.

Our Navy remains the most capable maritime force in the world; however, we are stretching our force to meet Combatant Commander demands. Since 2000, our Navy's ship-underway days have increased by approximately 15 percent, yet we have about 10 percent fewer ships in our Fleet. Greater demand for our forces has led to longer deployments and shorter dwell, or turnaround times, which increase stress on our Sailors and drive up maintenance requirements for our ships and aircraft. We are implementing force management measures in the near term to stretch the capacity of our 286-ship force to meet increasing global requirements while providing the necessary maintenance our Fleet needs to reach its expected service life. Our Navy is different from other Services in that we reset our force "in stride"; that is, we rely upon regular maintenance of our ships and aircraft, and training and certification of our crews between deployments, to sustain our force. I thank Congress for their support of our fiscal year 2011 Operations and Maintenance (O&M) request, which would enable our Navy's continuous reset and translate into decades of service for each ship and aircraft, a significant return on investment.

Regrettably, the continuing resolution (CR) for fiscal year 2011 prevents us from applying the increased fiscal year 2011 O&M funding to improve our readiness, and it negatively impacts our ability to procure our future Navy and support our Sailors, Navy civilians, and their families. It has forced us to take mitigation measures that include: reducing operations, limiting numerous contracts for base operating support, slowing civilian hiring, reducing Permanent Change of Station notifications for our Sailors from about 6 months lead time to less than 2 months, not initiating the Small Business Innovative Research program, and delaying procurement contracts for new capabilities and existing production lines. Starting this month, we will cancel or scale back ship maintenance availabilities in Norfolk, Mayport, and San Diego, and cancel more than a dozen Milcon projects in several States. If the CR lasts all year, we will have no choice but to make permanent these mitigations and others, significantly reducing our operations, maintenance, and training. We will be forced to further reduce facilities sustainment, cancel training events and additional surface ship availabilities, and defer maintenance on our aircraft, which would result in almost a 1-year backlog in aviation maintenance. The impact of these actions will jeopardize the efforts we made in recent years to restore Fleet readiness. Without relief, we will procure only one Virginia class submarine and break the multiyear contract. Agreements made with our surface combatant builders, as a result of the DDG 1000/DDG 51 swap, precludes us from awarding any DDG 51s in fiscal year 2011 unless both ships are appropriated. In addition, without relief, we will delay the new start Mobile Landing Platform; we will constrain aircraft carrier construction and refueling, negatively impacting operational availability, increasing costs, and delaying CVN 79 delivery by up to 1 year; and we will limit aviation and weapons procurement to fiscal year 2010 quantities, impacting E-2D and Standard Missile production. A full-year continuing resolution will also defer essential research and development in unmanned aerial systems and significantly delay the design of our replacement strategic deterrent submarine and the recapitalization of our nuclear operator training infrastructure. It will eliminate our ability to source out-of-cycle overseas contingency operations demands for increased Fleet presence and activated Navy Reserve Sailors. Operating under a continuing resolution for a full year at the fiscal year 2010 level would have negative effects on our Fleet, on the ship and aviation industrial base, and on the many workers who support naval facilities. Your support in addressing this critical current and long term readiness issue is appreciated greatly.

Our fiscal year 2012 budget submission achieves the optimal balance among my priorities, but it is based on our funding request for fiscal year 2011. If the CR lasts all year, we will need to revisit our fiscal year 2012 request to properly balance our Navy for today and in the future. Our fiscal year 2012 budget request continues to rely on a combination of base budget and overseas contingency operations (OCO) funding, but it reduces the extent to which we rely on OCO funding for enduring missions. Our fiscal year 2012 request continues the effort we started 2 years ago to reduce the cost to own and operate our Fleet. We leveraged the opportunity presented by the Secretary of Defense to significantly reduce excess overhead costs, and apply the savings to warfighting capability and capacity, by executing a deliberate, thoughtful, and integrated approach to finding efficiencies that improve the long-term sustainability of our force. We are taking steps to buy smarter, streamline our organizations and operations, realign manpower, and pursue energy efficiencies. Through these efforts, and with your support, we will improve readiness and warfighting capabilities and optimize organizations and operations, including increasing the number of ships and aircraft in our procurement plans and enhancing or accelerating anti-access capabilities, unmanned systems, and energy initiatives.

Our fiscal year 2012 budget request supports our Maritime Strategy and continues to support our forces, take care of our people, rebalance our force to meet current and future challenges, and reform how and what we buy. Highlights follow.

BUILD TOMORROW'S NAVY

Since the release of our Maritime Strategy, I have stated our Navy requires a minimum of 313 ships to meet operational requirements globally. This minimum remains valid; however, we continue to examine this requirement to address increased operational demands and expanding requirements for ballistic missile defense, intra-theater lift, and forces capable of confronting irregular challenges. Our fiscal year 2012 submission funds 10 ships, including two Virginia class fast attack submarines, one Joint High Speed Vessel (JHSV), one LPD 17, one Mobile Landing Platform (MLP), one DDG 51, and four Littoral Combat Ships (LCS), which reflects our new LCS procurement plan under the dual award strategy. Our submission also supports the acquisition of an oceanographic ship. I thank Congress for their sup-

port of our LCS acquisition strategy and for our shipbuilding program. With your support over the last 3 years, we have been able to improve the balance among capability, capacity, affordability, and executability in our shipbuilding plan.

As I reported last year, I remain concerned about the capacity of our Fleet in the future. Starting in the 2020s, many of our existing cruisers, destroyers, and submarines will reach the end of their service lives. During this period, it will be particularly critical to procure sufficient new ships to offset these decommissionings to avoid a rapid decline in force structure. In the same timeframe, we will begin to procure the replacement for our Ohio class ballistic missile submarine, the most survivable leg of our Nation's nuclear deterrent triad. While we have reduced the cost of that submarine substantially, our total shipbuilding budget will be pressurized in that decade as we seek to recapitalize our surface and submarine forces while sustaining warfighting readiness and supporting our people. I am confident our near-term force structure plans provide the capability and capacity we need to meet demands today, but in this decade we must address how to best resource the shipbuilding programs required in the 2020s.

Our fiscal year 2012 program funds 203 manned aircraft. We have increased our procurement of P-8A Poseidon Maritime Patrol Aircraft to provide needed anti-submarine warfare capacity to our Fleet and facilitate a successful transition from our legacy P-3 Orion aircraft. Our fiscal year 2012 submission also procures 28 F/A-18 E/F aircraft, extending the F/A-18 procurement through fiscal year 2014 and purchasing 41 more aircraft than requested in last year's budget submission. I remain committed to the F-35 Joint Strike Fighter, and was pleased to see the first flight of the F-35C last year. The timely delivery of the F-35C remains critical to our future carrier airwing strike fighter capacity; however, we are procuring additional F/A-18 Super Hornets to address the decrease in strike fighter capacity we have identified. I thank Congress for their continued support of the F-35 program and our overall strike fighter fleet.

Our Navy is also looking beyond our ships and aircraft and investing in information capabilities that span space, cyberspace, and the electromagnetic spectrum. We moved boldly last year with the establishment of U.S. Tenth Fleet and the Deputy CNO for Information Dominance. That restructuring has enabled us to focus on enhancing our electronic warfare, information dominance, integrated air and missile defense, and anti-submarine warfare capabilities. I request Congress' support for these programs as they position our Navy to successfully conduct operations in an evolving anti-access environment today and in the future.

A viable, highly technical, and specialized industrial base is essential to sustaining the capability and capacity of our future Navy. Our shipbuilding and aviation industrial base is a strategic national asset and a significant contributor to our Nation's economic prosperity, employing more than 97,000 uniquely skilled Americans while indirectly supporting thousands more through second and third tier suppliers. The highly specialized skills in our shipbuilding base take years to develop; and, if lost, cannot be easily or quickly reconstituted. A viable shipbuilding industrial base, underpinned by predictable, level-loaded ship procurement, is essential to meet our nation's naval requirements.

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

AVIATION PROGRAMS

Aircraft Carrier Force Structure

Our nuclear-powered aircraft carrier fleet is capable of flexibly employing capabilities that span from power projection and deterrence to humanitarian assistance and disaster response. Our 11-carrier force structure is based on worldwide presence and surge requirements, while also taking into account training and maintenance requirements. Our Navy has put in place measures to minimize the impact of the 10-carrier period between the inactivation of U.S.S. *Enterprise* (CVN 65) and commissioning of U.S.S. *Gerald R. Ford* (CVN 78). After the delivery of CVN 78, we will maintain an 11-carrier force by continuing the refueling program for Nimitz class ships and delivering our Ford class carriers at 5-year intervals starting in 2020.

CVN 78, which is approximately 20 percent complete, is the lead ship of our first new class of aircraft carriers in nearly 40 years. These new carriers incorporate an innovative flight deck design that provides greater operational flexibility, a nuclear propulsion plant that generates more than 50 percent greater energy while decreasing maintenance requirements, and a combination of measures that reduce manning by more than 1,200 Sailors. Among the new technologies being integrated in these ships are the Dual Band Radar, the Electromagnetic Aircraft Launch System

(EMALS), and the Advanced Arresting Gear (AAG), which will enable the carrier to increase its sortie generation rate by 25 percent and lower total ownership costs. AAG is currently undergoing commissioning testing at our land-based testing facility and, in December, EMALS successfully launched an F/A-18 aircraft. Both systems are on schedule to support delivery of CVN 78 in September 2015.

Strike Fighter Capacity

I remain committed to the F-35 Joint Strike Fighter (JSF) program. The timely delivery of the F-35C carrier variant is critical to our future carrier airwing strike fighter capability and capacity. As a result of delays in the F-35 program, we are closely managing our strike fighter inventory to address the decrease in strike fighter capacity that is projected to peak in 2018 as our F/A-18A-D aircraft reach the end of their service life. Our actions include managing the service life of our A-D aircraft, extending the service life of our A-D aircraft, buying new F/A-18E/F Super Hornet aircraft, and maintaining wholeness in the F-35C program. With these measures, we can manage our current strike fighter inventory to meet TACAIR requirements.

F-35 Lightning II Joint Strike Fighter (JSF)

The F-35 program gives us the advanced sensor, precision strike, firepower, and stealth capabilities our Fleet needs. I continue to base our Initial Operating Capability (IOC) timeline for the F-35C on the level of capability delivered at the completion of Initial Operational Test and Evaluation of the F-35C equipped with Block 3 software. We are reviewing the results of the in-depth Technical Baseline Review and restructuring of the System Development and Demonstration (SDD) phase to determine our IOC. While the overall system demonstration and development schedule has slipped, we have not reduced the total number of airplanes we plan to buy. Our fiscal year 2012 request procures seven F-35C aircraft. We are monitoring the program closely and managing our existing strike fighter capacity to meet power projection demands until the F-35C is delivered. Procurement of an alternate engine for the F-35 increases our risk in this program. The Navy does not have a requirement for an alternate engine; indeed, we would only take one model to sea. Its additional costs threaten our ability to fund currently planned aircraft procurement quantities, which would exacerbate our anticipated decrease in strike fighter capacity throughout the remainder of this decade.

F/A-18A-D Hornet and F/A-18E/F Super Hornet

Our F/A-18A-D Hornet aircraft were originally designed for a service life of 6,000 flight hours. Through a life assessment program and High Flight Hour (HFH) inspections, which have been in place for 3 years, we have been able to extend the service life of our legacy F/A-18A-D aircraft to 8,600 flight hours. Our fiscal year 2012 budget requests funding to pursue a Service Life Extension Program (SLEP) for 150 F/A-18A-D aircraft, commencing in fiscal year 2012 at a rate of about 40 per year, that would further extend the service life of these aircraft to 10,000 flight hours. We are also conducting a life assessment program for our Super Hornet aircraft to extend their original 6,000-hour service life design to 9,000 hours. The F/A-18A-D HFH and SLEP are necessary measures to address our strike fighter inventory while preserving our investment in F-35C. To further reduce risk, we are accelerating the transition of 10 legacy F/A-18C squadrons to F/A-18 E/F Super Hornets, and our fiscal year 2012 budget requests funding to procure more F/A-18E/F Super Hornets than we requested last year. I thank Congress for their support of the F/A-18 program as we introduce F-35C into our Fleet.

EA-18G Growler

The Navy has been a leader in Airborne Electronic Attack (AEA) for more than half a century and AEA is in high demand. AEA provides one of the most flexible offensive capabilities available to the joint warfighter and is becoming increasingly important as technology capable of manipulating the electromagnetic spectrum matures. We are leveraging the mature and proven F/A-18E/F Super Hornet airframe to recapitalize our AEA capability with the EA-18G Growler. Although the EA-18G currently utilizes the same ALQ-99 Tactical Jamming System as the EA-6B, we are developing a new system, the Next Generation Jammer, as a replacement for the aging ALQ-99. The Next Generation Jammer will incorporate a Modular Open System Architecture and improved reliability and maintainability to provide a robust, flexible jamming capability that can evolve to address emerging threats. The EA-18G is in full rate production and we have accepted delivery of 43 aircraft. We have transitioned three EA-6B Prowler squadrons to EA-18G Growlers and two more squadrons are currently in transition. Our first EA-18G squadron deployed in November to Iraq. Our program of record will buy 114 total EA-18G aircraft, recapital-

izing 10 carrier-based EA-6B squadrons and four expeditionary squadrons, all to be stationed at NAS Whidbey Island. The program continues to deliver on schedule and our fiscal year 2012 budget requests funding for 12 EA-18Gs.

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

Our P-3C Orion aircraft remain in high demand today across a range of missions including Anti-Submarine Warfare, Anti-Surface Warfare, and time-critical Intelligence, Surveillance and Reconnaissance. Our Maritime Patrol Aircraft (MPA) force is a direct enabler for troops on the ground in Central Command while also ensuring access and battle space awareness at sea. Because we are operating our P-3Cs at a high rate, about 100 P-3 aircraft have been grounded since February 2005 for fatigue life and we anticipate continued groundings through the remainder of the P-3 program. Through significant congressional support for P-3C wing repairs and sustainment, as of February, we have a current inventory of 84 mission aircraft; a 58 percent increase since last year. Our fiscal year 2012 budget requests about \$100 million to continue our P-3C sustainment program. Continued investment in this program and in the modernization of our P-3s is critical to ensure we retain sufficient capacity to conduct maritime battle space awareness and support to land forces in Central Command, while successfully transitioning to the P-8A.

The P-8A Poseidon Multi-Mission Maritime Aircraft is ideally suited for regional and littoral operations, and is our pre-eminent airborne capability against submarine threats. Procurement of P-8A will deliver needed capacity for these missions. The P-8A is scheduled to reach initial operating capability and will begin replacing our aging P-3 Fleet in 2013. The current delivery schedule enables transition of two squadrons per year. Our fiscal year 2012 budget requests funding for 11 P-8A aircraft. I request Congress' support for the P-8A program schedule and for our P-3 sustainment and modernization program, the combination of which is essential to our transition to the next generation of MPA capability while avoiding future gaps in our MPA force.

E-2D Advanced Hawkeye

The E-2D Advanced Hawkeye aircraft, will replace the E-2C and represents a two-generation leap in airborne radar surveillance capability. The E-2D will improve nearly every facet of tactical air operations and add overland and littoral surveillance to support theater Integrated Air and Missile Defense (IAMD) against air threats in high clutter, complex electro-magnetic and jamming environments. The airborne radar on the E-2D, with its improved surveillance capability, is a key pillar of the Navy Integrated Fire Control-Counter Air (NIFC-CA) concept. Four test aircraft have been delivered to the Navy and we will commence operational test and evaluation in late 2011. The first Fleet squadron transition is planned for 2013, with an IOC scheduled for late 2014. Our fiscal year 2012 budget requests six E-2D aircraft. We plan to procure 75 aircraft, with the final aircraft procurement in 2019 and Full Operational Capability (FOC) in 2022.

MH-60R/S Multi-Mission Helicopter

The MH-60R and MH-60S are in full rate production. The MH-60R multi-mission helicopter replaces the surface combatant-based SH-60B and carrier-based SH-60F with a newly manufactured airframe and enhanced mission systems. With these systems, the MH-60R provides focused surface warfare and anti-submarine warfare capabilities for our strike groups and individual ships. The MH-60S supports surface warfare, combat logistics, vertical replenishment, search and rescue, air ambulance, airborne mine counter-measures, and naval special warfare mission areas. We have delivered 85 MH-60R and 187 MH-60S to our Fleet and our fiscal year 2012 budget requests funding for 24 MH-60R and 18 MH-60S helicopters.

SURFACE SHIP PROGRAMS

Littoral Combat Ship (LCS)

LCS is a fast, agile, networked surface combatant optimized to support naval and joint force operations in the littorals with capability to support open-ocean operations. It will operate with focused-mission packages to counter mine, small boat, and submarine threats in the littorals. The modular design and open architecture of the seaframe and mission modules provide the inherent flexibility to add or adapt capabilities as new technologies mature or to counter threats that emerge beyond the Mine Countermeasures, Surface Warfare, and Anti-Submarine missions currently planned for LCS. These ships will employ a combination of manned helicopters and unmanned aerial, surface, and undersea vehicles.

U.S.S. *Freedom* (LCS 1) completed her first operational deployment to the Southern and Pacific Commands in April 2010, 2 years early. While deployed, U.S.S. *Free-*

dom successfully conducted counter-drug missions and validated its open ocean capability, allowing us to learn valuable lessons from these real-world operations. U.S.S. *Independence* (LCS 2) was commissioned in January 2010 and is currently in Norfolk undergoing post-delivery tests and trials. We are seeing demonstrated performance and stability in the construction of LCS 3 and LCS 4 that captures lessons learned from the first ships. PCU *Fort Worth* (LCS 3) was launched and christened in December and is completing final construction. PCU *Coronado* (LCS 4) is almost 50 percent complete and is scheduled to be launched and christened later this year. Both LCS 3 and LCS 4 are experiencing minimal change and are scheduled to be delivered to the Navy in 2012 on cost and on schedule.

I thank Congress for approving the Navy's dual award strategy in December 2010. This strategy enables the Navy to save over \$2 billion in acquisition costs and acquire these ships well below the congressionally mandated \$480 million cost cap set in 2009. It allows our Navy to acquire an additional Littoral Combat ship, increasing needed capacity in our Fleet. I am impressed and satisfied with the capabilities of both LCS designs and remain committed to procuring 55 of these ships. Consistent with the dual award strategy, our fiscal year 2012 budget requests four LCS seaframes at a total cost of \$1.8 billion. The budget also requests two mission packages in fiscal year 2012. These packages provide the vital center for LCS's combat capability and we have aligned LCS mission module procurement with that of our LCS seaframes. I request your continued support as we continue to acquire the future capacity and capability the Fleet requires.

Ballistic Missile Defense (BMD)

The Navy's mature and proven maritime Ballistic Missile Defense (BMD) capability will play a primary role in the first phase of our Nation's Phased Adaptive Approach (PAA) for the missile defense of our NATO Allies in Europe. Our fiscal year 2012 budget requests funding to increase our current BMD ship capacity from 21 ships (5 cruisers and 16 destroyers) to 41 BMD capable ships by 2016. This planned capacity expansion will eventually include all of the Navy's Arleigh Burke class destroyers and nine Ticonderoga class cruisers. Until we grow our BMD ship capacity, our existing BMD ships may experience longer deployment lengths and less time between deployments as we stretch our existing capacity to meet growing demands.

As part of the PAA, we are working with the Missile Defense Agency to adapt Navy's proven and flexible Aegis BMD capability for use in an ashore configuration by repackaging components of the afloat Aegis Weapons System into modular containers for deployment to pre-prepared forward sites. The Aegis Ashore Missile Defense Test Complex is currently under development, with fabrication to begin in Kauai, Hawaii in 2013. This complex is a key enabler of the Aegis Ashore capability, which will be tested prior to shore placement overseas in 2015. This phased approach provides needed technology and capacity to pace the threat; it serves as a conventional counter to trends in global ballistic missile technology; and it allows for technological maturation through 2020.

DDG 51 Flight IIA and Flight III

To keep pace with the evolving air and missile defense threats, we restarted the DDG 51 Flight IIA production line in the fiscal year 2010 and fiscal year 2011 budgets with advanced procurement buys for DDG 113, 114, and 115. The restarted DDG 51 Flight IIA destroyers provide Navy with a proven multi-mission combatant that fills critical warfighting needs across the spectrum, and is the first warship built from the keel up to conduct maritime Ballistic Missile Defense. They will be the first Aegis ships to be built with the Open Architecture Advanced Capability Build (ACB) 12 Aegis Combat System. ACB-12 will allow these surface combatants to be updated and maintained with commercial off-the-shelf (COTS) technology, yielding reduced Total Ownership Cost and enhancing the ability to adapt to future military threats. Our fiscal year 2012 budget requests funding for the construction of DDG 116 as part of our plan to build seven more of the Flight IIA class over the FYDP (an increase of one DDG 51 over last year's budget). We also request just over \$75 million to support Research and Development for ACB-12, which will support the integration of this critical system on DDG 113 and our development of Aegis Ashore.

The follow-on to DDG 51 Flight IIA is the DDG 51 Flight III, which will commence with the construction of DDG 123. Flight III ships will be tailored for Integrated Air and Missile Defense (IAMD) and include the Air and Missile Defense Radar (AMDR), upgraded command and control software and hardware, and enhanced electrical power and cooling. Our fiscal year 2012 budget requests funding for a total of eight DDG 51 class ships, including funding for the first Flight III ship in fiscal year 2016.

Modernization

To counter emerging threats, we continue to make significant investments in cruiser and destroyer modernization to sustain our combat effectiveness and to achieve the 35 year service life of our Aegis fleet. Our destroyer and cruiser modernization program includes Hull, Mechanical, and Electrical (HM&E) upgrades, as well as advances in warfighting capability and open architecture to reduce total ownership costs and expand mission capability for current and future combat capabilities. In addition to HM&E upgrades, key aspects of our Destroyer and Cruiser modernization programs include the installation or upgrade of the Aegis weapons system to include an open architecture computing environment, addition of the Evolved Sea Sparrow Missile (ESSM), an upgraded SQQ-89A(V)15 anti-submarine warfare system, and improved air dominance with processing upgrades and Naval Integrated Fire Control-Counter Air capability. Our Destroyers also receive integration of the SM-6 missile, while our Cruisers receive installation of the AN/SPQ-9B radar and an upgrade to Close In Weapon System (CIWS) Block 1B. Maintaining the stability of the cruiser and destroyer modernization program is critical to our ability to provide relevant capability and capacity in our future Fleet. Our fiscal year 2012 budget requests funding for the modernization of four cruisers (three Combat Systems and one HM&E) and three destroyers (one Combat System and two HM&E).

DDG 1000

The DDG 1000 *Zumwalt* guided missile destroyer will be an optimally crewed, multi-mission surface combatant optimized for long-range precision land attack. In addition to providing offensive, distributed and precision fires in support of forces ashore, these ships will serve as test-beds for advanced technology, such as integrated power systems, a sophisticated X-Band radar, and advanced survivability features, which can inform future ship designs. Following a Nunn-McCurdy breach due to the reduction in procurement to three ships, we restructured the DDG 1000 program to remove the highest risk technology, the Volume Search Radar, from integration into the platform. DDG 1000 is more than 37 percent complete and is scheduled to deliver in fiscal year 2014 with an initial operating capability in fiscal year 2016.

Joint High Speed Vessel (JHSV)

The JHSV will deliver a new level of organic logistic and maneuver flexibility for Combatant Commanders. JHSV is a high speed, shallow draft ship. Its unique design allows the ship to transport medium payloads of cargo and/or personnel to austere ports without reliance on port infrastructure. JHSV-1 and -2 are currently under construction by Austal USA in Mobile, AL and are scheduled to be delivered in fiscal year 2012 and 2013. Our fiscal year 2012 budget requests funding for the construction of the third JHSV. We are currently developing a Memorandum of Agreement with the Army that would transfer programmatic oversight and responsibility for the entire JHSV program, including operations and maintenance, to the Navy. Upon the signing of the agreement, all JHSVs when delivered would be operated by the Navy's Military Sealift Command and manned by civilian or contract mariners.

SUBMARINE PROGRAMS

Virginia Class SSN

The Virginia class submarine is a multi-mission submarine designed to dominate the undersea domain in the littorals, access denied environments, and the open ocean. Now in its 14th year of construction, the Virginia program is demonstrating its continued ability to deliver this critical undersea asset affordably and on time. The Navy continues to realize a return on investment in the Virginia cost reduction program and construction process improvements through enhanced shipbuilder performance on each successive ship. A majority of the submarines contracted via multiyear procurement have delivered under budget and ahead of schedule, and their performance continues to exceed expectations with every ship delivered. I am pleased with the accomplishments of the combined Navy-Industry team and anticipate additional improvements as we ramp up production to two submarines per year, as requested in our fiscal year 2011 and 2012 budget submissions.

SSBN and Ohio Replacement

The Navy remains committed to recapitalizing the Nation's sea-based strategic deterrent, the most survivable leg of our nuclear triad. With a fleet of 14 Ohio class ballistic missile submarines (SSBN), we have been able to meet the strategic needs

of the Nation since 1980. This class will begin retirement after more than 40 years of service in 2027.

The 2010 Nuclear Posture Review reaffirmed that our Nation will continue to rely on a reliable and survivable sea-based strategic deterrent for the foreseeable future. To ensure the Navy is able to meet the Nation's demand in this critical capability, our fiscal year 2012 budget requests research and development funds for the design of the Ohio class replacement, enabling construction of the class beginning in 2019. The Ohio replacement will possess the endurance and stealth required for continuous, survivable strategic deterrence for decades to come. Appropriate R&D investment is essential to design a reliable and survivable submarine capable of deterring all potential adversaries. Over the past year, the Ohio replacement program has been thoroughly reviewed and all aspects of the program were aggressively challenged to drive down engineering and construction costs. Our fiscal year 2012 request represents best balance of needed warfighting capabilities with cost. The Ohio replacement program will leverage the many successes of the Virginia SSN program to achieve acquisition and total ownership cost goals. These efficiencies and a record of acquisition excellence are critical to minimize risk to our total force structure while recapitalizing sea-based strategic deterrence between fiscal year 2019 and fiscal year 2033.

AMPHIBIOUS WARFARE SHIPS

LPD 17 Class Amphibious Warfare Ship

The San Antonio class LPD (LPD 17) amphibious warfare ships provide the Navy and Marine Corps the ability to embark, transport, control, insert, sustain, and extract combat marines and sailors on missions that range from forcible entry to forward deployed crisis response. These ships have a 40-year expected service life and will replace four classes of older ships: the LKA, LST, LSD 36, and the LPD 4. Of the 11 ships in our program of record, five ships have been delivered, three have completed their initial deployments, and four are under construction. We continue to resolve material reliability concerns with the class and apply the lessons learned during initial operation of the early ships to those under construction. Quality continues to improve with each ship delivered as we work closely with the shipbuilder to address cost, schedule, and performance issues. Our fiscal year 2012 budget requests funding to procure the final ship in the program.

LHA Replacement (LHA(R))

LHA(R) is the replacement for our aging Tarawa class ships, which will reach the end of their extended service life between 2011–2015. LHA(R) will provide flexible, multi-mission amphibious capabilities by leveraging the LHD 8 design. The America (LHA 6) is now more than 30 percent complete and on schedule for delivery in fiscal year 2014. Beginning with LHA 8, the Navy will reintegrate the well deck into the large deck amphibious assault ships. Our fiscal year 2012 budget requests funding for research and development to support reintegration of the well deck into the design of the large deck amphibious ship and the construction of LHA 8 in fiscal year 2016.

Mobile Landing Platform (MLP)

Based on commercial technology, the Mobile Landing Platform (MLP) will enable the transfer of equipment, personnel, and sustainment at-sea, and delivery ashore in support of a wide range of contingency operations. Our fiscal year 2012 budget requests funding for one MLP and we intend to procure a total of three MLPs. We expect the first ship to deliver in fiscal year 2013 and project initial operating capability and incorporation into the Maritime Prepositioning Force (MPF) for 2015. In the Maritime Preposition Force, each of our existing Maritime Preposition Squadrons will be augmented by one MLP, one T-AKE combat logistics ship, and a Large Medium-Speed Roll-on/Roll-off (LMSR) cargo ship. The three T-AKE are all under contract with projected delivery dates beginning this year and going through fiscal year 2013.

INFORMATION DOMINANCE PROGRAMS

Unmanned Systems

Our Navy is developing a “family” of unmanned systems over, on, and under the sea to provide unique capability, in concert with our manned platforms, to rapidly secure access and establish maritime superiority at the time and place of our choosing. We are developing information architecture that will allow us to rapidly assimilate data into information for our commanders, enabling shorter decision cycles that will give us an advantage in joint and maritime operations.

Unmanned Aircraft Systems (UAS)

Our unmanned aircraft family of systems includes the Broad Area Maritime Surveillance (BAMS) UAS, which will enhance our situational awareness and shorten the sensor-to-shooter kill chain by providing persistent, multiple-sensor capabilities to Fleet and Joint Commanders. Through our recent memorandum of agreement with the Air Force, we are pursuing greater commonality and interoperability between BAMS and the Air Force's Global Hawk UAV. Our Vertical Take-off and Landing Tactical Unmanned Air Vehicle (VTUAV) is on its second deployment aboard the U.S.S. *Halyburton* (FFG 40) and will deploy in an expeditionary role to support combat operations in Afghanistan later this year. Our fiscal year 2012 budget includes about \$12 million in research and development funding to facilitate development of a weapons-capable VTUAV ready for deployment in late fiscal year 2012. Our fiscal year 2012 request also includes funding to develop a medium range maritime-based UAS (MRMUAS) and a Small Tactical Unmanned Aerial System (STUAS) that will support a variety of ships, Naval Special Warfare and Navy Expeditionary Combat Command units, and Marine Corps elements.

The Navy Unmanned Combat Aircraft System Demonstration (NUCAS-D) will prove carrier suitability of an autonomous, unmanned, low-observable, carrier-based aircraft. This effort includes maturing technologies for aircraft carrier catapult launches and arrested landings, as well as integration into carrier-controlled airspace. Initial flight tests to demonstrate carrier suitability are scheduled to start next year and autonomous aerial refueling demonstrations are planned for 2014. We will leverage the lessons learned from operating the demonstrator in developing a low-observable unmanned carrier-launched airborne surveillance and strike system (UCLASS). The UCLASS program will shorten the timeline to find, fix, track, target, engage, and assess time sensitive targets. UCLASS will integrate with the carrier air wings and increase the flexibility, versatility, and capability of the carrier force. We are currently developing the UCLASS acquisition strategy with OSD.

Unmanned Underwater Vehicles (UUV)

UUVs provide an innovative technological solution to augment manned platforms. Our Navy has logged more than 85,000 hours of UUV operations to improve battlespace awareness. Our small-body Littoral Battlespace Sensing (LBS) oceanographic autonomous undersea gliders have demonstrated the ability to conduct 6-month long autonomous operations and will achieve Initial Operating Capability this year. Our fiscal year 2012 budget requests about \$13 million for research, development, and procurement of the LBS glider. We are also developing Large Displacement UUVs (LDUUVs) with the capability to autonomously deploy and manage a variety of sensors and payloads. The development of these highly capable vehicles will require investment in commercially and militarily beneficial alternative energy technologies, including refinement of fuel cell technology and cutting edge battery technologies. Our fiscal year 2012 budget requests about \$50 million to develop an LDUUV, and I remain committed to conduct fully independent UUV missions with durations of 2 months by 2017. This capability will allow full scale employment and deployment of LDUUV squadrons in the 2020s.

Mobile User Objective System (MUOS)

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

Next Generation Enterprise Network (NGEN)

The Next Generation Enterprise Network (NGEN) is a Department of the Navy (DON) enterprise network that will provide secure, net-centric data and services to Navy and Marine Corps personnel after the current Navy-Marine Corps Intranet (NMCI) network stands down. In July, Navy awarded Hewlett Packard Enterprise Services with the Navy-Marine Corps Intranet (NMCI) continuity of services contract to transition the Navy out of Navy-Marine Corps Intranet (NMCI) and into

NGEN. NGEN will sustain the services currently provided by NMCI, while increasing government command and control of our network and enabling secure, reliable, and adaptable global information exchange. The initial NGEN contracts are expected to be awarded in the first quarter of fiscal year 2012. Our fiscal year 2012 budget requests an additional \$22 million to support government command and control of our networks and improve our network situational awareness and defense.

REMAIN READY TO FIGHT TODAY

Our Navy continues to experience a high tempo of global operations which I expect to continue even as combat forces draw down in Afghanistan. Global trends in economics, demographics, resources, and climate change portend an increased demand for maritime power and influence. America's prosperity depends upon the seas: 90 percent of world trade moves on the world's oceans and underwater telecommunications cables facilitate about \$3.2 trillion of commerce each year. As new trade patterns emerge, such as those that will result from the expansion of the Panama Canal and the opening of the Arctic, and as disruption and disorder persist in our security environment, maritime activity will evolve and expand. Seapower allows our Nation to maintain U.S. presence and influence globally and, when necessary, project power without a costly, sizeable, or permanent footprint ashore. We will continue to maintain a forward-deployed presence around the world to prevent conflict, increase interoperability with our allies, enhance the maritime security and capacity of our traditional and emerging partners, confront irregular challenges, and respond to crises.

High operational demand for our force over the last decade has led to longer deployments, lower dwell time, and reduced maintenance time for our surface ships. If these trends continue, our force will be less ready and less available than it is today because of increased stress on our Sailors and a reduction in our Fleet capacity as ships fail to reach their expected service lives. We have initiatives currently underway to address these trends. We are moving approximately 1,900 Sailors from shore billets onto our ships to meet operational demands while maintaining acceptable Fleet readiness levels and Sailor dwell time. To enhance the material readiness of our Fleet, we are improving our ability to plan and execute maintenance by increasing manning at our Regional Maintenance Centers (RMCs), and by institutionalizing our engineered approach to surface ship maintenance, converting the successes of our Surface Ship Lifecycle Maintenance (SSLCM) initiative I began 2 years ago into the Surface Maintenance Engineering Planning Program Activity (SURFMEPP). I remain focused on ensuring our Navy has a force that is maintained and trained to provide the capability and forward presence required in the two areas of interest identified in our Maritime Strategy, the Western Pacific and the Arabian Gulf, while preserving our ability to immediately swing from those regions and our Fleet concentration areas in the United States to respond to contingencies globally.

Our fiscal year 2012 base budget and Overseas Contingency Operations (OCO) funding requests balance the need to meet increasing operational requirements, sustain our Sailors' proficiency, and conduct the maintenance required to ensure our ships and aircraft reach their full service lives. It does not address the potential impacts of a full-year continuing resolution on our ongoing operations and maintenance afloat and ashore. Highlights follow of initiatives that ensure our Navy remains ready to fight today.

Depot Level Maintenance

Our ships and aircraft are valuable capital assets that operate in unforgiving environments. Keeping these assets in acceptable operating condition is vital to their ability to accomplish assigned missions and reach their expected service lives. Timely depot level maintenance, based on an engineered assessment of expected material durability and scoped by actual physical condition, will preserve our existing force structure. Continued investment in depot level maintenance is essential in achieving and sustaining the force structure required to implement our Maritime Strategy. Our combined fiscal year 2012 base budget and OCO funding requests fulfill 94 percent of the projected ship depot maintenance requirements necessary to sustain our Navy's global presence and 95 percent of our aviation depot maintenance requirements, servicing 742 airframes and 2,577 engines. The actual extent of our depot maintenance requirements will be determined by the final funding levels for fiscal year 2011. I request that you fully support our baseline and contingency funding requests for operations and maintenance to ensure the effectiveness of our force, safety of our Sailors, and longevity of our ships and aircraft.

Shore Readiness

Our shore infrastructure enables our operational and combat readiness, and is essential to the quality of life and quality of work for our Sailors, Navy civilians, and their families. High operational demands, rising manpower costs, and an aging Fleet of ships and aircraft cause us to take deliberate risk in shore readiness, specifically in sustaining our shore infrastructure. We have focused our facilities sustainment, restoration, and modernization funds on improving our housing for unaccompanied Sailors and investing in energy efficient building modifications. To source these enhancements, we have temporarily cancelled our demolition program and reduced our facilities sustainment posture to 80 percent of the modeled requirement. We have targeted our shore readiness investments in areas that have the greatest impact on achieving our strategic and operational objectives. These areas include support to our warfighting missions and capabilities, nuclear weapons security, quality of life for our Sailors and their families, and energy enhancements. We remain on track in our Homeport Ashore initiative to provide sufficient accommodations to our junior single Sailors by 2016, and we continue our support for family services. We plan to complete an expansion of 7,000 child care spaces in fiscal year 2011, allowing us to meet OSD's mandate of providing child care for 80 percent of the potential need in fiscal year 2012.

Training Readiness

Our Navy is leveraging Modeling and Simulation (M&S) extensively across the Fleet training continuum to reduce at-sea training requirements and associated operating costs and energy use. These virtual environments stress critical command and control warfare skills and fine tune basic warfighting competencies without going to sea. They provide synthetic events that are scalable and repeatable, including the ability to train multiple strike groups simultaneously. Synthetic training provides a complex, multi-faceted threat environment that cannot be efficiently recreated at sea on a routine basis. Ship command and control simulations, in conjunction with the Fleet Synthetic Training (FST) program, support unit level and integrated pre-deployment training and certification, including Joint Task Force Exercises (JTFEX), Ballistic Missile Defense Exercises (BMDEX), and LCS qualification and certification training. In fiscal year 2012, our Navy's use of simulators will reduce steaming days by 603 days for a savings of \$30 million, and flying hours by 5,400 hours, for a savings of \$35 million. The Fleet has placed FST as a top training priority with the objective to increase simulator use and synthetic training to reduce Fleet operating costs.

Although we are maximizing our use of synthetic training, it cannot completely replace our need to conduct live training. Simulators cannot replicate the physical environment, risks, stress, or experiences that live training provides. Naval units must be able to practice and hone their skills in the air and at sea. Having the right facilities and the ability to practice skill sets in a live operating environment are necessary for the proficiency and safety of our Sailors and for the warfighting effectiveness of our Fleet.

The proliferation of advanced, stealthy submarines continues to challenge our Navy's ability to guarantee the access and sustainment of joint forces. Robust Anti-Submarine Warfare (ASW) training with active sonar systems is vital for our Navy to effectively address this threat. The Navy remains a world leader in marine mammal research and we will continue our investment in this research in fiscal year 2012 and beyond. Through such efforts, and in full consultation and cooperation with other Federal agencies, we have developed effective measures that protect marine mammals and the ocean environment from adverse impacts of mid-frequency active (MFA) sonar while not precluding critical Navy training. We continue to work closely with our interagency partners to further refine our protective measures as scientific knowledge evolves. It is vitally important that any such measures ensure the continued flexibility necessary to respond to future national security requirements.

In January, we announced our plan to initially focus Joint Strike Fighter (JSF) homebasing on the west coast in accordance with 2010 Quadrennial Defense Review direction and the JSF Transition Plan. We also announced that we are suspending work on the Outlying Landing Field (OLF) draft environmental impact statement (EIS) planned for the east coast until at least 2014. At that time, we will re-evaluate the requirement for an OLF based on our east coast JSF basing and training requirements. We continue to experience capacity shortfalls at our current east coast field carrier landing practice sites that present challenges to meeting our current training requirements under both routine and surge conditions for existing Navy aircraft. We will continue to ensure we meet all our training requirements by implementing the measures necessary to use all available facilities.

Energy and Climate Change

The Secretary of the Navy and I are committed to advancing our energy security. I consider energy an operational imperative and I established the Navy's Task Force Energy more than 2 years ago to improve combat capability, assure mobility, and green our footprint. We will achieve these goals through energy efficiency improvements, consumption reduction initiatives, and the aggressive adoption of alternative energy and fuels. Reducing our reliance on fossil fuels will improve our combat capability by increasing time on station, reducing time spent alongside replenishment ships, and producing more effective and powerful future weapons.

Our tactical energy efforts fall into two categories: technical and behavioral changes that use energy more efficiently, and testing/certification of alternative fuels. We are making good progress on our efficiency initiatives. The U.S.S. *Makin Island* (LHD 8) uses hybrid propulsion and we are installing the same system on LHA-6 and LHA-7. We are developing a hybrid electric drive system for the DDG-51 class and I anticipate a land-based test as early as this summer. We continue to introduce advanced hull and propeller coatings and solid state lighting in our ships, and we are developing the Smart Voyage Planning Decision Aid to achieve more efficient ship routing. We are also implementing policies that encourage Sailors to reduce their personal energy usage. These incremental initiatives add up to significant efficiency improvements.

Our alternative energy programs are progressing. We are aggressively certifying elements of our operational force for biofuel use. To date we have operated the "Green Hornet" F/A-18 and MH-60S on camelina-based JP-5 fuel and the RCB-X riverine craft on algal-based F-76 fuel. Operational testing of energy efficiency upgrades to the Allison 501k engine completed last month and is a key milestone toward certification of our Navy combatants with marine gas turbine engines.

We have reduced our energy use ashore by more than 14 percent since 2003, as a result of our energy efficiency efforts, including energy efficiency building upgrades, energy management systems, procurement of alternative fuel vehicles, and achievement of sustainable building standards for all new construction and major renovation projects. Our continued investments in advanced metering and energy audits will help identify further opportunities for efficiency gains and alternative energy use. Our approach remains focused on integrating the right technology at the right time in the right place while transforming Navy culture and behavior for long term sustainability.

Since establishing Task Force Climate Change in 2009, our Navy has taken several actions to better understand and address the potential impacts of climate change on our Navy. We have increased our operational engagement in the Arctic, participating this past summer in Operation NANOOK/NATSIQ with Canada. We are re-assessing regional security cooperation, through our African, Southern, and Pacific Partnership station missions to include consideration of climate change adaptation, especially with respect to improving water security. We are also participating with the National Oceanographic and Atmospheric Administration (NOAA) and other Federal agencies to survey in the Arctic and improve our environmental observation and prediction capability worldwide. Scientific observations indicate that current changes to the climate are occurring on a decadal scale, giving our Navy enough time to conduct the studies and assessments necessary to inform future investment decisions.

Second East Coast Carrier-Capable Homeport

The Navy continues to focus on achieving the 2010 Quadrennial Defense Review direction to upgrade the carrier port of Mayport. Much like the dispersal of west coast aircraft carriers between California and Washington, a second homeport on the east coast to maintain aircraft carriers is prudent in the event of a natural or man-made disaster in Hampton Roads. The dredging project funded in fiscal year 2010 is underway and will ensure unimpeded access to Mayport. Our fiscal year 2012 budget requests funding for the Massey Avenue corridor improvement projects. We plan to request funding for the Wharf F recapitalization in fiscal year 2013, and the remaining projects within the FYDP, to establish Naval Station Mayport as nuclear carrier-capable homeport by 2019.

United Nations Convention on the Law of the Sea

The Navy has consistently supported a comprehensive and stable legal regime for the exercise of navigational rights and other traditional uses of the oceans. The Law of the Sea Convention provides such a regime with robust global mobility rules. I believe it essential that the United States become a full Party to the treaty. The Convention promotes our strategic goal of free access to and public order on the oceans under the rule of law. It also has strategic effects for global maritime part-

nerships and American maritime leadership and influence. Creating partnerships that are in the strategic interests of our Nation must be based on relationships of mutual respect, understanding, and trust. For the 160 nations who are parties to the Law of the Sea Convention, a basis for trust and mutual understanding is codified in that document. The treaty provides a solid foundation for the United States to assert its sovereign rights to the natural resources of the sea floor out to 200 nautical miles and on the extended continental shelf beyond 200 nautical miles, which in the Arctic Ocean is likely to extend at least 600 nautical miles north of Alaska. As a non-Party to the treaty, the United States undermines its ability to influence the future direction of the law of the sea. As the only permanent member of the U.N. Security Council outside the Convention, and one of the few nations still remaining outside one of the most widely subscribed international agreements, our non-Party status hinders our ability to lead in this important area and could, over time, reduce the United States' influence in shaping global maritime law and policy. The Law of the Sea Convention provides the norms our Sailors need to do their jobs around the world every day. It is in the best interest of our Nation and our Navy to ratify the Law of the Sea Convention. We must demonstrate leadership and provide to the men and women who serve in our Navy the most solid legal footing possible to carry out the missions that our Nation requires of them.

DEVELOP AND SUPPORT OUR SAILORS, NAVY CIVILIANS AND THEIR FAMILIES

Our Sailors, Navy civilians, and their families are the backbone of our Maritime Strategy. They make us who we are. Their skill, innovation, and dedication turn our ships, aircraft, weapons and systems into global capabilities that prevent conflict, build partnerships, and, when necessary, project combat power to prevail in war. Our investment in our Sailors, Navy civilians, and their families ensures our Navy's continued maritime dominance today and in the future.

Our fiscal year 2012 budget requests authorization and funding for 325,700 active and 66,200 reserve end strength. This request includes the migration of more than 1,800 military billets from shore and staff activities into the Fleet to man new ships and squadrons, restore optimal manning cuts, add needed information technology and nuclear operators to our force, and restore billets for fiscal year 2013 to extend U.S.S. *Peleliu* in commission. This migration will enhance our forces afloat; however, the transition will present challenges to our ability to maintain sea-shore flow for some of our enlisted Sailors and sustain manning levels across the force. We are aware of these challenges and believe the transition is manageable. Our fiscal year 2012 end strength request also begins to move end strength previously supported by OCO funding, namely our Navy Individual Augmentees (IAs), into our baseline program. We will execute a phased draw down of our OCO end strength as we project a gradual reduction of IA demands in Iraq and Afghanistan. Should IA demand remain at current levels, or increase over time, we will be challenged to meet manning requirements for our Fleet. Our Navy continues to size, shape, and stabilize our force through a series of performance-based measures designed to retain the skills, pay grades, and experience mix necessary to meet current and future requirements.

Our fiscal year 2012 endstrength reflects efficiencies in our manpower account that reduce excess overhead by disestablishing several staffs, but not their associated ships and aircraft, for submarine, patrol aircraft, and destroyer squadrons, as well as one Carrier Strike Group staff. We are disestablishing the headquarters of Second Fleet and transferring responsibility for its mission to U.S. Fleet Forces Command. These efficiencies streamline our organizations and allow us to reinvest the savings into warfighting capability and capacity.

I would like to touch briefly on the issue of changes to the healthcare benefit. Navy Medicine has been a leader in implementing pilot testing for the Department in a new concept called the Patient-Centered Medical Home. Beneficiaries have welcomed Navy Medicine's Medical Home Port initiative and it shows in their satisfaction scores. I am convinced that our beneficiaries will readily accept very modest changes to copayments as long as we continue to invest in these transformational approaches to delivering high quality healthcare. The proposals in the President's budget are consistent with our efforts over the last several years: a focus on internal efficiency, incentivizing the health behaviors we want, and ensuring all of our beneficiaries are treated equitably. I request you support these timely and appropriate efforts.

The tone of our force continues to be positive. In 2010, we conducted the Navy Total Force Survey, which was the first of its kind to assess the work-related attitudes and experiences of active and reserve Sailors and Navy civilians. The survey reported that Navy personnel are, overall, satisfied with the quality of their leader-

ship, benefits, compensation, and opportunities within the Navy for personal growth and development. The survey results reaffirmed what more than 20 national awards have recognized: that our Navy is a “Top 50” organization and an employer of choice among today’s workforce.

Our fiscal year 2012 budget request represents a balanced approach to supporting our Sailors and their families, sustaining the high tempo of current operations, and preserving Fleet and family readiness. Highlights follow of our efforts to develop and support our Sailors, Navy civilians and their families.

Recruiting and Retention

Our Navy has enjoyed strong recruiting success over the past 3 years, and we expect this trend to continue through fiscal year 2011. Fiscal year 2010 marked the third consecutive year Navy met or exceeded its overall enlisted recruiting goals in both the Active and Reserve Components and we continue to exceed Department of Defense quality standards in all recruit categories. We accessed the highest quality enlisted force in history last year, with more than 97 percent having traditional high school diplomas. Active officer recruiting for fiscal year 2010 also exceeded our overall goals. Reserve officer recruiting exceeded our fiscal year 2009 levels, but achieved only 95 percent of our fiscal year 2010 goal. Reserve medical officer recruiting continues to be our greatest challenge as the requirement for medical officers has increased by more than 100 percent since fiscal year 2008. We continue to explore new avenues for recruiting, including expanding our social media engagement to maintain a dialogue with potential applicants and influencers nationwide.

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

To ensure we stay within our congressionally authorized end strength, we are executing force stabilization measures that include Perform-to-Serve (PTS) for enlisted Sailors and a series of Selective Early Retirement (SER) boards for Unrestricted Line (URL) Captains and Commanders. PTS considers the manning levels in each enlisted rating and reviews the record of Sailors eligible for reenlistment to determine if the Sailor should remain in the rating, convert to an undermanned specialty, transition to the reserves, or separate from the Navy. The SER boards will address the excess inventory of active component Captain (O6) and Commander (O5) URL officers in our Navy to ensure sufficient senior officers are available at the right time in their careers to serve in critical fleet billets. We project approximately 100 URL Captains and 100 URL Commanders will be selected for early retirement through this process. With these performance-based measures, we expect to meet our fiscal year 2011 authorized active end strength of 328,700 and reserve end strength of 65,500 by the end of the fiscal year. We will be challenged to meet our active and reserve end strength targets in fiscal year 2012 using existing force shaping measures. As a result of continued high retention and low attrition across the force, we are facing increasing pressure to use involuntary force shaping measures to remain within our authorized end strength.

Diversity

Demographic projections estimate that today’s minorities will make up more than one-third of our Nation’s workforce by 2020; by 2050, that projection increases to about half of our workforce. Our ability to access and retain the talents of every component group in our society is critical to our mission success. Recruiting and retaining a diverse workforce, reflective of the Nation’s demographics at all levels of the chain of command, remains a strategic imperative and a focus area for leaders throughout our Navy. To foster a Navy Total Force composition that reflects America’s diversity, we are focusing our efforts on outreach, mentoring, leadership accountability, training, and communication. Our diversity outreach efforts have contributed to our 2014 U.S. Naval Academy and NROTC classes being the most diverse student bodies in our history. We have increased diverse accessions through targeted recruiting in diverse markets, developing relationships with key influencers in the top diverse metropolitan markets, and aligning Navy assets and organizations to maximize our connection with educators, business leaders and government

officials to increase our influencer base. We continue to expand our relationships with key influencers and science, technology, engineering, and mathematics (STEM)-based affinity groups to inform our Nation's youth about the unique opportunities available in our Navy. We are also building and sustaining a continuum of mentorship opportunities that includes the chain of command, individual communities, social networking, peer-to-peer relationships, and affinity groups. We will continue to ensure that all Sailors are provided with opportunities to develop personally and professionally.

Women on Submarines

After notifying Congress last year of our intent to assign women to submarines, the Secretary of the Navy and I have authorized female officers to serve aboard Ohio class SSBN and SSGN submarines. This will enable our submarine force to leverage the tremendous talent and potential of the women serving in our Navy. The first 18 female submarine officers commenced the standard 15-month nuclear and submarine training pipeline in 2010, and will begin arriving at their submarines at the end of this year. These officers will be assigned to two ballistic missile (SSBN) and two guided missile (SSGN) submarines which have the space to accommodate female officers without structural modification. The plan also integrates female supply corps officers onto SSBNs and SSGNs at the department head level. In December, the Secretary of Defense notified Congress of Navy's intent to expend funds to commence design and study efforts regarding reconfiguration of existing submarines to accommodate female crew members, as well as to design the Ohio replacement SSBN with the flexibility to accommodate female crew members.

Don't Ask, Don't Tell

I am pleased Congress voted to repeal section 654 of Title 10, United States Code, commonly referred to as the "Don't Ask, Don't Tell" (DADT) statute. Legislative repeal affords us the time and structured process needed to effectively implement this significant change within our Armed Forces. As I testified in December, we will be able to implement a repeal of DADT in our Navy. I assess the risk to readiness, effectiveness, and cohesion of the Navy to be low. Our implementation process will be thorough, but timely. We are preparing the necessary policies and regulations to implement this change in law and training Sailors and leaders at all levels to ensure they understand what repeal means to them, their families, and the Navy. Before repeal can occur, the President, Secretary of Defense, and Chairman of the Joint Chiefs must certify that the change can be made in a manner consistent with the standards of military readiness, military effectiveness, unit cohesion, and recruiting and retention of the Armed Forces. I will provide Navy's input to the certification process and I remain personally engaged in this process.

Sailor and Family Continuum of Care

We remain committed to providing our Sailors and their families a comprehensive continuum of care that addresses all aspects of medical, physical, psychological, and family readiness. Our fiscal year 2012 budget request expands this network of services and caregivers to ensure that all Sailors and their families receive the highest quality healthcare available.

Navy Safe Harbor is at the forefront in Navy's non-medical care for all seriously wounded, ill, and injured Sailors, Coast Guardsmen, and their families. We have expanded our network of Recovery Care Coordinators and non-medical Care Managers to 12 locations across the country. Safe Harbor continues to provide exceptional, individually tailored assistance to a growing enrolled population of more than 600 individuals. Over 116,000 Sailors and their spouses have participated in Operational Stress Control (OSC) training, which actively promotes the psychological health of Sailors and their families by encouraging them to seek help for stress reactions early, before they become problems. The Warrior Transition Program (WTP) and Returning Warrior Workshops (RWW) are essential to post-deployment reintegration efforts. The WTP offers an opportunity for IA Sailors redeploying from a combat zone to decompress, turn in their gear, and receive tools that will help them ease their transition back to their home and families. The RWW is designed to address personal stress that may be generated by deployment activities and it supports and facilitates the reintegration of the deployed Sailor with his/her spouse and family. The RWW also provides a safe, relaxed atmosphere in which to identify and address potential issues that may arise during post-deployment reintegration.

Stress on the Force

While the overall tone of our force remains positive, current trends suggest that high operational tempo, increasing mission demands, lean manning, force shaping, and economic conditions are placing increased stress on our Navy personnel. Our

fiscal year 2012 budget requests increased funding to improve our program manager-level support of our suicide prevention and stress control programs.

Suicide dramatically affects individuals, commands and families. Over the last year, we expanded our approach to preventing suicides from historic suicide surveillance and annual awareness training to include more comprehensive resilience building and tailored suicide prevention training, peer intervention, research and analysis. We saw a reduction in our number of suicides from 46 in calendar year 2009 to 38 in calendar year 2010. Our calendar year suicide rate also decreased from 13.3 per 100,000 Sailors in 2009 to 10.9 per 100,000 Sailors in 2010. Our 2010 suicide rate is below the national rate of 19.0 per 100,000 individuals for the same age and gender demographic; however, any loss of life as a result of suicide is unacceptable. Suicide prevention is an "all hands, all the time" effort involving our Sailors, families, peers, and leaders. We continue to work toward a greater understanding of the issues surrounding suicide to ensure that our policies, training, interventions, and communications are meeting intended objectives.

We are integrating our suicide prevention efforts into the broader array of programs we offer to improve the resilience of our force. These programs, aimed at reducing individual stress, address issues, such as substance abuse prevention, financial management, positive family relationships, physical readiness, and family support.

We continue our efforts to eliminate sexual assault by fostering a culture of prevention, victim response and offender accountability. Sexual assault is incompatible with our Navy core values, high standards of professionalism, and personal discipline. We have organized our efforts in this critical area under the Navy Sexual Assault Prevention and Response (SAPR) program. The SAPR program and the Naval Safety Center and Alcohol and Drug Prevention Program are currently developing an integrated approach to sexual assault prevention that includes clear leadership communication, bystander intervention training for Sailors to help them recognize and interrupt risky situations, and training for military investigators and lawyers on issues specific to sexual assault investigation and prosecution.

Learning and Development

Education and training are strategic investments that give us an asymmetric advantage over adversaries. To develop the highly skilled, combat-ready force necessary to meet the demands of the Maritime Strategy and the Joint Force, we have 15 learning centers around the country providing top-notch training to our Sailors, Navy civilians and members of the other Services. In fiscal year 2010, we completed learning and development roadmaps for all enlisted ratings, providing Sailors with detailed information about the required training, education, qualifications and assignments they need to succeed in their career fields. We continue to leverage a blended training approach, integrating experienced instructors, advanced technology, and state-of-the-art delivery systems with modularized content in order to provide the right training at the right time in a Sailor's career. We are balancing existing education and training requirements with growth in important mission areas such as cyber defense, missile defense, and anti-submarine warfare. Cultural, historical, and linguistic expertise remain essential to successfully accomplishing the Navy's global mission, and our budget request supports our Language, Regional Expertise, and Culture (LREC) program as well as the Afghanistan-Pakistan (AF-PAK) Hands Program sponsored by the Joint Staff. Last year the LREC program provided language and cultural training to more than 120,000 Sailors en route to overseas assignments. We recognize the importance of providing our people meaningful and relevant education, particularly Joint Professional Military Education (JPME), which develops leaders who are strategically minded, capable of critical thinking, and adept in naval and joint warfare. Our resident courses at Naval War College, non-resident courses at Naval Postgraduate School and in the Fleet Seminar program, and distance offerings provide ample opportunity for achievement of this vital education.

CONCLUSION

You can be exceptionally proud of our Sailors. They are our Nation's preeminent force at sea, on land, and in air, space, and cyberspace. While the future is not without challenges, I am optimistic about our future and the global opportunities our Navy provides our Nation. Our fiscal year 2012 budget request represents a balanced approach to increasing Fleet capacity, maintaining our warfighting readiness, and developing and enhancing our Navy Total Force. I ask for your strong support of our fiscal year 2012 budget request and my identified priorities. Thank you for your unwavering commitment to our Sailors, Navy civilians, and their families, and

for all you do to make our United States Navy an effective and enduring global force for good.

Chairman INOUE. And may I now call upon the Commandant of the Marine Corps, General Amos.

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

General AMOS. Mr. Chairman, Ranking Member Cochran, members of the subcommittee, it's my honor to appear before you today, for the first time, as our Nation's Commandant of the Marine Corps.

The Corps serves as America's expeditionary force in readiness, a balanced air-ground logistics team of 202,000 Active, 39,000 Reserve, and 35,000 civilian marines.

Today, there are over 32,000 marines forward-deployed around the world. As we sit here in the comfort of this hearing room, it's just past 8:30 in the evening in Afghanistan. The rainy season has hit. The evenings remain cold and damp. It's in this nation where 20,000 of our young men and women are engaged in full-spectrum combat and counterinsurgency operations. I'm encouraged by the significant progress they have made in the Helmand Province. And you have my assurance that this effort remains my top priority.

Sergeant Major Kent and I spent Christmas with our marines and sailors in Afghanistan, and I'm happy to report that their morale is high and their belief in their mission remains strong.

Partnered with the United States Navy, we are forward-deployed and forward-engaged. This past year alone, our float forces conducted humanitarian assistance missions in Pakistan, Haiti, and the Philippines, recaptured the pirated ship, *Magellan Star*, from its Somali pirates. And 2 weeks ago, marines from the 1st Battalion, 2d Marine Regiment, rapidly deployed to the Mediterranean to join their brothers and sisters on board two amphibious ships. This formidable force is underway now, prepared to do our Nation's bidding.

Likewise, on the opposite side of the world, marines based on Okinawa rapidly responded to our ally, Japan, following this week's devastating earthquake and tsunami. Within hours of this tragedy, marine aviation units from the Marine Corps Air Station Futenma Okinawa began transporting humanitarian assistance goods, disaster response planning teams, and personnel to impacted areas. We have established a forward-refueling and operating base, just west of the devastation, to facilitate around-the-clock search-and-rescue and transport operations. Our marines already on the ground are being joined by 2,200 marines and sailors from the three amphibious ships of the 31st Marine Expeditionary Unit. In addition to a multitude of other capabilities, the 31st MEU is optimized for humanitarian assistance and disaster response operations.

Evidenced by what has unfolded globally just within the last 2 weeks, our role as America's crisis response force necessitates that we maintain a high state of readiness. Our mission is simple. We need to be ready to respond to today's crisis, with today's force, today.

I am keenly aware of the fiscal realities confronting our Nation. During these times of constrained resources, the Marine Corps remains committed to being the best stewards of scarce public funds. We maintain a longstanding tradition in Congress as the Department of Defense's penny-pinchers. Our institutionalized culture of frugality positions us as the best value for the Defense dollar.

For approximately 8.5 percent of the annual Defense budget, the Marine Corps provides the Nation 31 percent of its ground operating forces, 12 percent of its fixed-wing tactical aircraft, and 19 percent of its attack helicopters. This year's budget submission was framed by my four service-level priorities: We will, one, continue to provide the best-trained and -equipped marine units to Afghanistan; two, rebalance our Corps and posture it for the future in a post-Afghanistan environment; three, better educate and train our marines to succeed in increasingly complex environments; and last, but not least, we will keep faith with our marines, our sailors, and our families.

While these priorities will guide our long-term planning for the Marine Corps, there are pressing issues that face our Corps today that concern me, issues for which I ask for Congress' continued assistance in solving. Our equipment abroad and at home stations has been heavily taxed in the nearly 10 years of constant combat operations. The price tag for reset today is \$10.6 billion. The F-35B STOVL Joint Strike Fighter is vital to our ability to conduct expeditionary airfield operations. Continued funding and support from Congress for this important program is of utmost importance to me and the Marine Corps.

You have my promise that, during the next 2 years of F-35B scrutiny, I will remain personally engaged with the program, closely supervising it. Both the Secretary of Defense and the Secretary of the Navy have reaffirmed the necessity of the Marine Corps' amphibious assault mission. We must develop an affordable and capable amphibious vehicle to project marines from sea to land in permissive and uncertain and in hostile environments. I ask for your support to reach this goal.

To ensure the Marine Corps remains a relevant force with a capacity and capability to respond to the demands of the future security environment, we recently conducted a detailed and internally driven force-structure review. The results of this effort provide America a strategically mobile, middleweight force, optimized for forward presence in crisis response.

Finally, I would like to comment on the impact of—the current continuing resolution has had on our operations and programs. As of this morning, \$1 billion in military construction contracts have not been awarded; \$2.4 billion of Milcon is at risk for the remainder of the year. These project impact—projects impact the lives of marines, the local economies and communities around our bases and stations, and are projected to generate over 63,000 jobs, from the Carolinas to Hawaii.

If the continuing resolution extends through the entire fiscal year, 13 bachelor enlisted quarters (BEQ), totaling 5,000 affected spaces, will not be built, thus stymieing our BEQ modernization plans. These 13 BEQs will allow eight infantry battalions to move out of 50-year-old cold war-era barracks.

Finally, a continuing resolution could prove catastrophic to our procurement accounts, resulting in the loss of almost one-third of our procurement budget.

Last, you have my promise that, in these challenging times ahead, the Marine Corps will only ask for what it needs, not what it might want. We will make the hard decisions before coming to Congress, and we will redouble our efforts toward our traditional culture of frugality.

PREPARED STATEMENT

Once again, Mr. Chairman, I thank you, and each of you, for your continued support. I'm prepared to answer your questions.

Chairman INOUE. Thank you very much, Commandant.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES F. AMOS

AMERICA'S EXPEDITIONARY FORCE IN READINESS

The Marine Corps is America's Expeditionary Force in Readiness—a balanced air-ground-logistics team. We are forward-deployed and forward-engaged: shaping, training, deterring, and responding to all manner of crises and contingencies. We create options and decision space for our Nation's leaders. Alert and ready, we respond to today's crisis, with today's force . . . Today. Responsive and scalable, we team with other services, allies and interagency partners. We enable and participate in joint and combined operations of any magnitude. A middleweight force, we are light enough to get there quickly, but heavy enough to carry the day upon arrival, and capable of operating independent of local infrastructure. We operate throughout the spectrum of threats—irregular, hybrid, conventional—or the shady areas where they overlap. Marines are ready to respond whenever the Nation calls . . . wherever the President may direct.

GENERAL JAMES F. AMOS

AMERICA'S EXPEDITIONARY FORCE IN READINESS

Today, your United States Marine Corps is foremost America's Expeditionary Force in Readiness. Established originally by an act of the Second Continental Congress on November 10, 1775, your Marine Corps has evolved over 235 years into a balanced air-ground-logistics team that is forward deployed and forward engaged: shaping, training, deterring, and responding to all manner of crises and contingencies.

Through the ongoing support of Congress and the American people, your Marine Corps is a cohesive force of 202,100 Active Duty Marines; 39,600 Selected Reserve Marines; and 35,000 Civilian Marines. At any given time, approximately 30,000 Marines are forward deployed in operations supporting our Nation's defense.¹ This year, as our Nation recognizes a decade since the tragic events of 9/11, your Marine Corps has been conducting Overseas Contingency Operations for an equal amount of time. From Task Force 58 with 4,400 Marines launching from six amphibious ships to secure critical lodgments in Afghanistan in late 2001 to our counterinsurgency efforts in the Al Anbar province of Iraq and to our current operations in the Helmand River Valley of Afghanistan, your Marines have been forward deployed in the service of our Nation.

Yet, during this time the Marine Corps has not been confined solely to major combat operations and campaigns. From our rapid response aiding fellow Americans and enabling joint and interagency relief efforts following Hurricane Katrina's floods, to our non-combatant evacuation operation of 14,000 American citizens from Lebanon in 2006, to our numerous and ongoing security cooperation missions with nations of Africa, Eastern Europe, the Pacific Rim, and Latin America, the United States Marine Corps continues to demonstrate the agility and flexibility expected of

¹As of December 2010, there were approximately 20,700 Marines in Afghanistan including Marines serving in external billets (e.g. transition teams and joint/interagency support, etc.); 6,200 at sea on Marine Expeditionary Units; and 1,600 Marines engaged in various other missions, operations and exercises. The 30,000 statistic excludes over 18,000 Marines assigned to garrison locations outside the continental United States such as in Europe, the Pacific, etc.

America's principal crisis response force. Over the course of the past year alone, your brave men and women who wear the Marine uniform and who bring a diversity of talent in service to our Nation, have simultaneously:

- Waged an aggressive full-spectrum counterinsurgency operation in Afghanistan while concurrently increasing combat power nearly two-fold (i.e. from 10,600 to 19,400) in accordance with the President's December 2009 Afghanistan-Pakistan strategy;
- Successfully completed our mission in Iraq, bringing stability to Al Anbar province. This achievement was not without sacrifice and suffering in that 1,022² Marines gave their lives and 8,626 Marines were wounded in action;
- Partnered with allied forces in engagement missions throughout every Geographic Combatant Commander's Area of Responsibility;
- Conducted foreign humanitarian assistance and disaster relief missions in Pakistan, Haiti, and the Philippines;
- Participated in maritime security operations to ensure freedom of navigation along vital sea lines of communication, to include the recapture of the vessel *Magellan Star* and rescue of its crew from Somali pirates; and
- Rapidly reinforced U.S. Embassies in Port au Prince, Haiti; Conakry, Guinea; Bishkek, Kyrgyzstan; and most recently Cairo, Egypt to assist and protect diplomatic personnel amidst crises in these foreign capitals.

Their actions align with the functions of our Corps as seen in the new Department of Defense Directive 5100.01, Functions of the Department of Defense and Its Major Components, and are a critical link to the continued prosperity and security of our Nation and the survival of our friends, allies and partners. The performance of your Marines on the global stage adds to our storied legacy of sacrifice and success—under even the most adverse conditions—inspiring a sense of pride and confidence in the American public that their Marines are able to respond quickly, ensuring the Nation's interests will be protected.

FUTURE SECURITY ENVIRONMENT

Public law, defense policy, our doctrine and operating concepts, and the future security environment shape how we organize, train, and equip our forces. As we look ahead, we see a world of increasing instability, failed or failing states, and conflict characterized by: Poverty, unemployment, urbanization, overpopulation, and extremism; competition for scarce natural resources; and rapid proliferation of new technologies to include capabilities to disrupt cyber networks, advanced precision weaponry, and weapons of mass destruction.

These troubling socio-economic and geopolitical trends converge in the littorals—regions along the world's coastline where the sea joins with the land. The majority of the world's population lives near the sea. The trend toward accelerated birth rates in the developing world, coupled with ongoing migration from rural to urban landscapes, results in hyper-populated coastal regions, burdened by the cumulative stressors of criminality, extremism, and violence.

Littoral cities increasingly may assume what some have called feral qualities, raising the potential for conflict, providing a measure of sanctuary for our adversaries, and posing challenges to governmental sovereignty and regional security. It is in this complex environment that your United States Marine Corps will operate. We stand optimally postured to conduct a range of operations for Joint Force commanders, bridging the gap between operations at sea and on land.

Nonetheless, we are committed to the prevention of conflict as we are to responding to it. Indeed, 21st century security challenges require expansion of global engagement—facilitated through persistent forward naval presence—to promote collective approaches to addressing common security concerns. Accordingly, forward deployed Marine forces will increasingly conduct theater security cooperation activities and will build partnership capacity through security force assistance missions with our allies and partners around the globe. The goal of our engagement initiatives is to minimize conditions for conflict and enable host nation forces to effectively address instability as it occurs.

ROLE OF THE MARINE CORPS

The United States is a maritime nation with global responsibilities. With a naval tradition as the foundation of our existence, we remain firmly partnered with the U.S. Navy. Forward deployed, we retain the ability to come from the sea rapidly to conduct missions across the range of military operations. Our persistent forward

² 1022 deaths = 851 killed in action (hostile) and 171 deceased (non-hostile).

presence and multi-mission capability present an unparalleled ability to rapidly project U.S. power across the global commons—land, sea, air, space, and cyber.

Amphibious forces with robust and organic logistical sustainment provide a maritime Super Power significant advantages, including the ability to overcome the tyranny of distance and to project power where there is no basing or infrastructure—a strong deterrent capability for our Nation. To Marines, “expeditionary” is a state of mind that drives the way we organize our forces, train, develop and procure equipment. By definition, our role as America’s crisis response force necessitates a high state of unit readiness and an ability to sustain ourselves logistically. We must be ready to deploy today and begin operating upon arrival, even in the most austere environments. The United States Marine Corps affords the following three strategic advantages for our Nation:

- A versatile “middleweight” capability to respond across the range of military operations. We fill the gap in our Nation’s defense as an agile force capable of operating at the high and low ends of the threat spectrum or the indistinct areas in between.
- An inherent speed and agility that buys time for National leaders. Our flexibility and rapid response capability present unique opportunities to develop strategic options, shape the environment, and set conditions to deploy the full capabilities of the Joint Force and other elements of National power.
- An enabling and partnering capability in joint and combined operations. Our unique forward posture aboard amphibious ships, manned by well trained, uniformed sailors, positions us to be the “first to fight.”

USMC PRIORITIES

My four service level priorities informed this year’s budget submission. These priorities were influenced by and derived from a number of factors to include our understanding of the 21st century battlefield based on lessons learned over nearly a decade at war, our examination of the future security environment, our doctrine and operating concepts, and our current and future budgetary and programmatic requirements.

These priorities are aligned with the principal recommendations of the 2010 Quadrennial Defense Review, meeting its end state of ensuring that the Marine Corps is able to “prevail in today’s wars, prevent and deter conflict, prepare to defeat adversaries and succeed in a wide range of contingencies, and preserve and enhance the All-Volunteer Force.” My priorities also support America’s four enduring strategic interests as identified in the 2010 National Security Strategy.³ To that end, we will:

- Continue to provide the best trained and equipped Marine units to Afghanistan;
- Rebalance our Corps, posture it for the future, and aggressively experiment with and implement new capabilities and organizations;
- Better educate and train our Marines to succeed in distributed operations and increasingly complex environments; and
- Keep faith with our Marines, our Sailors and our families.

The above priorities guide my long-term plan for the Marine Corps; however, there are pressing issues facing our Corps today that give cause for concern.

- Equipment.*—Our equipment abroad and at home station has been “heavily taxed” in the nearly 10 years of constant combat operations. We require funding to reset equipment being utilized overseas and to reconstitute home-station equipment and modernize for the future. This is critical to maintaining readiness throughout the Corps.
- The Short Take-Off and Vertical Landing F-35B Joint Strike Fighter.*—The F-35B is vital to our ability to conduct combined arms operations in expeditionary environments. Continued funding and support from Congress for this program is of utmost importance.
- Amphibious Combat Vehicle.*—We will begin the development of an affordable and capable amphibious combat vehicle to replace the recently cancelled Expeditionary Fighting Vehicle program. The capability inherent in a ship-to-shore connector is critical to our expeditionary nature, as affirmed by the Secretary of Defense.

³(1) Security of the United States, its citizens, and U.S. allies and partners; (2) a strong, innovative, and growing U.S. economy in an open international economic system that promotes opportunity and prosperity; (3) respect for universal values at home and around the world; (4) and an international order advanced by U.S. leadership that promotes peace, security, and opportunity through stronger cooperation to meet global challenges. 2010 National Security Strategy Pg. 7.

—*End Strength*.—The drawdown of our active component from 202,100 to 186,800 must be conditions-based, and only after completion of our mission in Afghanistan. We must keep faith with our Marine Corps family by allowing appropriate time and support for those departing the force and to ensure the resiliency of our units still engaged in war.

—*Family Readiness Programs*.—Like our equipment, Marines and their families have been “heavily taxed” since 9/11. We will continue to fund family readiness and family support programs that are vital to the health and welfare of our entire Marine Corps family.

—*Amphibious Ships*.—The Navy and Marine Corps have determined a minimum force of 33 ships represents the limit of acceptable risk in meeting the 38-ship amphibious force requirement for the Assault Echelon. Marines are best positioned to engage and respond to the Nation’s security interests from amphibious ships.

The Marine Corps needs the continued support of Congress in confronting these critical issues and the many others discussed below. My promise to Congress is that we will do our part by continuing to be good stewards of our taxpayers’ dollars.

FISCAL YEAR 2012 BUDGETARY SUBMISSION

The Marine Corps maintains a longstanding tradition in the Department of Defense as being “Penny Pinchers.” A prime example of our many noteworthy cost-saving measures is our practice of units deploying to Afghanistan utilizing equipment sets maintained and repaired in country—a measure saving significant funds annually on costs associated with the cycle of deployment and redeployment. Our institutionalized culture of frugality, streamlined business practices, lean structure, and multi-mission capability, position us as the “best value” for the defense dollar. This fiscal year we are seeking over \$40 billion⁴ to fund ongoing operations, provide quality resources for our Marines, Sailors and their families, conduct reset of equipment stressed from nearly 10 years at war, and prepare our forces for future missions. For approximately 8.5 percent⁵ of the annual Defense budget, the Marine Corps provides the Nation approximately 31 percent of its ground operating forces (Combat, Combat Support and Combat Service Support), 12 percent of its fixed wing tactical aircraft, and 19 percent of its attack helicopters.

During these times of constrained resources, the Marine Corps remains committed to streamlining operations, identifying efficiencies, and reinvesting savings to conserve scarce public funds. At the direction of the Secretary of Defense in June 2010, the services conducted an efficiencies review and our fiscal year 2012 budget is the result of a thorough study of all of our business activities. Already one of the most economical of the military services, we achieved our DOD efficiency goal. We captured overhead efficiency savings by focusing on three main efforts: Buying smarter through acquiring platforms more intelligently; streamlining our operations; and being more efficient in the way we use, produce, and acquire energy.

This effort has had a marked impact on our overall budget, allowing us to invest more in our core warfighting missions and enhancing our acquisition plans. The efficiency initiative drove adjustments to our programs and ensured restoration of funding in areas where needed most. Additionally, we used funds realized from efficiencies to support programs originally not funded. We re-invested savings into critical war fighting programs to enhance readiness. We anticipate unit equipment readiness to increase by fiscal year 2014 through the purchase of additional equipment beginning in fiscal year 2012. This readiness increase will allow the Marine Corps to equip, train, and prepare units earlier in the pre-deployment cycle. Other expansions that we were able to address include enhancing funding for facilities with direct operational impact, energy and water investments at bases and installations, command and control and logistics programs, and equipment modernization.

In addition to our frugality and aggressive pursuit of finding efficiencies to enhance our warfighting capacity inherent in our budget request, your Marine Corps remains the first and only military service whose financial statements have been deemed audit ready. We are continually striving to be good stewards of the public trust and know the ongoing financial audit will serve to both strengthen our financial management practices and give us actionable business intelligence to support our decisionmaking process in supporting our operational forces at home, abroad and in harm’s way.

⁴ This sum includes both “Blue in Support of Green” funding, Overseas Contingency Operation funding, and other Navy funding for USMC needs (e.g. chaplains, medical personnel, amphibious ships, etc)

⁵ Based on provisions of the fiscal year 2010 National Defense Authorization and Appropriation Acts.

PRIORITY #1: CONTINUE TO PROVIDE THE BEST TRAINED AND EQUIPPED UNITS TO
AFGHANISTAN

Operation Enduring Freedom.—We have made great progress in Afghanistan; this effort remains our number one priority until we attain our National objectives. At present over 20,000 Marines are deployed in Afghanistan. This mission ultimately involves almost 60,000 Marines, or just under one-third of our active duty force, factoring in deployment, redeployment, training cycles and other direct support. We will continue providing forces in Afghanistan capable of full-spectrum combat and counterinsurgency operations, while balancing our capabilities to perform what the Nation will likely ask of us in the future. We will ensure that Marines, Sailors, and the units in which they serve, receive the best possible training and equipment to succeed in the many types of missions we are conducting in this complex, dynamic environment.

Our successes within Helmand Province are paving the way for economic development and governance. Marine commanders on the ground and Afghan officials indicate that freedom of movement for the local populace has improved. Bazaars and markets are flourishing; critical infrastructure projects are underway. Today, 10 of 13 districts in Helmand Province are under the control of the Afghan central government. Daily, 135,000 children attend school, which is more than a 60 percent increase from 2008 levels. Formerly dangerous places like Marjah, Now Zad, and Garmsir, un-trafficable due to improvised explosive devices just 1 year ago, now have significant activity occurring in commercial centers. Yet, other challenges remain as we now seek to capitalize on our 2010 successes. We are currently expanding battle-space northward into other hostile locations such as the district of Sangin, where our forces are going “head-to-head” with Taliban resistance.

As America’s Expeditionary Force in Readiness, we are ready to execute any mission assigned in support of crisis and contingency response. In addition to our Afghanistan commitment, we continue to source forward-based and deployed forces to meet Geographic Combatant Commander requirements. In light of our operational demands, and through the support of Congress in authorizing our end strength of 202,100 active duty forces, our combat units are beginning to realize an approximate 1:2 dwell time.⁶ Other units vary at more favorable dwell time levels depending on their mission. We anticipate the 1:2 dwell ratio for combat units to remain relatively stable provided current deployed force levels are not increased; however, increased operational demands in Afghanistan or elsewhere may result in dwell times inconsistent with fostering a resilient Total Force.

Some Marines in select military occupational specialties continue to fall into what is known as a high-demand, low-density status. This is a key indicator that the combat demand for Marines with these skills does not match, or exceeds, the current manpower requirement and/or inventory. In addition, there are currently 14 of 211 occupational specialties where the on-hand number of Marines is less than 90 percent of what is required.⁷ Our recently completed force structure review addressed all these concerns. We are working actively to recruit, promote, and retain the right number of Marines in the right occupational specialties thus promoting resiliency of our Total Force.

Training for Full Spectrum Counter-Insurgency Operations.—Our comprehensive training program conducted at our premiere desert training base in Twentynine Palms, California, has been credited by leaders throughout the Corps with providing a dynamic environment that replicates the many tasks, challenges, and requirements required of units in a counterinsurgency setting. Our newly instituted Infantry Immersion Trainers are realistic, reconfigurable, and provide comprehensive training environments that develop small unit tactics and individual skills for deploying infantry squads. The Infantry Immersion Trainer supports essential training such as control of supporting arms, language, improvised explosive device recognition and defeat measures, human terrain understanding and close quarters battle. Introducing battlefield effects simulators, culturally appropriate role players, and interactive avatars at the Infantry Immersive Trainers teaches Marines to make legally, morally, ethically, and tactically sound decisions under situations of great stress. It also contributes to reducing the effects of combat stress. I view this training program to be of vital importance to our Operating Forces.

⁶Infantry battalions will continue to remain just below 1:2 dwell time due to relief in place/transfer of authority requirements.

⁷Our most stressed occupational specialties based on percentage of Marines beyond a 1:2 dwell are (1) Geographic Intelligence Specialist, (2) Imaging Analyst/Specialists, (3) Signals Collection Operator/Analyst, (4) Unmanned Aerial Systems Operator/Mechanic, and (5) European, Middle East, and Asia-Pacific Cryptologic Linguists.

Equipping for the Afghan Effort.—Marine units are operating in Afghanistan with high rates of ground equipment readiness. Through the generosity of Congress, we have received funds for the rapid fielding of urgent need items in support of our Afghanistan effort. The Mine Resistant Armor Vehicle Program continues to meet urgent requirements while we actively pursue vehicle upgrades to outpace emerging threats, enhance mobility, and improve vehicle performance. We can accomplish this goal through engineering changes and capability insertions in current production, planned orders, and fielded vehicles. We have a requirement for 3,362 vehicles in the family of Mine Resistant Armor Protected vehicles, including 1,454 Mine Resistant Armor Protected All Terrain Vehicles. To date, we have fielded 1,214 Mine Resistant Armor Protected All Terrain Vehicles to our units in Afghanistan and have met the theater requirement.

To date, we have fielded 34 Assault Breacher Vehicles, 5 of which are in Afghanistan, to enhance the mobility of the Marine Air Ground Task Force (MAGTF). We plan to field a total of 52 Assault Breacher Vehicles. Production of the remaining 18 vehicles remains on schedule and is fully funded with final delivery scheduled for the second quarter of fiscal year 2012.

In our continuing efforts to find improvised explosive devices by all possible means, we are tripling our successful Improvised Explosive Device Dog Detection program and are also undertaking a research and development effort to train dogs with improved detection capabilities with fielding expected this fall. This year, we will have fielded 647 specially trained Labrador Retrievers who work off-leash, supporting our infantry units in ground combat operations. We also have fielded a wide array of intelligence collection sensors and analytic and processing systems to include the Multimedia Archival Analysis System, the Ground Based Observational Surveillance System, the Tactical Remote Sensor System, the Communication Emitter Sensing and Attacking System, and improvements to the Tactical Exploitation Group, to name a few.

Last, in December 2010, we deployed a reinforced company of 17 M1A1 Main Battle Tanks to join our efforts in Regional Command SouthWest to provide increased force protection and firepower. Today, these tanks are fully integrated with our forces operating in our most highly contested regions, and are rapidly proving their utility in this environment by enabling our Marines to increase operational tempo. They also demonstrate the commitment of Coalition Forces to the security of Southern Afghanistan.

PRIORITY #2 REBALANCE THE CORPS, POSTURE FOR THE FUTURE, AND AGGRESSIVELY EXPERIMENT WITH AND IMPLEMENT NEW CAPABILITIES AND ORGANIZATIONS

Posture for the Future and Force Structure Review.—The Marine Corps has deployed MAGTFs in support of irregular warfare missions such as our counterinsurgency effort in Afghanistan, humanitarian assistance and disaster relief efforts in Pakistan, Haiti, and the Philippines, and engagement missions such as our theater security cooperation exercises in support of every Geographic Combatant Commander.

Despite these and many other operational successes over the past decade, new challenges await us requiring the same spirit of innovation and institutional flexibility that have been the bedrock of our Corps for 235 years. The 2010 Quadrennial Defense Review highlights an expanding need over the next two decades for military forces skilled at countering irregular threats,⁸ and the 2010 National Security Strategy signals a need for increased engagement activities. Both of these thrusts necessitate Marines who are not only fighters, but also trainers, mentors, and advisors. The 2011 National Military Strategy advances the idea that “strengthening international and regional security requires that our forces be globally available, yet regionally focused.”⁹ Likewise, Geographic Combatant Commanders have continued to register their growing need for forward—postured amphibious forces capable of conducting theater security cooperation, regional deterrence, and crisis response.¹⁰

This past fall, we conducted a detailed force structure review to develop the optimum mix of capabilities for our role as America’s Expeditionary Force in Readiness in the post-Afghanistan security environment. The force structure review addressed

⁸“The wars we are fighting today and assessments of the future security environment together demand that the United States retain and enhance a whole-of-government capability to succeed in large-scale counterinsurgency, stability, and counterterrorism operations in environments ranging from densely populated urban areas and mega-cities, to remote mountains, deserts, jungles, and littoral regions.” 2010 Quadrennial Defense Review Report, Pg 20.

⁹2011 National Military Strategy of the United States, pg 10.

¹⁰In the past 20 years, U.S. amphibious forces have responded to crises and contingencies 114 times—a response rate double that during the Cold War.

21st century challenges confronting our Nation and its Marine Corps, aiming to build on our historic role as the Nation's crisis response force. The review sought to provide the "best value" in terms of capability, cost, and readiness relative to the operational requirements of our forward-engaged Geographic Combatant Commanders. The results of that effort provide for a strategically mobile, "middleweight" force optimized for forward-presence and rapid crisis response. We will be light enough to leverage the flexibility and capacity of amphibious ships, yet heavy enough to accomplish the mission when we get there. Sea-based forces, in particular, will be invaluable for discreet engagement activities, rapid crisis response, and sustainable power projection.

Our review also aimed for a force structure that provides capability and capacity across the range of military operations, while simultaneously providing for resiliency in our Total Force. With likely reductions in forward basing and strategic transportation, the importance of regionally focused headquarters and forces, both forward-postured and immediately deployable with a minimum of strategic lift, is paramount. We have thus built a Joint Task Force capable headquarters at several Geographic Combatant Command locations. As we aim to implement signature outcomes of the force structure review, Marines on a day-to-day basis will be forward-deployed and engaged, working closely with our joint and allied partners. When crises or contingencies arise, these same Marines will respond—locally, regionally, or globally if necessary—to accomplish whatever mission the Nation asks of us.

To best meet Geographic Combatant Commander needs and ensure optimal configuration as America's Expeditionary Force in Readiness, we require Congressional support to reset our equipment, develop new organizational structures, and begin implementing initiatives from our force structure review. These measures ultimately will improve our ability to function within the Joint Force, execute distributed operations, command and control in complex environments, and conduct persistent engagement missions. As we are entrusted with the resources and funding to posture ourselves for the future, we will continue to conduct responsible examination required of a disciplined force to ensure that we implement every refinement—from the smallest to the most sweeping—in a manner that provides the Nation with a lean force, capable of rapidly projecting the Nation's power and strategic influence.

Equipping

Reset of the Total Force.—Resetting the Marine Corps for the future after nearly a decade at war is my number one equipping priority. This past year, we completed our mission in Iraq, effecting the retrograde of more than 25,000 Marines,¹¹ 382,000 items of equipment, 10,800 short tons of aviation support equipment, and nearly 11,000 containers from Al Anbar province via Jordan and Kuwait to the United States and elsewhere. This drawdown of equipment over the course of 1 year was a significant logistical and operational achievement. We also accomplished the rapid shift of critical equipment from Iraq to Afghanistan in support of the deployment of the 2d Marine Expeditionary Brigade. This shift of materiel within a theater of operation became one of the largest redeployments in U.S. history, both in terms of equipment moved and distances involved.

The Marine Corps is currently sourcing highly trained and ready forces to meet global combatant commander requirements.

—Approximately 98 percent of deployed units report the highest levels of readiness for their assigned mission.

However, high deployed-unit readiness has come at the expense of home-station, non-deployed units, which have sourced organic equipment and personnel to meet the needs of our deployed forces.

—Approximately 68 percent of non-deployed units report degraded levels of readiness. The largest contributing factor is equipment; approximately 37 percent of non-deployed forces report degraded levels of equipment supply. This lack of equipment impacts the ability of non-deployed forces to respond rapidly to other potential contingencies and represents lost core training opportunities early in the deployment cycle in preparation for Overseas Contingency Operations.

The equipment redeployed from Iraq to Afghanistan in support of the 2009 surge included most of our deployed medium tactical fleet, the majority of our fleet of Mine Resistant Armor Protected vehicles, light armored reconnaissance vehicles, other hard-to-move equipment, and theater-specific items. While shifting this equipment directly to Afghanistan enabled the Marine Corps to meet critical operational timelines, it resulted in the deferment of previously planned post-Operation Iraqi Freedom reset actions. These same assets comprise a significant portion of the Ma-

¹¹At present, approximately 100 Marines remain in Iraq serving in individual augment, transition team and other miscellaneous billets.

rine Corps' total reset liability and depot maintenance costs. Thus, a consequence of delaying reset actions on this equipment is the acceptance of considerable risk in the long-term readiness and future availability of our ground equipment. In addition, increased usage rates of our ground equipment and harsh operating environments over these many years at war have resulted in our ground equipment far exceeding planned peacetime usage rates by a factor of six.

It is vital that we reset our equipment from nearly 10 years at war to maintain the necessary levels of readiness to posture ourselves for the future.

—We estimate the cost of reset for the Marine Corps to be \$10.6 billion. \$3.1 billion has been requested in fiscal year 2011 to reduce this liability, leaving a \$7.5 billion deficit. \$5 billion of the \$7.5 billion reset liability will be incurred upon termination of the conflict in Afghanistan. (Note: \$2.5 billion has been requested for reset in fiscal year 2012. These estimates assume no reset generation beyond fiscal year 2012 and thus do not include any reset requirements for fiscal year 2013 and fiscal year 2014.)

This funding will support the depot-level maintenance of our Operation Enduring Freedom equipment, procurement of combat vehicles and major weapons systems, engineering equipment, ammunition expenditures, and combat losses. The reset estimate is based on current circumstances and will change as operational requirements are re-evaluated. Moreover, as long as the war continues, our costs for reset will grow accordingly.

Reconstitution of Equipment.—Our experiences in combat operations over the past decade have shown us that our legacy 20th century tables of equipment are inadequate with regard to the demands of the modern battlefield. As we move toward finalizing our force structure review by conducting a thorough Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, and Facilities assessment, we will finalize determination on the costs associated with modernization of equipment sets necessary to support our future operations.

—However, at this time, our initial estimate of reconstituting our tables of equipment is \$5 billion, which is an amount entirely separate from our reset costs.

We have begun to address our reconstitution shortfall by requesting \$253 million in fiscal year 2012 for equipment procurement.

As our force structure review is implemented, we will continue with deliberate assessments of the modernization requirements for equipment that optimizes our post-Afghanistan posture while simultaneously reinforcing our frugal and responsible roots. Our Service Reconstitution Equipment Strategy will guide the identification of emerging requirements for refining the capabilities of our status as a middle-weight force, our support to the Geographic Combatant Commanders, our service level prioritization, and resource allocation.

Marine Aviation.—We are transitioning our entire inventory of fixed and rotary wing aircraft to support our future force and require ongoing support from Congress for this comprehensive aviation modernization effort. The continued development and fielding of the short take-off and vertical landing (STOVL) F-35B Joint Strike Fighter remains the centerpiece of this effort. The capability inherent in a STOVL jet facilitates our maneuver warfare doctrine and fills our need for close air support in the many austere conditions and locations where we will likely operate in the future. Around the world, there are 10 times as many 3,000-foot runways capable of handling a STOVL jet as there are 8,000-foot runways required of conventional fighter aircraft. Additionally, we maintain the organic ability to build an expeditionary 3,000-foot runway in a matter of days in support of aviation operations. The capabilities of the STOVL F-35B enable the Marine Corps to replace three legacy aircraft types—F/A-18, EA-6B, and AV-8B—which once fielded will save the Department of Defense approximately \$1 billion per year in operations and maintenance costs. The F-35B program has made significant progress to date including 22 successful vertical landings so far this year which is more than double that achieved all last year. I am confident that we will field this aircraft in accordance with responsible timelines. This matter has my unwavering attention, and I am personally overseeing this program. With a fully fielded fleet of F-35Bs, the Nation will maintain 22 capital ships—11 carrier and 11 amphibious assault—with fifth generation strike assets aboard—a significant deterrent and response capability for our Nation.

Our legacy aircraft supporting operational missions are consuming service life at a rate up to three times faster than scheduled. Averaged across our complete fleet, we are consuming aircraft service life at a rate 1.85 times faster than planned. This reality results in compressed timelines between re-work events and in earlier retirement of aircraft than originally programmed. The majority of our legacy platforms are nearing the end of their service lives, and most production lines are closed. New aircraft with low average ages and robust service life projections are the future of our aviation force and its support of Marine Corps and joint operations. As we tran-

sition to these new capabilities, we are mindful of the need to ensure a fully integrated and networked force to provide Marine aviation to the MAGTF and the Joint Force.

We are exploring the viability of transformational platforms such as the Cargo Unmanned Aircraft System. The Cargo UAS will facilitate the delivery of logistics to remote locations when weather or threat systems preclude manned aviation sorties or overland resupply convoys.

Our new aircraft will provide increased range, speed, standoff, time on station, lift capability, and will be critical to tomorrow's MAGTF. By 2020, we will transition more than 50 percent of our aviation squadrons to new aircraft and complete fielding of the tilt-rotor MV-22 Osprey assault support aircraft and the upgraded UH-1Y Huey utility helicopter. We will field new close air support platforms such as the AH-1Z attack helicopter and the STOVL F-35B. We also will have new platforms for intelligence, surveillance and reconnaissance and an entirely new family of Unmanned Aircraft Systems. Last, we will introduce greater lifting power to the MAGTF with a new model of the heavy-lift CH-53 cargo helicopter.

Ground Combat and Tactical Vehicle Strategy.—The priority for our Ground Combat Element is our ship to shore tactical mobility. The seamless transition of our Operating Forces from the sea to conduct sustained operations ashore, in particular to support three balanced Marine Expeditionary Brigades (i.e. two sea-based Joint Forcible Entry Marine Expeditionary Brigades reinforced by a third Maritime Prepositioning Force-based Marine Expeditionary Brigade) as well as for conducting irregular warfare missions, necessitates an appropriate mix of ground combat vehicles. We are focusing our efforts on developing and fielding a family of vehicles with a balance of performance, protection, payload, transportability, fuel efficiency, and affordability that supports the rapid concentration and dispersion of combat power, supports strategic deployment concepts and meets our world-wide operational commitments.

Our Ground Combat and Tactical Vehicle Strategy is currently in its third phase of development. Its overall goal is to field a ground combat vehicle portfolio structured to support the ground combat element. Vehicles in this portfolio include the Joint Light Tactical Vehicle, the Marine Personnel Carrier, and a new amphibious combat vehicle.

In the complex future security environment, the execution of amphibious operations requires the use of the sea as maneuver space. An amphibious combat vehicle is essential to our ability to conduct surface littoral maneuver and seamlessly project ready-to-fight Marine units from sea to land in permissive, uncertain, and hostile environments. As the Secretary of Defense affirmed earlier this year, the cancellation of the Expeditionary Fighting Vehicle is by no means a rejection of the Marine Corps amphibious assault mission.

The standing, validated requirement for, and development of, an amphibious combat vehicle will ensure we continue to develop the right platform—at the right price—to support rapid ship to shore movement. To that end, we are now pursuing an integrated new vehicle program with three components, crafted from inception for affordability and leveraging the investment made in the EFV. We intend to mitigate risks associated with a new vehicle program and to maximize value by use of an integrated acquisition portfolio approach. This approach will have three synchronized efforts: Acceleration of the procurement of Marine Personnel Carriers; investment in a service life extension program and upgrades for a portion of the existing amphibious assault vehicles; and development of a new amphibious combat vehicle.

We intend to manage these complementary capabilities, requirements and acquisitions from a portfolio perspective.

Navy Support

The Navy Marine Corps Team.—As part of the Joint Force, the Marine Corps and the Navy partner to leverage the significant advantages provided by amphibious forces—a point reinforced by joint doctrine.¹² The Navy and Marine Corps team will be postured and engaged forward to be most operationally relevant to the needs of our Nation. Together, we provide the capability for massing potent forces close to a foreign shore while maintain a diplomatically sensitive profile. And, when needed, we are able to project this power ashore across the range of military operations at

¹²“Timely response to crisis situations is critical to U.S. deterrent and warfighting capabilities. The timeliness of U.S. response is a function of U.S. forward deployed forces and prepositioned forces with adequate organic movement capability . . .” Joint Publication 3-35, Joint Deployment and Redeployment Operations, 7 May 2007, pg 1-8.

a time of our Nation's choosing, collectively demonstrating the essence of naval deterrence.

Amphibious Shipping.—The Marine Corps' requirement to deploy globally, rapidly respond regionally, and train locally necessitates a combination of tactical airlift, high-speed vessels, amphibious ships, maritime preposition shipping, organic tactical aviation, and strategic airlift. The inherent flexibility and utility of amphibious ships is not widely understood, as evidenced by the frequent—and erroneous—assumption that “forcible entry capabilities” alone define the requirement for amphibious ships. The same capabilities that allow an amphibious task force to deliver and support a landing force on a hostile shore enables it to support forward engagement and crisis response. In fact the most frequent employment of amphibious forces is for steady state engagement and crisis response. The Geographic Combatant Commanders have increased demand for forward-postured amphibious forces capable of conducting security cooperation, regional deterrence, and crisis response reflecting the operational value of amphibious forces for missions across the range of military operations.¹³ In an era of declining access and strategic uncertainty, I anticipate that this upward demand trend will continue.

Our principal contribution to U.S. Global Defense Posture is our “rotationally responsive” forces aboard amphibious ships. These forces combine the advantages of an immediate, yet temporary, presence, graduated visibility, and tailored, scalable force packages structured around the MAGTF. Rotational Amphibious Ready Groups/Marine Expeditionary Units forward deployed in three Geographic Combatant Command areas of responsibility, not only provide the capability for crisis response, but also present a means for day-to-day engagement with partner nations. Rotational forces also offer additional flexibility for decisionmakers in the event that forces are required to rapidly re-deploy across divergent regions and conflicts.

In January 2009, the Navy and Marine Corps agreed that the force structure requirement to support a 2.0 Marine Expeditionary Brigade lift is 38 total amphibious assault ships. In light of the fiscal constraints, the Department of the Navy agreed to sustain a minimum of 33 total amphibious ships in the assault echelon. This number gives a capability needed for steady state operations and represents the minimum number of ships needed to provide the Nation with a sea based power projection capability for full spectrum amphibious operations—including the amphibious assault echelon of two Marine Expeditionary Brigades.

The Marine Corps is committed to the spiral development of the America Class LHA (R), which is 27 percent complete. We expect the Navy to take delivery of LHA-6 in fiscal year 2014 with availability to deploy beginning in fiscal year 2017. In terms of LHA-7, we anticipate the contract award in late fiscal year 2011 with fabrication commencing the following year. These two ships are maximized for aviation, and I believe it is essential that a well-deck be reintroduced in LHA-8 as currently planned. The ongoing procurement and commissioning of the final 2 of our planned 11 San Antonio class LPD-17 “Common Hull Forms” is critical to providing the lift capacities and operational capabilities to support the full range of military operations up to and including forcible entry.

Maritime Prepositioning Assets.—The Maritime Prepositioning Force (MPF) program exists to enable the rapid deployment and engagement of a Marine Air Ground Task Force anywhere in the world in support of our National Military Strategy. The current MPF force, which has been employed 55 times since 1985, is composed of a fleet of 16 ships divided into three Maritime Pre-Positioning Ships Squadrons located in the Mediterranean Sea, Indian Ocean (Diego Garcia), and Pacific Ocean (Guam and Saipan). With the restructure of the Maritime Prepositioning Force-Future, the Marine Corps and Navy have focused on an interim solution to enhance current MPF with three new ships to enable future sea-basing concepts. The addition of three Mobile Landing Platforms (MLP) and three T-AKE auxiliary dry cargo ships to the Maritime Prepositioning Ship Squadrons, coupled with existing Large, Medium-Speed, Roll-On, Roll-Off (LMSR) cargo ships, will enable the MPS squadrons to conduct at-sea, sea-state three, selective offload of vehicles, personnel, and equipment without complete reliance on fixed ports ashore. The introduction of MLPs, T-AKEs, and LMSRs provide the Navy and Marine Corps team a substantial step in enhancing our current sea-basing capabilities.

The Department of the Navy is currently funding the full MPF program of 16 ships through fiscal year 2012; however, the DON POM-13 places one Maritime Prepositioning Squadron (six ships) in a Reduced Operational Status beginning in fiscal year 2013. We will continue to optimize the MPF program to remain responsive and relevant to Geographic Combatant Commander requirements.

¹³Since 9/11 U.S. amphibious forces have responded to crises and contingencies at least 50 times, a response rate more than double that of the Cold War.

Naval Surface Fire Support.—The Marine Corps has an enduring requirement for fire support from naval vessels in the range of 41–63 nautical miles to support amphibious operations in the littorals. These fires are needed by tactical commanders to maneuver toward battlefield objectives once ashore, contributing to joint doctrine for assured access. They serve as a component of the balanced and complementary joint triad of fires. Yet, unlike tactical aviation and ground fire systems, naval surface fires are unique and vital for their volume, lethality, accuracy and all-weather capability.

Planned reductions in the procurement of certain naval ships along with cancellation of specific weapons programs over the past few years have led to a deficiency in systems available for naval surface fires. Completed in 2009, the Joint Expeditionary Fires Analysis of Alternatives identified the optimum U.S. Navy programs to support Marine Corps naval surface fire support requirements. This study established the baseline capabilities of the current naval surface fire support program of record (13nm projectile of the 5-inch gun and the Advance Gun System of the DDG 1000) to be insufficient in mitigating fire support gaps. The study determined that extended range 5-inch munitions would serve as a complementary alternative to the three DDG 1000s. Dramatic improvements in 5-inch projectiles can extend the naval surface fire support maximum range, across the 106 guns in the surface fleet, from 13 to 52 nautical miles with precision, high angle attack for use in operations in urban terrain, and potential effectiveness against moving targets. We also support ongoing research and development of transformational technologies like the Electro-Magnetic Rail Gun with its potential to revolutionize the reach, coverage, and responsiveness of ship-based naval gunfire to ranges in excess of 200 nautical miles.

Assured Access.—We remain vigilant of burgeoning anti-access/area denial threats proliferating around the globe, particularly in the Pacific Rim. The family of guided rockets, artillery, mortars, missiles and subsurface systems like mines and quiet submarines, pose a challenge to the power projection capability of seaborne expeditionary forces and threatens DOD's ability to prevent and deter conflicts and prepare for a wide range of contingencies.

Marine Air Ground Task Forces ashore and aboard amphibious shipping will support operations to ensure the freedom of action of U.S. and Allied forces by establishing expeditionary bases and airfields or defending advance bases. Marine Short Take-off and Vertical Landing aviation assets will be of particular value in overcoming adversary anti-access and area denial capabilities since they can operate from short or degraded airfields, can be rapidly dispersed, and can utilize both large carriers and amphibious ships for attack, maintenance, force protection, and dispersal purposes. The Joint Force Commander can leverage these unique capabilities to ensure the sea control necessary for the conduct of subsequent joint operations, whether they be power projection, forcible entry, or freedom of navigation.

In this regard, we are partnered with the joint community to develop an overarching concept to attain operational access. This year, we will employ our war-gaming capability in Expeditionary Warrior 2011 to examine operations designed to overcome anti-access challenges. We are partners with the U.S. Navy and the U.S. Air Force in the development of the Air-Sea Battle Concept aimed at integrating capabilities to defeat these advanced weapon systems in maritime areas of strategic interest. We also continue to participate in the U.S. Army's Joint Forcible Entry Warfighting Experiment, examining capabilities to conduct airborne and amphibious forcible entry operations.

Personnel and Organizational Initiatives

People.—Today's Marine Corps represents less than one-tenth of 1 percent of the U.S. population, and the individual Marine remains our most valuable asset. Our 202,100 Active Duty and 39,600 Selected Reserve end strength allow us to meet current operational commitments while promoting resiliency throughout our Total Force. In fiscal year 2010 Marine Corps Recruiting Command accessed 1,703 officers (100.18 percent of the 1,700 officer goal). Our fiscal year 2011 accession mission is 1,650 active duty officer accessions with the same goal projected in fiscal year 2012. In terms of enlisted accessions, we are exceeding our internal quality standards of 95 percent enlisted recruits entering the Marine Corps possessing a high school diploma and 63 percent qualifying in the DOD I–IIIA mental group categories (DOD quality standards are 90 percent and 60 percent respectively). We will achieve our mission of 31,500 enlisted active component non-prior service recruits in fiscal year 2011. Enlistment Bonuses remain vital to meeting the continuing requirement for high demand skills. We are continuing to experience unprecedented retention in both first-term and career Marines.

We will continue to shape our Total Force to provide the ideal grade and military occupational specialty mix needed for sustainment. Our force structure review devel-

oped ways to increase unit readiness within our operating forces to ensure 99 percent manning of enlisted billets and 95 percent manning of officer billets. At the close of the Future Years Defense Program, we will work with the Secretary of Defense on a responsible drawdown of our end strength that is aligned with the future mission demands of a post-Operation Enduring Freedom security environment. I am determined to “keep faith” with our Marines and their families by designing and executing a responsible drawdown from our current 202,100 end strength such that we avoid reduction-in-force actions and early retirement boards.

The Marine Corps is committed to making concerted efforts to attract, mentor, and retain the most talented men and women who bring a diversity of background, culture and skill in service to our Nation. Our diversity effort is structured with the understanding that the objective of diversity is not merely to achieve representational parity, but to raise total capability through leveraging the strengths and talents of each and every Marine. The success of our pioneering Female Engagement Team program in Afghanistan, which is an offshoot of a similar effort we employed in Iraq, is one way that the Marine Corps utilizes diversity within our ranks for operational benefit.

We are currently developing a comprehensive, Service-wide strategy on diversity, an effort facilitated through our standing Diversity Review Board and a Diversity Executive Steering Committee chartered to establish the foundations for diversity success in the Total Force. The Marine Corps has established minority officer recruiting and mentoring as the highest priority in our recruiting efforts. Along with the other Services, we have provided timely input to the congressionally sanctioned Military Leadership Diversity Commission and look forward to release of the Commission’s final report scheduled for March 2011.

Marine Air Ground Task Force Enhancements.—To further posture ourselves for the future, we are evaluating the internal workings of our MAGTFs to account for the distributed operations, decentralized command and control, dispersed forces and diffuse threats inherent on the modern battlefield. We are implementing a diverse suite of command and control systems within all elements of the MAGTF. We continue to work to build the capacity of new organizations like the Marine Corps Information Operations Center to achieve non-lethal effects in today’s irregular and complex environments. We are ensuring the rapid analysis, fusion, and dissemination of intelligence down to the tactical level by continuing implementation of the Marine Corps Intelligence, Surveillance, and Reconnaissance Enterprise. We also aim to reorganize our intelligence collection and exploitation capabilities, increasing the ratio of resources to users. We will also capitalize on the capabilities of unmanned aircraft systems via an increase in capacity.

We are developing regionally focused Marine Expeditionary Brigade command elements that are joint task force capable, with habitually aligned subordinate elements, to improve Geographic Combatant Commander effectiveness and speed of response. We have recently stood up one such element in Bahrain in support of U.S. Central Command. To better standardize operations and training for units and staff in our ground combat element, we established the Marine Corps Tactics and Operations Group, which reached full operational capability in May 2010. Among other measures, this organization’s mission is to support the refinement of our doctrine, including how our infantry companies will fight in the future. Building on the successes of the Marine Corps Tactics and Operations Group for the ground combat element, we are also developing and establishing a Marine Corps Logistics Operations Group capability for the Logistics Combat Element along with reorganizing Marine Logistics Groups to establish standing Combat Logistics Battalions habitually aligned to specific Marine Expeditionary Units and infantry regiments.

Over the past decade, we have become more reliant on equipment sets resulting from the emergence of new threats, perhaps most notably the improvised explosive device. This trend has resulted in the acquisition of some resources that are incompatible with the ethos of an agile, expeditionary force. To that end, we have begun an effort known as “Lightening the MAGTF,” a measure aimed at reducing the size, weight, and energy expenditure of our forces from the individual rifleman to wholesale components of the MAGTF.

Sustained combat operations and worldwide theater security cooperation and training commitments over the last decade point toward an essential requirement for the Marine Corps Reserve to continue focusing at the operational, rather than strategic level of warfare. Since 9/11, our Marine Corps Reserve has engaged continuously in combat operations as well as in regional security cooperation and crisis prevention activities in support of the Geographical Combatant Commanders. This operational tempo has built a momentum among our war fighters and a depth of experience throughout the ranks that is unprecedented in generations of Marine

Corps Reservists. In fact, today's Marine Corps Reserve is more highly trained, capable, and battle-tested than at any time since the Korean War.

The transition in utilization of the Marine Corps Reserve from a strategic to operational Reserve, as affirmed by our force structure review, expands our ability to perform as America's Expeditionary Force in Readiness. Sharing the culture of deployment and expeditionary mindset that has dominated Marine Corps culture, ethos and thinking since our beginning more than two centuries ago, the Marine Corps Reserve is optimally organized, equipped, and trained to perform as an operational Reserve.

Institutions for Irregular Warfare.—Irregular operations (e.g. Counterinsurgency, Stability Operations, Foreign Internal Defense, Unconventional Warfare and Counterterrorism) often occur in response to crisis and are executed in austere conditions—situations often entailing employment of Marines. Our experiences countering irregular threats in “Small Wars” is a result of responding to complex crises involving a mix of security, economic, political, and social issues—usually under austere physical conditions. Our approach to irregular warfare is based on the understanding that people, ideas and organizations—not platforms and advanced technology—are the keys to success in operating in complex and irregular warfare environments. Naval forces conducting theater security operations and security force assistance to build partnership capacity also provide the Nation the potential for immediate crisis response capability and options for escalation or de-escalation. Building on our lessons learned in Iraq and Afghanistan, we are developing options to re-organize, consolidate, and strengthen our institutions that emphasize our irregular warfare and multi-mission capability such as the Center for Advanced Operational Culture and Learning, the Security Cooperation Training and Education Center, and the Center for Irregular Warfare. The objective is to gain unity of effort, increase effectiveness and efficiency, and reduce redundant capacity.

We established the Marine Corps Training and Advisory Group (MCTAG) within the past 5 years to train, equip, and deploy Marines for Security Force Assistance missions in support of Geographic Combatant Commander theater security cooperation plans. The MCTAG provides conventional training and advisor support to Host Nation Security Forces. This organization also offers planning assistance to Marine regional component commands in developing and executing partner nation training programs. The MCTAG is scheduled to reach full operating capability in September 2011 and to date has directly trained more than 180 Marines and Sailors and assisted in the training of more than 600 Marines and Sailors, who themselves have conducted in excess of 150 deployments to more than 50 countries worldwide. The MCTAG has also developed programs of instruction to train joint service advisors/trainers deploying on theater security cooperation missions as well as programs of instruction to train light infantry battalions from the Republic of Georgia in executing combat operations in Afghanistan.

Because the Marine Corps functions in an integrated fashion throughout all traditional domains—land, sea, air, and space—it is a logical step forward for us to be optimally organized, trained and equipped to operate synergistically on the modern battlefield, which now includes the cyber domain. As U.S. Cyber Command matures and sponsors initiatives to increase cyber operational capacity, we are taking deliberate steps to build additional Marine Corps cyber capability and capacity to meet joint and service-level demands.

We see the continued development of organic cyber capabilities, capacities, and awareness as a critical element to retain speed, precision, and lethality across the entire spectrum of operations. We are working to incorporate scenarios into our exercises to increase opportunities for Marines to leverage cyber capabilities while also training Marines to operate where cyber-enabled warfighting capability may be degraded and/or contested. Additionally, we are integrating tailored cyber education into our officer and enlisted professional education programs. We are continuing to examine our options for recruiting, training and retaining our cyber workforce. This is especially challenging given the highly specialized skill sets and the competition for such in both the Federal and Private sectors.

Formed in 2006, Marine Special Operations Command (MARSOC) is currently conducting an internal reorganization into three mirrored battalions. Upon completion of this reorganization in fiscal year 2014, Marine Special Operations Command will have one regiment consisting of three battalions, 12 companies, and 48 Marine Special Operations Teams. Since December 2009, MARSOC has maintained an enduring battalion-level Special Operations Task Force headquarters and two companies in Afghanistan along with persistent Marine Special Operations Team engagements in other high priority regions.

Since its inception, the Marine Corps has resourced Marine Special Operations Command with significant investments in military construction for training facili-

ties, barracks and headquarters. In the near term, MARSOC will have 2,678 personnel. Our force structure review recently evaluated ways to increase the number of combat support and combat service support Marines (e.g. logisticians, intelligence personnel, etc.) enabling MARSOC's operations. I intend to add 1,001 Marines to MARSOC, which will increase its capacity by 44 percent. These Marines, who are above and beyond the planned fiscal year 2014 personnel increase, will better enable it for effective special operations.

The Marine Corps serves as the Department of Defense Non-Lethal Weapons Executive Agent responsible for developing program recommendations and stimulating non-lethal weapons requirements. Non-lethal effects are part of the Department of Defense portfolio of capabilities that enhance the Joint Force Commander's ability to act in a timely manner to detect, deter, prevent, defeat, or, if necessary, mitigate the effects of an attack. Non-lethal capabilities provide the Joint Force the ability to selectively target hostile threats, covered or concealed by civilian assets, while avoiding collateral damage. Geographic Combatant Commands are registering increased demand for non-lethal weapons options to include items such as arresting nets, dazzler lasers, acoustic hailing devices, electric stun guns, blunt impact munitions, and non-lethal warning munitions. The Joint Non-Lethal Weapons Program continues to support joint and combined non-lethal weapons research, development, training and exercises in support of all Geographic Combatant Commands.

Expeditionary Energy.—The Marine Corps is leading the development of expeditionary energy solutions for DOD and the Department of the Navy—reducing energy demand in our platforms and systems, increasing the use of renewable energy, and instilling an ethos of energy and water efficiency in every Marine. Our priority is force protection—saving lives by reducing the number of Marines at risk on the road hauling fuel and water. We also aim to help Marines travel lighter and move faster through the reduction in size and amount of equipment and the dependence on bulk supplies.

In February 2011, we issued a “Bases to Battlefield” Expeditionary Energy Strategy Implementation Planning Guidance, which sets goals, performance metrics, and a plan for implementation by 2025. This strategy supports congressional and Department of the Navy goals to increase energy security through the use of alternative fuels and energy efficiency. Since 2009 we have aggressively pursued renewable energy and energy efficient capabilities that will make Marine units more energy self-sufficient, and ultimately increase our combat effectiveness.

Within 1 year, we stood up an Experimental Forward Operating Base, sourced commercial and government technologies, trained an infantry company with renewable energy technology, and deployed them to Afghanistan in the winter of 2010 where they operated two patrol bases entirely on renewable energy. As a result, our forces required less fuel and batteries, reducing risk to Marines and saving money. This year, the Experimental Forward Operating Base will focus on the requirements of a major battlefield energy user—the Command Operations Center and the Command Element—and will evaluate a second round of energy technologies to support expeditionary operations.

In fiscal year 2012 we are devoting more resources—in current programs and new areas—to build a foundation to achieve our goals for increased energy efficiency and renewable energy by 2025. As a starting point, we anticipate savings of petroleum over the Future Years Defense Program in our Overseas Contingency Operations of 100,000 to 150,000 barrels. For example this year, we are procuring mobile electric power sources to achieve 17 percent fuel efficiency using U.S. Army funded development and Marine Corps funded procurement monies. We are also fielding Enhanced Efficiency Environmental Control Units to achieve 15–30 percent power efficiency improvements.

Installation Energy.—We are also devoting more resources to our Energy Investment Program than ever before. These funds will be used to implement the results of recent and ongoing energy audits at our installations; install more efficient systems and reduce overall energy consumption. Additionally, new facilities will continue to incorporate the latest energy sustainability and efficiency features. This effort aboard our installations complements our Corps-wide initiative to develop an energy ethos and culture of conservation.

Training

Training MAGTFs.—We are utilizing our Marine Corps Service Campaign Plan as a roadmap to strengthen and maintain our core competencies and to ensure we remain America's Expeditionary Force in Readiness well into the future. This effort also will also help synchronize our Service level security cooperation activities in support of national strategy and guide the type of training and exercises we must conduct, in particular at the Marine Expeditionary Brigade level.

Our amphibious core competency figures prominently in our Service Campaign Plan, and as a result we have undertaken an array of exercise planning in this critical skill area. We will soon be conducting a MAGTF Large Scale Exercise that will refine our capability to conduct amphibious power projection and sustained operations ashore in a joint and inter-agency environment. In late-2010 we conducted Exercise Bold Alligator 2011, the first large-scale amphibious training exercise with the Navy on the east coast in almost 10 years. This synthetic training event practiced planning for forcible entry operations against conventional and asymmetric threats and a large scale non-combatant evacuation operation. We will take lessons learned from this exercise and build upon them for the next iteration of this important exercise with the U.S. Navy scheduled in the coming year.

We are reviewing the core functions of our organizations and, where appropriate, adding irregular warfare capabilities to reflect the full spectrum of possible employment options as a core task set for the Marine Expeditionary Brigade. We view integration with other government agencies and coordination with non-government organizations as essential to our success in irregular warfare and have significantly increased interagency participation in numerous exercises and training venues such as Expeditionary Warrior-09/10, Emerald Express, Joint Urban Warrior-09, and Joint Irregular Warrior-10. We aim to capitalize on our current theater security cooperation and partnership capacity building activities with our allies and partners in all operational environments providing our National leaders with strategic options to shape outcomes, prevent and deter conflicts, strengthen “at risk” states, and deny enemy safe-havens.

PRIORITY #3 BETTER EDUCATE AND TRAIN OUR MARINES TO SUCCEED IN DISTRIBUTED OPERATIONS AND INCREASINGLY COMPLEX ENVIRONMENTS

Professional Military Education and Small Unit Leader Development.—We are planning more investments in the education of our non-commissioned officers and junior officers, as they have assumed vastly greater responsibilities in both combat and garrison. This focus on education will better train them for decisionmaking during distributed operations against more diffused threats over broader areas of the battlefield. The primary initiative to address this priority is to increase markedly their opportunities to attend resident professional military education. We are currently evaluating ways to increase throughput at resident professional military education courses with options for both constrained and unconstrained manpower and resource increases. We are evaluating traditional paradigms relative to course lengths and instructional methodology, with the specific objectives of tripling throughput at the Expeditionary Warfare School (Career level) and doubling resident Command and Staff College (Intermediate Level) throughput.

These key leaders also impact unit cohesion and our overall effectiveness in combat. Introducing these leaders into a unit at the right time and stabilizing them in a life cycle continuum of a unit positively impacts a unit’s effective training, performance and resiliency during pre-deployment training and post combat. These leaders are in the best position to influence our cultural ethos with its emphasis on intangible qualities such as esprit de corps, integrity, and “service to country during time of war.” We are currently reviewing manpower policies and models and will ensure these key leaders are present and able to lead a cohesive unit throughout its life-cycle continuum, including rigorous pre-deployment training and post deployment actions. This effort will ready our units for any fight, whether irregular or combat.

We also intend to infuse Values Based Training, rooted in our core values of Honor, Courage and Commitment, at all levels of professional development to foster resilience and to enable effective operations, especially in complex irregular environments. Our overall goal is to institutionalize efforts to develop more mature, educated, and capable non-commissioned officers and maneuver unit squad leaders. As these concepts mature, there will be costs in terms of military instruction and facilities for which we will require congressional support.

Regionalization and Specialization.—The increased call for engagement, as seen in our force structure review and in strategic guidance, requires Marines with improved cultural and language skills and formal education. To develop better specialization for anticipated future missions and operating environments, we will expand our Foreign Area Officer and Regional Affairs Officer programs, as well as opportunities to send more officers through graduate level training, fellowships and research opportunities—ideas supported by findings and recommendations of the 2010 Quadrennial Defense Review and the 2010 Quadrennial Defense Review Inde-

pendent Panel Report.¹⁴ This effort will extend to our “Whole of Government” approach toward irregular warfare as we seek greater exchanges and fellowships with the elements of the Interagency.

Marine Corps University.—We are continuing to implement recommendations of our 2006 Officer Professional Military Education Study (the Wilhelm Report) and are making significant strides in terms of resources and facilities enhancing the campus of the Marine Corps University (MCU). We have programmed approximately \$125 million in Military Construction between fiscal year 2011–12 for new academic facilities for the Marine Corps War College, Command and Staff College, and the School of Advanced Warfighting. In addition, we will expand the Staff Non-commissioned Officer Academy at the main campus in Quantico. These funds represent only a down payment on a larger commitment to double the size of the University campus and to upgrade our enlisted academies world-wide. Completion of the MCU master plan will require the demolition and relocation of tenant units aboard the campus. Detailed documentation of costs associated is ongoing; however, we estimate over \$400 million is needed to complete the master plan. Our ultimate goal is to develop the MCU into a premier institution with world-class faculty, facilities, students, and curricula; we will require the assistance of Congress in this goal.

PRIORITY #4 KEEP FAITH WITH OUR MARINES, OUR SAILORS AND OUR FAMILIES

Keeping Faith.—We expect and demand extraordinary loyalty from our Marines—a loyalty to country, family, and Corps. Our Nation has been at war for a decade, placing unprecedented burdens on Marines, Sailors, families, Wounded Warriors, and the families of the fallen. They have all made tremendous sacrifices in the face of danger. We owe them all a reciprocal level of loyalty. Our approach to caring for their needs is based on the same unwavering faithfulness they have demonstrated to the Marine Corps. We will ensure their needs are met during times of deployment and in garrison by providing the services, facilities, and programs to develop the strength and skills to thrive on the challenges of operational tempo. When needed, we will restore them to health. We will also transition them back to civilian life, and in the cases of our fallen Marines, we will support and protect their surviving spouses and dependents. We will do this by focusing on several areas this fiscal year.

Combat Stress, Resiliency, Medical and Mental Health Care.—We continue to advocate for the highest quality medical care and facilities for our service members, retirees, and their families. To ensure the Department can continue to provide the finest healthcare benefits in the country to our beneficiaries, we fully support the medical efficiencies and adjustments in TRICARE included in the President’s budget proposal.

The evolving security environment requires a physically and mentally resilient Marine able to endure extended exposure to ambiguous, stressful, and ever-changing situations. Young leaders find themselves on the vanguard of a protracted war, adapting to a variety of situations and scenarios. To improve their resilience, we are working aggressively and creatively to build a training continuum that better prepares them for the inevitable stress of combat operations and to equip them with the necessary skills required to cope with the challenges of life as a Marine.

Instruction founded and focused on our core values helps provide some of this resiliency, especially in irregular warfare and complex environments. A program combining the “best practices” of mental, emotional and physical fitness will best instill in our Marines the resiliency needed to endure the stressors of combat and enhance their ability to perform effectively across the range of military operations. We are developing a comprehensive program to improve the resiliency of our Marines both in garrison and in combat.

We are partnered with the Navy to address the nationwide dearth of qualified mental healthcare providers, which challenges our ability to provide care at some of our bases and stations and, in some cases, to our reservists in remote locations. During calendar year 2010, we saw a nearly 30 percent decrease in the number of suicides within our Total Force.¹⁵ We are too early in our suicide studies to identify what specific initiative(s) have resulted in this dramatic turnaround. However, we have implemented a number of measures on multiple fronts. Some of these include the following:

—*Evocative Peer-led Training Program.*—“Never Leave a Marine Behind” suicide prevention program for non-commissioned officers and Junior Marines. We are

¹⁴2010 Quadrennial Defense Review Report, pg 54; 2010 QDR Independent Panel Report, pgs 75–77.

¹⁵Calendar year 2010 suicides = 37 whereas calendar year 2009 suicides = 52.

expanding this training to include staff non-commissioned officers and commissioned officers this year.

—*DSTRESS Line Pilot Program with TRICARE West.*—“By Marines-For Marines” call center designed to assist with problems at an early stage. The call center is staffed by veteran Marines, providing anonymous service to all current Marines, veteran Marines, their families and loved ones.

—*Combat and Operational Stress Control and Operational Stress Control and Readiness Teams.*—Utilizing unique training programs across the Total Force and ensuring the presence of mental health professionals in front-line units as a primary prevention tool to help Marines identify and mitigate stress.

—*Marine Resilience Study to Assess Risk and Resilience.*—We are participating in a longitudinal research study that will examine risk across three domains: biological, psychological and social. The outcome of this study will inform our future work in the area of building and maintain resiliency across the Corps.

We will continue advocating to the medical community for better diagnostic and increased treatment options for Marines with severe injuries including Post Traumatic Stress and Traumatic Brain Injury. In collaboration with the other services, we developed a set of events-based parameters, mandating that our leaders search out Marines who have experienced a concussive event. This measure no longer relies on identification of impacted service members solely on their willingness to seek help on their own initiative. These protocols are in place now in Afghanistan, and we are already seeing a culture change in the attitude of Marines about being treated early for a Traumatic Brain Injury.

We have established an in-theater Restoration Center that brings comprehensive concussion diagnosis and management as close to the front lines as possible to ensure that appropriate care is available as quickly as possible. We are currently developing policy and applications to track Traumatic Brain Injury from “point of injury” to “return to full duty” separately but in parallel with medical documentation. These measures will empower commanders with the information they need to monitor the health of a Marine who has suffered a concussive event and intervene appropriately for the duration of a Marine’s career and long after the initial injury.”

Transition Assistance.—We believe transition assistance should be a process not an event. We have established a goal to make the Marine Corps Transition Assistance Management Program more value added for our departing Marines. From 2009 to 2010, we conducted functionality assessments of the Transition Assistance Management Program and the Lifelong Learning Program and noted many deficiencies. In response, we established two Transition Assistance Operational Planning Teams in 2010 to assess existing programs. We have developed an “end to end” process improvement plan that will begin at the point of initial accession into the Marine Corps and continue through post separation. We are initiating actions and integrating existing capabilities that will most directly improve the quality of support provided to Marines within 6 months prior to separation and those who have been separated at least 6 months.

Marines have expressed a desire for assistance navigating Department of Veterans Affairs benefit processes such as in cases of enrollment for and access to education benefits. We will modify existing websites to improve access and enhance opportunity for separating Marines to speak directly to Marine Corps support personnel who are trained to remove administrative benefit processing barriers. We will improve networking opportunities to help Marines find meaningful employment and are adapting our current job fairs to support increased networking opportunities that will allow them to meet mentors and employers.

Marines have asked for an opportunity to connect with employers and learn how to translate their intangible and tangible attributes. Our transition workshops will be overhauled to address these needs. Marines are also seeking help to simplify enrollment processes for the post 9/11 Montgomery GI bill and to gain access to academic institutions that will provide the quality and level of business education and skills private industry demands. We have initiated a Leader-Scholar Program, which includes academic institutions who value Marines’ service commitment and pledge special enrollment consideration. While the support varies from school to school, we now have 75 participating institutions with the goal of an additional 25 by the end of this year. As we gain momentum, we will continue to change the transition assistance program from its current event focus to that of a process that re-integrates Marines into the civilian sector with the knowledge, skills, and abilities to leverage and communicate their Marine Corps time and experience.

Family Readiness Programs.—We increased baseline funding for family support programs beginning in fiscal year 2010 to ensure appropriate wartime footing. Programs benefitting from this measure include the Unit, Personal and Family Readiness Program; Marine Corps Family Team Building Program; Exceptional Family

Member Program; School Liaison Program; and other miscellaneous Marine Corps Community Services Programs supporting remote and isolated commands, deployed Marines, and independent duty Marines and families. We are currently conducting a complete review to ensure effectiveness and efficiency of these programs. Our goal is to determine where expansion may be needed to further assist our families and where programs can be streamlined to reduce redundancy.

Wounded Warrior Care.—Marines continue to suffer numerous wounds, trauma, and injuries during operations in combat and during training missions. Many of these brave heroes with significant injuries are convalescing at military treatment facilities here in the National Capital Region and across our Nation at other major military treatment facilities. Our Wounded Warrior Regiment provides non-medical care management services to wounded, ill, and injured Marines and their families. The Wounded Warrior Regiment continues to improve existing programs and add new support mechanisms. We have increased support to wounded, injured, and ill reserve Marines through additional Recovery Care Coordinators, enhanced family support at military treatment facilities, and one-on-one orientation sessions. We also provide Integrated Disability Evaluation System Support through Regional Limited Duty Coordinators and Wounded Warrior Attorneys. We have also initiated a mandatory Warrior Athlete Reconditioning Program. Outreach is an important aspect of the Regiment's non-medical care delivery and management. The Sergeant Merlin German Wounded Warrior Call Center extends support to Marines and families through advocacy, resource identification and referral, information distribution, and care coordination, 24 hours a day, 7 days per week.

The comprehensive care coordination provided by the Wounded Warrior Regiment throughout the phases of recovery has been highly successful. The results of internal assessments have substantiated that creation of the Wounded Warrior Regiment has had a positive impact on the support offered wounded, injured and ill Marines and families. The Marine Corps will continue to honor the commitment to our Wounded Warriors and to help them return to full duty or successfully reintegrate into their communities.

Behavioral Health Integration.—Behavioral health needs since 9/11 have become increasingly complex with individuals often requiring assistance in a number of areas at one time. Marines with more than two deployments have been identified as a higher risk population. According to the Joint Mental Health Assessment Team, psychological health problems remain steady at 11 percent of Marines for the first and second deployments, but increase to 22 percent for those who have deployed three or more times. Sixty-five percent of Marines are under 25 years old. Associated with this young force are high-risk factors that include communication and coping skills, isolation, combat-related wounds and substance abuse. Drawdown of end strength following Operation Enduring Freedom and return to garrison life will likely result in additional behavioral healthcare requirements as Marines redeploy and adjust to the garrison environment. We continue to move forward with our integration of prevention and intervention programs initiated in 2009. We have established a Behavioral Health Branch at our headquarters for Manpower & Reserve Affairs. Headquarters Marine Corps Health Services also has created and filled a new billet for a Director of Psychological Health.

Military Construction.—The Marine Corps maintains its commitment to facilities and infrastructure supporting both operations and quality of life. Our military construction and family programs are important to success in achieving and sustaining our force structure and maintaining readiness. For many years, we funded only our most critical facility needs. As a result, our installations were challenged to properly house and operate the additional forces required to meet our planned end strength increase. Between fiscal years 2007–10, we received \$6.9 billion in new construction and design. With this funding, we are providing new quality of life facilities, improved operational and training facilities, and more modern utility infrastructure systems.

Our fiscal year 2012 military construction budget request is \$1.4 billion. With these requested funds, we will provide Bachelor Enlisted Quarters, aviation support facilities, and improvements to quality of life, utilities and infrastructure, and professional military education facilities. Additional family housing efforts in fiscal year 2012 include improvements to existing housing units and funding for the operations, maintenance, and leasing of 1,100 units worldwide and oversight of 22,000 privatized units.

CONCLUSION

The United States Marine Corps remains the Nation's crisis response force-of-choice. Our continued success in Afghanistan and throughout the globe is made pos-

sible by the loyal sacrifice of our incredible men and women in uniform, Civilian Marines, and our Marine Corps family. The personnel, equipment, and training that have given us success over the nearly past 10 years at war has come through the ongoing support of Congress and the American people. I promise that your Marine Corps understands the value of each dollar provided and will continue to provide maximum return for every dollar spent.

In the coming year, we will begin a deliberate transformation into a force optimized for the likely threats of the next two decades. We understand and appreciate the contribution that each Marine has made for this great Nation, and we recognize the heavy burden it has placed on their loved ones. We remain “Always Faithful” to our Marine Corps family, to Congress, to our chain of command and to the American people.

LITTORAL COMBAT SHIP SPLIT BUY PLAN

Chairman INOUE. If I may, I’d like to begin asking questions.

Mr. Secretary, you have received authorizations to have a split buy on the LCS. How will that benefit the Navy?

Mr. MABUS. Mr. Chairman, as you pointed out, we have received authority to buy both variants, both the one made in Marinette, Wisconsin, and the one made by Austal in Mobile, Alabama. These ships bring us differing but important capabilities, each one of them.

When I became Secretary, this program, in the summer of 2009, bid out three ships. We had planned to buy both versions at the time, but the bids came in just unacceptably high. So, we made the decision to reduce that to one version, have the two yards compete against each other.

Over the course of the next year, the bids came in dramatically reduced. The average ship cost, over 10 ships, for each variant is less than \$440 million. By doing both versions and using two yards—and we had always planned on using two yards, whether we had one version or two—we were able to speed up the delivery of the ships. We were able to buy 10 ships, from 2011 to 2015, and to buy—from each supplier—which will get us almost one-half the class of ships—55—that we’re planning to build with the littoral combat ship.

This ship, and its two variants, is incredibly important to the Nation’s future and to the Navy’s ability to do the missions that we’re given. Shallow draft, very fast, manning of about 40 people for the core crew, and another 30 for the weapons systems, gives us great flexibility to meet the challenges that we see in the future.

Finally, the fact that it—that both these ships are modular, that you can take one weapon system off and put another one on, means, as technology improves and as weapon systems change, we can keep up with the technology, we can change weapon systems without changing the hull, without changing the entire ship.

So, we think that this is going to provide us an incredible capability at a greatly reduced cost, almost \$3 billion in savings, from the first 20 ships, and that it will give us the flexibility that we need to perform the missions that the Navy has been given.

Chairman INOUE. You’ve spoken about the continuing resolution, and all of you have done the same. I can assure you that this subcommittee is very much against the continuing resolution, because that’s no way to run the Government. And we’ll do our best to go back into regular order. As you know, in the last fiscal year, we did—12 subcommittees—come through with our bills on time.

CONTINUING RESOLUTION IMPACTS ON 313 SHIP GOAL

On the matter of 313, as Admiral Roughead stated—the base, the minimum—how will the continuing resolution and the budgetary crisis affect this number?

Mr. MABUS. We have, as I pointed out, 56 ships across the FYDP. But, because of the continuing resolution, we are unable to begin one Virginia-class submarine this year. We have planned to build two each year, over the next—well, starting in 2011, over the next 6 years. And we have a multiyear procurement authorized by Congress to do that. If we are unable to start the second Virginia-class, we will break the multiyear, and we'll have to go in and renegotiate the cost of future Virginia-class submarines. We have two Arleigh-Burke DDG-51 destroyers that we cannot start as long as we are operating under the current continuing resolution.

The impact—and one MLP—one mobile landing platform—the impact from not beginning those ships will have ripple effects as we go forward. It will keep us from reaching the numbers that we need as quickly as we need. It will mean that the ships will almost inevitably cost more, which may mean fewer ships. If our shipbuilding plan, that we submitted for fiscal year 2011 and updated for fiscal year 2012, is fully built and funded, we will not only get to the 313 floor, but we will reach in the neighborhood of 325 ships early in the 2020s, which will give us what we need to have for a global fleet. But, we are very concerned that if we are unable to start these ships this year, in fiscal year 2011, that the ripple effects will have huge impacts as we go forward.

Chairman INOUE. Thank you very much.

RUSSIAN NAVY ASSESSMENT

Admiral Roughead, in recent months very little, if anything, has been said about the Russian navy. If you look at the front pages, you don't see anything about the Russian navy. But, at one time, it used to be a formidable force. What is your assessment of the Russian navy today?

Admiral ROUGHEAD. Thank you very much, Senator.

And, to your point, the Russian navy has not been in the news that much. And that really, in my opinion, is because, in the period of the 1990s, that the navy was significantly reduced in capability and capacity. The funding had fallen off. Several of the shipbuilding programs had stopped or atrophied.

That has since changed in recent years. And with the economy contributing to the resources that are now made available to the Russian navy, I believe you're going to see an increase in the capability, the capacity, new shipbuilding programs taking hold. Recently, there are negotiations taking place, between France and Russia, on construction of a large amphibious ship. And so, I believe that the Russian navy, which still has great ambition, great pride in the fact that they are at a world-class level of capabilities, will now begin to, for want of a better term, rebuild itself, bring more modern capabilities to bear, and to be able to operate more widely.

That said, I believe it's important that we work closely with the leadership of the Russian navy to see where there are opportunities

for cooperation, to see where we can join together and have a relationship that is constructive and globally relevant.

I think it's also important to note that we have been conducting operations with the Russian navy in the counterpiracy area.

But, clearly I think, after a period of stagnation in the 1990s, the Russian navy is moving again.

CHINESE NAVY ASSESSMENT

Chairman INOUE. Can you give us an assessment of the Chinese navy?

Admiral ROUGHEAD. Thank you, Senator.

And I've been an observer of the Chinese navy now for probably over 15 years, where, because of my assignments in the Pacific, I've had an opportunity to not only visit China on several occasions, but also to be present when Chinese ships have called in Hawaii, when I was commanding there, and to have had the opportunity to spend several sessions with my Chinese counterpart, Admiral Wu Sheng Li. The Chinese navy is—has been advancing, developing, expanding their shipbuilding programs, increasing the level of technology that is available to them, and also beginning to operate more globally.

Like the Russian navy, we also, for the last 2 years, have been operating daily with the PLA navy in counterpiracy operations.

But, we see their submarine fleet expanding, surface combatants are expanding. But, it's also how they're using command and control and the nature of the operations that tend to expand beyond what we call the "first island chain," in the western Pacific.

It's a navy that's also seen the value, as we have, in aircraft carriers. And they have an aircraft carrier development program that's underway. The initial phase will be based on a former Russian aircraft carrier. But, I see that developing. And, as you know, the PLA has a longer view of time. And it's a very thoughtful approach on how you bring these capabilities to bear.

Similarly, I believe it's important that we look for ways, as we're doing off the coast of Somalia, to develop a professional relationship, and to also develop personal relationships with the leaders in the PLA navy, so that we, too, can operate in ways that enhance the safety and the security of the world oceans. But, it's a navy that I would say is the fastest-growing, not just in capacity, but also in capability, in the world today.

Chairman INOUE. I've been told that the Chinese have more submarines than we have. Is that correct?

Admiral ROUGHEAD. Yes, sir, in terms of numbers. But, I also believe that there's a qualitative dimension to the submarine force. And there is no question in my mind that we, in the Navy—in the United States Navy—operate the most capable submarine force in the world. And with the advent of the Virginia-class submarine into our inventory, there's no finer submarine, no more capable submarine in the world today than the Virginia. And that's why being able to get to the build of two per year, to be able to take advantage of the multiyear, that the Secretary pointed out, why getting out from under the continuing resolution is key, because the Virginia submarine is the most capable warship that we have.

Chairman INOUE. Thank you.

May I ask General Amos a few questions.

UNITED STATES MARINE CORPS FORCE STRUCTURE CHANGE IMPACTS

The Marine Corps recently announced significant force-structure changes that will greatly affect the composition of your units in the future, making them lighter and more agile. This review stated that these changes will impact your budget request for fiscal year 2013 and beyond. However, we have before us the 2012 request for equipment that will likely start delivering when you begin implementing these changes. Can you explain to the subcommittee the immediate impact these force-structure changes on the procurement programs, such as MRAP tactical vehicles and other equipment will have?

General AMOS. Chairman, just a quick note on the effort itself. It began last fall, spent all fall with a lot of really smart folks working to determine what the Marine Corps should look like in a post-Afghanistan environment. That was the framework we began with. We began with the mission of the Marine Corps, which is America's expeditionary force and readiness, this crisis response force. So, using that as the background, and understanding that—and informed by, this would be a force post-Afghanistan, we began to take a look and say, "Okay, with the future security environment that we will be likely working in for the next two decades, what would that force be required to do?" And, again, informed with history, we said, "What should it do? What kind of equipment would it need? How big would it need to be?" So, the results were finished right around Christmas, and briefed to the Secretary of the Navy in January, the Secretary of Defense in early February.

Right now, the Marine Corps sits at 202,000 marines. We grew—started in 1990—excuse me—started in 2007, from about 182,000, up to 202,000. And that was so we could get some dwell time in our units, in—that are combat units that were deploying constantly in and out of Iraq, and certainly now in Afghanistan. That's happened, that's been very beneficial. But, does the Marine Corps need 202,000 in a post-Afghanistan environment? And the answer was no.

So, based on that, we built a force with capability sets learned from the lessons—or, educated by the lessons of 9 years of combat. I think it's a more capable force. We will go down to 186,800 marines. The guidance I have been given by the Secretary of Defense and the Secretary of the Navy is that that is conditions based. It is not designed to do this now, while we have 20,000 marines on the ground in Afghanistan. This is post-Afghanistan.

So, we are looking now—when I made the comment, in my statement, that we were—they will have some immediate, during fiscal year 2012, changes; that's predominantly within the structure that we currently own. In other words, we're going to eventually reduce 21 headquarters as we flatten the Marine Corps to make it more capable and less complicated by higher levels of decisionmaking. So, we've collapsed or eliminated 21 headquarters. We've eliminated three infantry battalions. But, those will not go away until the end of—until our war is over, until we come out of Afghanistan.

So, within fiscal year 2012, there will be very little, other than just moving some capabilities around internally within the Marine

Corps. For example, we'll probably go ahead and collapse a couple of these headquarters in fiscal year 2012. We're going to take some of the structure that we currently have, and we're going to start putting it into our Cyber Command so we can beef that up. We're going to take some of our current 202,000 marines and move them into Marine Special Operations Command and begin that migration.

So, the actual cost in 2012 will be transparent. Where we think we're going to begin to see some cost breaks will begin in 2013. We don't know precisely what that will be, because we're going through all the detailed analysis now of: Precisely when do you start drawing down equipment? Or, when do you stop, perhaps, buying equipment that you had planned on buying, at the rate that you were buying?

So, we don't know the answers to that yet, Chairman. But, we will know that probably by June, as we begin to really get serious about the fiscal year 2012 budget. So, the end state will be a very capable force, capable of doing everything that we have done in the past, be slightly larger than what the force was when we began the buildup in 2007. But, it will be informed and—by all the lessons learned of almost—really, almost 10 years of hard combat.

Chairman INOUE. Thank you very much.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

U.S. NAVY DISASTER RELIEF ASSISTANCE TO JAPAN—SECNAV

Mr. Secretary, we all have been watching the news reports from Japan and the vicinity, about the effects of the earthquake and other related collateral damages that may have been done in that region. Do we have naval forces that have been affected directly by this tragedy? And, if so, what are we doing to position for either relief efforts for our own troops and ships or land-based personnel who happen to be in the area? To what extent is the Navy involved in that?

Mr. MABUS. Senator, first, thank you for your very kind remarks in your opening statement.

We are very involved in all aspects of the relief effort in Japan. As CNO pointed out, we have, or will soon have, 14 ships and more than 10,000 people in Japan, or in the waters off Japan, to do humanitarian assistance and disaster relief. The marines have—from the 3rd Marine Expeditionary Force in Okinawa—have brought a headquarters company up, with 500 marines, to very close to the affected area to do things like radiological testing, to do humanitarian assistance planning. They've also established a refueling station so that we can use our helicopters more effectively.

We're also flying with fixed-wing aircraft to deliver humanitarian assistance. We're flying our helicopters—and we will soon have almost 70 helicopters—in the region or in the area that was affected. We're moving Japanese first-responders—Japanese troops—by ship to the affected area.

In terms of our own folks there, as you well know from your visits there, we have ships home-ported in Japan. In Yokosuka, we have the USS *George Washington* and a couple of other support ships there. We have been monitoring the—what has been going on

with this disaster. A couple of days ago, because of a wind shift, we recommended that our people in Yokosuka and other bases that we have on Honshu, the main island in Japan, remain indoors, to the maximum extent possible, because of radiation exposure. We didn't believe it was a threat to health or to life, but, out of precautions, we urged them to stay inside. The wind has since shifted again, and we've removed those precautions.

We have moved our ships off the coast of Japan to keep them out of the plume that is developing. We are monitoring individuals that are actively engaged in the relief effort, to make sure that their radiation exposure is within appropriate bounds. We have done decontamination work on equipment, which mainly involves just washing them—washing surface radiation off—to date.

U.S. NAVY DISASTER RELIEF ASSISTANCE TO JAPAN—CNO

But, we're going to continue to, every moment, monitor the situation to—and, in case there are changes, to make the appropriate changes for our people who are there permanently and to the forces that we have sent to help in this humanitarian disaster.

Senator COCHRAN. Admiral Roughead, do you have any comments to make along those lines?

Admiral ROUGHEAD. Just to echo what the Secretary said. I think the benefit of having the forces forward-deployed, but also the flexibility that we derive from a global forward-deployed Navy, allowed us to move one of our aircraft carriers into position very promptly. The USS *Ronald Reagan* is off the coast of Honshu, operating in areas that are safe to operate in. And the nature of being able to close forces, to pick up from an exercise in Southeast Asia and, in a matter of days, move off the coast of Japan to be able to provide this assistance—and it's coming from all of our ships; it's not just the aircraft carrier. We have guided-missile destroyers that are serving as fueling pads for the helicopters that are involved in search and rescue. Our amphibious ships, with their capacity—and, as the Secretary mentioned, one of our amphibious ships is up on the island of Hokkaido, loading Japanese self-defense forces to be able to then go down to Honshu.

U.S. NAVY DISASTER RELIEF ASSISTANCE TO JAPAN—CMC

And I think what it describes is a global Navy that's forward, that's ready, that can respond, but it has a variety of capabilities that gives you that balance that can swing from, in one case, combat operations, all the way to humanitarian assistance. I think it's important to realize that the USS *Ronald Reagan* and her strike group were on its way to conduct combat operations in Afghanistan when, on a moment's notice, it shifted into a full humanitarian mode. That shows the flexibility of our force. Most importantly, it shows the flexibility and the compassion of our people.

Senator COCHRAN. Thank you.

General Amos, do you have Marine Corps forces in the region? And, if so, what's the effect on them?

General AMOS. Senator, we do. We have about 500 marines on the ground right now. They're at various locations. Some are at the Naval Air Station Atsugi, which is just south of—it's really in the suburbs of Tokyo. We have some at Yokota Air Force Base, where

we brought in what we call our Expeditionary Mobile Command Post, which is a very capable trailer-like setup, where we can talk to just about anybody in the world, with enormous capability. So, we brought that in. And then we set up—just as the Secretary said, just east of the affected area, we set up a—what we call a forward arming and refueling point. We're certainly not doing any arming, but—that's what we call them—but, it's where we bring in the actual fuel and bladders. We bring in pumps. We bring in hoses. We can hook up to any jet aircraft. We can hook up to any helicopter. And that's what we do with expeditionary marine aviation.

So, for us, being able to work in a very austere environment suits our capabilities well. So, we bring that. So, we are forward to the east, and we're south with command and control. And, as the Secretary and the CNO have said, we've got 2,200 marines on board the USS *Essex* and that marine expeditionary unit.

So, yet to be seen what they're going to do, but everybody is poised to assist with humanitarian operations. It can be everything from medical—it can be just evacuation. It can be food and water—clean water. It's a host of things, Senator. And so, we do this. We practice it. As I said, in my opening statement, we did it in Haiti, just about this time last year. We did it in Pakistan, 400 miles deep, when the floods—we've done it on the backside of the Philippines, when that super typhoon, Megi, came through. So, we actually—this naval force has an enormous capability.

I was particularly proud and pleased that, within 12 hours notice, that eight C-130Js and eight 40-year-old CH-46 helicopters, with their marines and their equipment, flew out of the Marine Corps air station, Futenma Okinawa, and headed north to help out their brothers and sisters on the mainland Japan.

Senator COCHRAN. Thank you. We appreciate your leadership in monitoring U.S. interests in that region, and being a good neighbor at the same time.

Thank you.

Chairman INOUE. Thank you.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Gentlemen, thank you.

And I, too, will echo the comments of the chairman and the vice chairman here in thanking you and the men and women that are working so hard and in such an incredibly capable way to provide for the level of rescue and relief, as we watch, in Japan.

And I appreciate the fact that we have the ability to be nimble as a Navy, as the marines, as our armed services are. We never know what's going to hit us, whether it's an earthquake or a tsunami, or what the disaster might be. But, one way or another, we figure it out.

EVOLVING ARCTIC CONSIDERATIONS

We've got a situation, up in the Arctic, that is not something that is happening overnight. We are seeing an evolving Arctic; an opportunity, viewed by many, but also a very noticeable challenge to us, as we, as an Arctic nation, work and act to be engaged in an area that, quite honestly, we haven't had to look at. When something's been locked up in ice, it's kind of put on hold, out of sight, out of

mind. That situation is changing as we see the impact of receding ice, as we see a level of commercial activity, of military activity, of tourism up in the Arctic. And it brings to mind the question as to, how nimble, how flexible we will be—can be—in an area that we just have not really had to have much of a presence?

There's a report that was released recently by the National Academy of Sciences. And they state that, "Even the most modest current trends in climate change, if continued, will present new national security challenges for the U.S. Navy, for our Marine Corps, and our Coast Guard."

We've seen reports that China plans to receive over 150,000 tons of oil, 600,000 tons of iron ore, and about 400,000 tons of gas condensate this year, all of which is going to be traveling in the maritime route, up north, through the Northern Sea Route. And depending on the size of any of these vessels, China's looking to receive anywhere from 7 to 28 tankers through the Northern Sea Route this year, an incredible increase from what we have seen last year. And it's not just what we're seeing from China in that activity. As I mentioned, we're seeing cruise ships that are coming up above the top; obviously, a greater increase in shipping activity. And the expanding role up there is something that—those of us that focus on the Arctic issues are concerned about our readiness.

The question that I have to you, Admiral, is, do we have the resources—the assets, the staffing, the training, the funding—that is necessary to develop the national security, the sovereignty concerns, as we see increased international presence within the Arctic?

EVOLVING ARCTIC CONSIDERATIONS—TASK FORCE CLIMATE CHANGE

I note that you, in response to the chairman, indicated that China has more submarines than we do as a nation. I understand that China has more icebreakers than the United States has. And we're the Arctic nation, they are not. So, can you speak to the—again, the changing role that we have, and our readiness?

Admiral ROUGHEAD. Thank you very much, Senator. And I thank you for your interest in the Arctic.

A couple of years ago, I put together something that I called Task Force Climate Change, to really look at the changes that were taking place, primarily in the Arctic, but it also expands into other areas of the globe.

But, there is no question in my mind that the Arctic is changing. I often, in public comments, refer to "the opening of the fifth ocean," which is the Arctic Ocean. We have not had an ocean open since the end of the ice age. So, this is a big deal. And the changes that you described—the fishing fleets beginning to migrate with the fishing stocks, mineral extraction will be taking place. Ultimately, we'll get to a point where we have profitable commercial channels that are now open. And that probably is within the next two decades.

And so, what we've done with Task Force Climate Change is, we've begun to look at, what is it that we must be putting in place as this ocean opens up? We have put some money toward that continued study and thinking about where we have to be. We're working very closely with the Coast Guard on how they see that future and how we must cooperatively work together to have in place the

right types of equipment and communications and surveillance systems in the polar areas so that we have a better understanding of what's going on up there.

ARCTIC CONSIDERATIONS—CONVENTION ON LAW OF THE SEA

But, I would say the most important thing that I think we should do is to become party to the Convention on Law of the Sea. And I know that, in some areas, that may not be a popular view, but my sense is that if we are not party to that treaty, then we will not have a seat at the table as this unfolds.

Senator MURKOWSKI. Can you go into, I think, a little more detail, in terms of what it means to not have a seat at the table? Does this limit our ability, within the U.S. Navy, within the Marine Corps, to be engaged, to be responsive, to be a participant in what is happening in the evolving Arctic? Because this is an issue that I'm very focused on—

Senator ROUGHEAD. Yes, ma'am.

Senator MURKOWSKI [continuing]. And I'm not seeing the urgency that I feel needs to be taking place on this issue.

Admiral ROUGHEAD. I think it—first off, if I could say about the convention, there are some who believe that being party to this convention will inhibit our ability, as a Navy, to conduct the operations that we conduct, and that we must, to support the interests of the Nation, be able to conduct. That is simply not the case. It in no way inhibits us.

But, what it does do, as issues of the Arctic and claims that are being adjudicated and discussed are taking place—not being party to that treaty, we will not be part of that discussion.

I would also submit that we, as a global Navy, as a Nation with global interests, the leadership role that we play in many venues is significant. And countries look to us to be able to take the principled positions that we do, and to lead in those positions. And as these issues that are being discussed, adjudicated, for example, in the Arctic, not only will we not be there, we will not be able to be that leader that I think many countries look to and will continue to look to in the future. So, I think it will inhibit and, I think, would—will be a detriment to us, as a Nation. But, in no way will it limit our ability to operate effectively as a Navy.

Senator MURKOWSKI. Well, I appreciate your leadership and your outspokenness on that as an issue. I do feel pretty strongly that we need to take the initiative, here in the Senate, to move toward ratification of that treaty.

Thank you, gentlemen.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

I'd like to welcome back Senator Coats. Welcome back, sir.

Senator COATS. Thank you, Mr. Chairman and Senator Cochran and Senator Murkowski. I am pleased to be on the subcommittee, and appreciate the opportunity to do this.

I need to make a bit of a confession. I—during my first term of service, I was an authorizer on the Senate Armed Services Committee for 10 years, and I must admit, I was—there were times when I was grumbling about the role of the Senate Defense Appropriations Committee. Now I am one. And so, I'm looking forward

to working with both the chairman and the ranking member and others on the subcommittee, and hopefully finding some seamless ways in which we can coordinate with the authorization committee to strengthen and make sure we have the kind of national security apparatus that has sustained this country for so long, and hopefully we can maintain that.

So, thank you, Mr. Chairman, for your welcome.

U.S. NAVY-CHINESE NAVY RELATIONSHIPS

Admiral Roughead, I was interested in your response, relative to the relationships that you've developed with the Chinese navy. It wasn't that long ago—just a couple weeks, I think—when DNI Director Clapper told a Senate subcommittee that China was one of the two major threats. And we have seen a significant increase in spending and development of not only the Chinese navy, but the Chinese military.

And so, I wonder if you could just delve a little more into that, in terms of your relationship, what your response is to DNI Clapper's view, in terms of the Chinese navy being a major threat to the United States, and give us some of your thoughts in that regard.

Admiral ROUGHEAD. Thank you very much, Senator.

And whenever I talk about a threat, whether it's another navy or simply walking down a road, I think a threat requires two things. It requires the capability to do you harm, and it also requires an intent to do that. And so, I think those are two components of threat. As I look at the PLA navy, and I look at how their capabilities are developing, as I do globally, with any navies around the world, I look at what those capabilities are, how they're employed, what the competence of their people are. And so, I continue to watch that. And, as the leader of our Navy, my obligation, my duty, is to make sure that we, as a navy, are never denied any options when it comes to capability.

And as you look at our programs that we have laid out within this budget, they are focused on not just the types of wars that we find ourselves in today, but also, where is technology taking naval warfare? And how do we, as a navy and as a Nation, always enjoy the advantages of being able to be in an unfair fight, from our perspective? So, that's what I do, as the Chief. So, I'm comfortable with the programs that we have put together, with the initiatives that we have put in place here.

I do—as I mentioned, in my earlier remarks, I think it's important to try to gain insight into what their intent is and how they intend to use that navy. So, watch developments very closely, build programs so that we are not disadvantaged. And I think that's why you've seen the emphasis on antisubmarine warfare in this budget—integrated air and missile defense, electronic warfare, cyberwarfare—because that's the world that we're going to be operating in for the foreseeable future.

CHINESE NAVY STRATEGIC INTENTIONS

Senator COATS. Well, in listing those decisions, which I think are appropriate decisions, I mean, is it fair to—what do we think the intent of the Chinese is, relative to their navy and its—what is

their objective? What is their—what are their strategic objectives? Can you give us some insights into that?

Admiral ROUGHEAD. Yes, sir. I would say it's the objective that nations and navies have had throughout history. With regard to countries whose economies rise, and if those economies are built on transoceanic trade, it follows that there will be a strong navy. It happened with the Portuguese, the Spanish, the Dutch, the British, and with the United States. And as China's economy has grown, and as the resources have been available, and as they rely on the sea lanes of the world to bring resources in and goods out, they want to ensure that those sea lanes are able to be used. And that's what navies have done throughout history. And so, that's how I see the PLA navy developing, being able to control the sea lanes that are important to them, the areas around their country that are important to them. That's the path I see them on.

CHINESE MISSILE DEVELOPMENT

Senator COATS. What's your read on the Chinese development of a new missile capability in taking out carriers? I mean, there's a lot been written in—about that. This is more than just defending sea lanes for trade. This is a very aggressive weapon designed to take out a hugely expensive piece of property. That has immense implications, should something like that happen.

Admiral ROUGHEAD. Yes, sir. I would say that—and I know there's been a lot of discussion about the DF-21 missile, which is what has been developed. But, I think throughout war—the history of warfare, there have always been, how do you develop new capabilities to counter a capability that someone else has?

I would submit that the DF-21 is no more an anti-access weapon than a submarine is. Because I could argue that you can take a ship out of action by putting a hole in the bottom faster than you can by putting a hole in the top. So, I think it's all part of being able to control sea space, control access into the ocean areas. So, I think that that has—is part of it.

But, I would also say that, even though the DF-21 has become a weapon of—a newsworthy weapon, the fact is that our ships, particularly our aircraft carriers, can maneuver. We have systems to counter weapons like that. And so, you would expect me, as someone who wears this uniform, to prefer to be on that aircraft carrier, that can move and do other things, than to be on a fixed shore base where the targeting problem is extraordinarily easy, relative to trying to find, then target, and then hit a moving ship.

Senator COATS. I don't want to get into a classified area, but I assume, on the basis of what you've said, that we are pursuing, or have effective—what we believe to be, or will be, effective defensive systems to protect against that kind of a threat.

Admiral ROUGHEAD. Senator, my objective for our Navy is—whether it's a submarine, another ship, an anti-ship cruise missile, low-flying missile, or a ballistic missile—is to not be denied ocean areas where we can operate, or not be restricted in our ability to operate.

Senator COATS. Yeah.

F-35B (STOVL) DEVELOPMENT

Mr. Commandant, General, just one question, in the interests of time here. The F-35B, the V/STOL, now under moratorium for 2 years—what if the worst-case scenario happened—either funding wasn't available to go forward with that, or the technical issues associated with the development of that were prohibitive, or the combination of the two, the funding and the technical problems—and we couldn't build that or couldn't source you with that. What are your alternatives? How serious an issue is this, relative to your capabilities in the future, if we were not able to do that?

General AMOS. Senator, the short answer to your question—then I'd like to put a little bit more on the back side—is, there is no alternative right now. And the impact is more than just to the Marine Corps. This is our Nation. Right now, today, we have 11 carriers—11 carriers that transit the world, and some of which are off the coast of Japan right now, and off the coast, doing combat operations in the Southwest Asia area.

We also have 11 large-deck amphibious ships, one of which is the USS *Essex*, that's—that will arrive off the coast of northern Japan later today. So, 22 capital ships flying fixed-wing aircraft off. Now, our amphibious ships, we fly MV-22 Ospreys, we fly helicopters, attack helicopters, and we've got about 500 marines on board one of those large-deck ships. And then we spread the other marines out.

But, what this means for the Nation is, if we lose this capability, the ability to take a fixed-wing aircraft and land it vertically on board a—large-deck amphibious ships, then our Nation now is reduced, by 50 percent, its ability to influence and—its—you know, its will, around the world, at any given time.

You take the F-35B, which is the Marine Corps version, short takeoff and vertical landing—we'll take off from that amphibious ship. It is a fifth-generation aircraft. It not only is a strike aircraft, but it's what we call an ISR platform—intelligence, surveillance, reconnaissance. It has the ability to do electronic jamming, electronic warfare, just inherent in the basic platform. It will have the ability to do information management, and spread that out over large portions of the battlefield, down to a marine corporal who's on the ground. It has that ability inherent in the platform. That makes it, along with its ability to carry weapons, its stealth, a fifth-generation fighter.

So, in a nutshell, if we lose this, our AV-8B Harriers, the ones that you see land vertically—and we've been flying them for so—for a long time—will begin to run out of service life around 2020, 2022. So, if we lose this airplane, then what you'll have is, you'll have 11 large-deck ships—carriers—with fifth-generation airplanes, and you'll have 11 large-deck amphibious ships with rotary-wing aircraft doing rotary-wing-type missions instead of having the ability to have fifth-generation fighters on there.

The last thing I'd say, Senator, is—I've been tracking the F-35B—as I said in my opening statement and in my written statement—very, very carefully. If—in my office, I watch the metrics of how that program is progressing. Tomorrow, the program manager and the senior leadership of Lockheed Martin and the senior lead-

ership of the Department of Defense come to my office—tomorrow will be my first monthly meeting—where we sit down and we go over the progress of this airplane. I will not be surprised by this. The airplane is—by order of the Secretary of Defense, is on a 2-year probation period. I don't want it to last 2 years. I don't think it needs to last 2 years. I think we'll be able to prove the airplane's performance and ability to meet standards well before then. But, that's the decision my seniors have to make.

But, I want this subcommittee to know that I'm tracking it. I'm watching it. I'm very encouraged by what I've seen, just in the last 70 days. This year alone, the airplane has flown over 140 percent of its scheduled test flights. That's our version, the one that's on probation. It's flown more than four times the amount of vertical landings that it flew all last year, in the first 60 days of this year. This year, it's scheduled for 480 test points. Every airplane that goes up on a test flight has to hit certain specific test points to determine the—how the airplane is performing. We've flown almost one-half of those test points—not quite; about 40 percent—just in the first 70 days of this year's schedule.

So, I'm encouraged. The engineering fixes are coming along. But, I'm not a Pollyanna. I'm going to watch it very, very carefully. And as I said to the Secretary of the Navy and the Secretary of Defense, that if this airplane is not performing, much like the EFV, then I'll be the first person that comes forward and says, "Okay, then we need to cancel it." But, I'm optimistic. I don't think that that will happen.

Senator COATS. Okay.

Mr. Chairman, thank you.

Mr. Secretary, thank you for your service. I don't have any questions.

I appreciate being a part of the subcommittee and look forward to future times together.

Chairman INOUE. Welcome back.

I have many other questions I'd like to submit to the panel for their responses. But, may I ask one question.

The front pages have been filled with articles on the unrest and the instability of the Middle East. I'd like to know about the Navy's readiness posture. Are we ready to respond to anything?

Mr. MABUS. Mr. Chairman, I'll give you the overall answer, and then I'd like the CNO to give you details. But, the overall answer is, yes, sir, we can respond to whatever mission is given to us in the Middle East or anyplace else in the world. And we are—we have the readiness and the capability to do that.

Admiral ROUGHEAD. To follow up on the Secretary, Mr. Chairman, as you know, we maintain a ready force in the Central Command area of operations, the Middle East. We currently have two aircraft carriers that are deployed there—submarines, surface ships. And when they go forward, they are prepared for a range of operations, all the way from high-end combat to, as we see, humanitarian assistance. But, we train them to go forward, to be prepared, to be ready for sustained combat at sea. That has not changed, and that will not change.

And so, the forces that are in the Arabian Gulf, in the North Arabian Sea, are prepared and very flexible to do whatever would be required of them.

And then, we've also put some forces into the Mediterranean, because of the unrest that has taken place in the Magreb, particularly in Libya—took some ships from the Amphibious Ready Group that was there, put them in the Mediterranean. Destroyers and submarines are also present there. So, it's also the place where we have our 5th Fleet Headquarters, in Bahrain, where the 5th Fleet commands the operations in the Central Command area of operation.

U.S. NAVY AND MARINE CORPS READINESS POSTURE

I'm in daily contact with our commander there. The unrest has not been manifested toward the United States, or, indeed, any Westerners. And the 5th Fleet operations continue.

In the last couple of days, there was an authorized departure that was put in place for our dependents in Bahrain, and some of the families have started to take advantage of that.

But, we remain ready. We are ready. Our command and control is in place, and our capability is in place. And those naval forces are ready to do whatever is asked of them.

Chairman INOUE. General?

General AMOS. Sir, we have—as you know, most of our forces are on the ground, currently, in Afghanistan. Although we have a MEU, a marine expeditionary unit, that should be arriving there in the next couple of days, we have a portion of a marine expeditionary unit currently on the ground, in Afghanistan. So, those forces that are attached to naval vessels are ready, sir. And we are bringing in this capability from the west coast—should arrive here shortly. But, all those forces at a very high state of readiness before they leave the United States, headed toward the Central Command area of operations.

Chairman INOUE. General Amos, this may be your first appearance before a congressional committee, but I'm certain your fellow marines would be proud to have seen you respond and answer all those questions. You've done very well, sir.

ADDITIONAL COMMITTEE QUESTIONS

I'd like to thank the panel for their testimony, and I'll be submitting more questions.

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

QUESTIONS SUBMITTED TO HON. RAY MABUS

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

HEALTH CARE PROPOSALS

Question. I believe that the healthcare benefits we provide to our servicemembers and their families are one of the most important benefits we provide to the men and women serving our Nation. The Department of Defense is proposing several changes to the military health system that would raise out-of-pocket costs for military families. Could you please explain why these changes are necessary, and what impact they might have on military personnel and their families?

Answer. The Secretary of Defense has articulated that the rate at which healthcare costs are increasing, and relative proportion of the Department's resources devoted to healthcare, cannot be sustained. He has been resolute in his commitment to implement systemic efficiencies and specific initiatives which will improve quality and satisfaction while more responsibly managing cost. We recognize that the Military Health System is not immune to the pressures of inflation and market forces evident in the healthcare sector. In conjunction with a growing number of eligible beneficiaries, expanded benefits and increased utilization throughout our system, it is incumbent upon us to ensure that we streamline our operations throughout the system in order to get the best value for our expenditures.

The Department of the Navy supports the Secretary's Defense Health Care Reform initiatives and believes these proposals are consistent with our efforts over the last several years including focusing on internal efficiencies, incentivizing healthy behaviors and ensuring all of our beneficiaries are treated equitably. These proposals are modest and provide an opportunity for all participants—the Government, providers of healthcare, and beneficiaries—to share in the responsibility to better manage our healthcare costs.

Question. I believe that the healthcare benefits we provide to our servicemembers and their families are one of the most important benefits we provide to the men and women serving our Nation. The Department of Defense is proposing several changes to the military health system that would raise out-of-pocket costs for military families. Secretary Mabus, increases in co-pays were proposed and rejected just a few years ago. Could you explain how these proposals are different, and why they should be reconsidered by Congress at this time?

Answer. The rising healthcare costs within the Military Health System continue to present challenges. The Secretary of Defense has articulated that the rate at which healthcare costs are increasing, and relative proportion of the Department's resources devoted to healthcare, cannot be sustained. TRICARE Prime enrollment fees for retirees have not changed since 1996. The Secretary's proposals include a modest adjustment in TRICARE Prime enrollment fees for all retirees under age 65 (\$5/month for families or \$2.50/month for individuals) as well as modest adjustments (none more than \$3) to pharmacy co-pays for all beneficiaries (except active duty) to promote the use of the TRICARE Home Delivery program.

The Department of the Navy supports the Secretary's reform proposals to better manage our health benefit in a way that delivers a superb benefit while more responsibly managing cost.

NAVY ENERGY

Question. Secretary Mabus, for the last 4 years, this Committee has added funds to the budget to increase Navy research efforts on alternative fuels, and we have supported your initiatives to reduce the dependence of the Navy and Marine Corps on fossil fuels. A recent study has questioned the value of the military's use of alternative fuels. Could you comment on the findings of that report, and explain why your initiatives are important to the Navy and Marine Corps?

Answer. The RAND Corporation Report was not well researched and did not take into account the recent research and development advances in the biofuels technologies. RAND stated in their report that the Fischer-Tropsch coal-to-liquid/biomass-to-liquid fuels are the most promising near-term options for meeting the Department of Defense's needs cleanly and affordably. Currently, there are no Fischer-Tropsch plants here in the United States. Additionally, under the guidelines of the Energy Independence and Security Act (EISA) of 2007, section 526, any replacement fuel has to have a greenhouse gas emission profile less than petroleum. In order to meet this guideline, any Fischer-Tropsch coal-to-liquid plant would have to have carbon capture and sequestration incorporated into this overall process. While there is important carbon capture and sequestration research and development ongoing at DOE, there has not been any carbon capture and sequestration process built to commercial scale in the United States. In summary, due to the EISA 2007, section 526 guidelines and the cost prohibitive carbon capture and storage process, we feel that the Fischer-Tropsch coal-to-liquid/biomass-to-liquid fuels are not the most promising near-term option for meeting the Department of Defense's needs cleanly and affordably.

In the RAND report, some of the conclusions suggested that the alternative fuel industry is immature, could not scale up to make an appreciable difference as a domestic alternative, and recommended that DOD not invest in this market. We have found that the biofuel industry appears to be well poised to be of commercial size and ready to meet Department of Navy (DON) demands by 2016 for the Secretary of the Navy (SECNAV) Great Green Fleet goal. According to Biofuels Digest, there

are 110 companies that are currently working on various biofuel products including mixed alcohols, bio-crude oils, and drop-in fuels.

The Navy prefers to see itself as an “early adopter” of available biofuels. The military has often led in the development of new technologies where there was a compelling military use, even if the civilian use was ultimately greater (ex. GPS, the Internet). The operational use of alternative fuels by the Department of the Navy will be hastened by collaborating with Federal agencies and private industry at every step of the research, development, and certification process. The alternative fuel program establishes the Department of the Navy as an early adopter for investors in a nascent industry that could significantly enhance energy security, and thereby national security, in the mid- to long-term. By positioning itself as an early adopter by testing available biofuels and certifying them “fit for use across our major platforms and leveraging test and certifications accomplished by the other services that meets our specifications”, the Navy is better poised to reap the following benefits:

- Cost Savings.*—Increasing our use of alternative energy sources helps us achieve a level of protection from energy price volatility. For every \$10 increase in the cost of a barrel of oil, the Navy spends an additional \$300 million a year. Operating more efficiently saves money by reducing the amount we spend for fuel. Savings can be reinvested to strengthen combat capability. The cheapest barrel of fuel afloat or kilowatt-hour ashore is the one we will never use.
- Guaranteed Supply.*—Our reliance on energy can be exploited by potential adversaries. Efficiency and alternatives may be our best countermeasure. Energy efficiency increases our mission effectiveness by expanding our range and endurance, and reducing our need for logistics support. Efficiency improvements minimize operational risks of that logistics tether, saving time, money, and lives. Alternative fuels provide the Navy an “off-ramp from petroleum,” mitigating the risk to a volatile and ever more expensive petroleum market.
- Early Adopter of Technologies.*—The military has often led in the development of new technologies where there was a compelling military use, even if the civilian use was ultimately greater (ex. GPS, the Internet). The operational use of alternative fuels by the Department of the Navy will be hastened by collaborating with Federal agencies and private industry at every step of the research, development, and certification process. The alternative fuel program establishes the Department of the Navy as an early adopter for investors in a nascent industry that could significantly enhance energy security, and thereby national security, in the mid- to long-term.
- Fossil Fuel Independence.*—The Navy recognizes that our dependence on fossil fuels and foreign sources of oil makes us more susceptible to price shocks, supply shocks, natural and man-made disasters, and political unrest in countries far from our shores.
- Combat Capability.*—Making our ships and aircraft more efficient improves their fuel economy. We can increase the days between refueling for our ships, improving their security and combat capability. We can also extend the range of our aircraft strike missions, allowing us to launch our aircraft farther away from combat areas. Increasing our efficiency and the diversity in our sources of fuel improves our combat capability strategically and tactically.

Question. Secretary Mabus, are there particular alternative energy technologies which you find are most promising at this time?

Answer. The Department of Navy (DON) is exploring multiple solutions to reduce reliance on fossil fuels. It is critical to have a broad solution to this issue due to difficulties in predicting which solutions will be best suited for production at an industrial scale and at an acceptable price point.

The DON is aggressively moving to demonstrate and certify alternative fuels for tactical application. Although the DON has not specified any particular feedstock, alternative fuels considered by DON must comply with EISA 2007 section 526 and not compete with food production. The DON has been evaluating 50/50 blends of hydrotreated plant and algal oils with petroleum-based fuel. These blends have looked promising in both laboratory and aircraft and ship operation tests conducted to date. The DON is confident that its strategy of partnering with a broad coalition and demonstrating its commitment to and ability to use alternative sources of energy will lead to the successful development of clean alternatives and more secure domestic sources of energy.

Question. The Navy has been working aggressively to identify savings which can be reinvested throughout the department. The list of initiatives described in your budget rollout includes \$2.3 billion of savings on energy. Could you please detail the source of these savings?

Answer. There are numerous energy efficient initiatives and renewable/alternative energy programs that the Navy and Marine Corps are pursuing. The reduced reliance on fossil fuels will achieve lower energy consumption, strategic security, avoided energy cost, and a more sustainable Fleet. Here are the major program areas along with examples of projects with estimated savings.

Major Energy Program areas

Shore:

- Steam plants decentralizations
- Lighting systems upgrades
- Renewable energy systems (solar & photovoltaic)
- Rooftop solar thermal hot water projects
- LED street lighting projects
- Ground source heat pumps
- Boiler heat recovery upgrades
- Control system improvements
- Alternative Powered Vehicles

Tactical/Expeditionary:

- Hull coatings
- Propeller coatings
- Stern Flaps
- Allison 501K Efficiency Initiatives
- Aviation Simulators
- Smart voyage planning software
- USS *Truxtun* hybrid energy drive retrofit
- Alternative fuels testing and certification program
- Incentivized Energy Conservation Program (i-ENCON)
- Expeditionary Forward Operating Base (Ex-FOB)
- SPACES portable solar systems
- Light Emitting Diode (LED) Lighting
- Renewable battery charging systems

Examples of Projects for Navy Tactical with estimated savings

Stern Flaps for Amphibious Ships:

- Shown to have an average payback period of less than 1 year on FFG/CG/DDG platforms
- Currently undergoing testing on amphibious ships
- Savings estimated at ~5,500 BBLs/ship/year for LHD

Hull/Propeller Coating:

- Easy release hull/propeller coating system allows Navy ships to shed bio-fouling once underway
- Reduces costly periodic hull/propeller cleanings
- Savings estimated at ~1,800 BBLs/ship/year

Solid State Lighting:

- Uses LEDs for platform illumination
- LED lights in commercial applications last almost 50 times longer than Incandescent and 6 times longer than Fluorescent lights; provide the same illumination with 25 percent of the energy
- Currently testing on DDG-108 and LSD-52
- Payback estimated at 3 years, depending on fixture (savings of ~335 BBLs/ship/year for DDG)

Navy also continues to develop technologies that will be implemented in future years; the implementation schedule for these initiatives is subject to impacts based on final fiscal year 2011 budget:

Hybrid Electric Drive for DDG/LHD/LHA:

- Fuel savings by securing LM2500 propulsion turbines at low speed while loading gas turbine electric generators to more efficient operating condition (savings estimated at 8,500 BBLs/ship/year)
- Land-based prototype scheduled for testing mid-2011
- First afloat hybrid drive installed in USS *Makin Island* (LHD-8)
- Hybrid drive will be installed in USS *America* (LHA-6), which is scheduled for completion in 2012.
- USS *Truxtun* (DDG-103) scheduled to be first operational installation in fiscal year 2012 as an afloat test platform

Engine efficiency modifications for the F-35 Joint Strike Fighter:

- Improvement in F135 Block 5+ engine fuel economy and lifecycle cost through component upgrades and software cycle optimization

—Estimated Fleet-wide savings of ~35,000 BBLs in 2023 (upon delivery of Block 5 aircraft), increasing to ~178,000 BBLs/yr by 2029

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

MILITARY HEALTH

Question. Secretary Mabus, the suicide rate in the military is at an all time high. While both the Navy and the Marine Corps numbers seem to have decreased, one suicide is one too many.

What is your department doing to prevent suicides in the Navy and the Marine Corps?

Answer. We believe preventing suicide hinges on our leaders' ability to intervene early and lead a culture change to induce help seeking behavior. We continually improve the guidance and program support provided to leaders at all levels to combat this preventable loss of life.

Suicide prevention initiatives in the Navy include training aimed at front line supervisors to boost their understanding of the sailors they command, recognize changes in behavior, signs of concern, and engage early with appropriate support. Leadership seminars focus attention during times of transition and stress due to loss, including loss of status or career standing. Seminars also address the concept of continuously building and reinforcing connections with families and support structures to facilitate communication in times of need. Recognizing that people exposed to suicide are an at-risk group, expanded post-suicide-event training and guidance has recently been added to assist leaders in the aftermath of a tragedy to prevent future suicides. Suicide prevention coordinator and first responder training were provided world-wide and at Navy Reserve locations via Navy Reserve psychological health outreach teams.

For the Marine Corps leaders educate all marines about the relationship between suicide and stressors, warning signs, and risk factors—both through annual awareness and prevention training, and through additional training embedded in all formal schools from recruit training to the Commander's Course. Marines are also taught how to fulfill their duty to seek help for themselves or a fellow Marine at risk for suicide. The importance of seeking help early, before problems escalate to the point of suicide risk is also emphasized.

The "Never Leave a Marine Behind" suicide prevention training series is being expanded. In January 2011, we provided a junior Marine module as well as an update to the existing award-winning NCO module. In development for release soon are officer and staff noncommissioned officer modules that will help leaders to manage command climate in a way that builds resilience and encourages help-seeking in their marines.

To truly build a resilient force that fosters the ability of marines to cope with the widely varying stress of life, we must recognize the interconnectedness between physical health, behavioral health, wellness, and spirituality. We will accomplish this by better integrating our existing resilience programs, improving efficiency and effectiveness, and making resources more useful to leaders. To that end, many programs have been reorganized under a new behavioral health branch with the end state of one mission. Effectively leveraging other programming across the spectrum of behavioral health and extending into other wellness areas will proactively prevent suicide.

We recognize that strong partnerships are necessary to stay abreast of the latest available information within the suicide prevention arena and also to explore programming needs. The Marine Corps has collaborated with the American Association of Suicidology. Both the Navy and Marine Corps collaborate with Office of the Secretary of Defense (Readiness), Sister Services, other Federal, and civilian agencies, to continually adapt our efforts and reflect the latest public health science; and the ever-changing needs of the Navy and Marine Corps family.

Question. I am concerned that many programs are only directed to active duty servicemembers. What are the Navy and the Marine Corps doing to assist Reservists with psychological health issues as they transition back to civilian life and may not have access to military treatment facilities?

Answer. I agree with you that one suicide is too many, which is why the Department of the Navy continues to build a culture of support for psychological health and suicide prevention focused on prevention and early intervention while working to overcome the stigma associated with seeking needed care for the Total Force, including Reservists and their families.

Enabling a continuum of service, Reserve commands have trained Combat/Operational Stress Control (C/OSC) caregivers and C/OSC training is conducted regularly at all levels in order to prevent suicide, sexual assault and family violence, and to normalize buddy-care and help-seeking behavior as early as possible. Reserve Psychological Health Outreach Program (PHOP) teams, embedded in the Navy and Marine Corps Reserve communities geographically, support Commanders in identifying Navy and Marine Corps Reservists and their family members who may be at risk for stress injuries following deployments or other transitions and provide outreach, support, assessment, referrals and follow-up to local resources to assist with issue resolution, psychological resilience and growth. Along with mental health referrals, many successful referrals by the PHOP teams involve helping Reservists with financial and employment concerns that can affect psychological health and impact performance. Another effective tool is the Returning Warrior Workshops (RWW), a 2 day weekend program designed specifically to support the reintegration of returning Reservists and their families following mobilization. PHOP teams serve as facilitators at these Yellow Ribbon Reintegration Program signature events. In addition, FOCUS (Families OverComing Under Stress), a family centered resilience training program based on evidence-based interventions that enhance understanding of combat and operational stress, psychological health and developmental outcomes for highly stressed children and families, is available for reservists serving in areas with a high-active duty fleet concentration.

Question. What programs have been the most successful? I urge you to share those best practices with the other services.

Answer. Leadership at all levels is focused and engaged in suicide prevention, working hard to build individual and unit resilience, and to encourage sailors and marines to engage helping services.

The Navy suicide prevention program has been successful on a number of fronts. It builds on the premise that suicide prevention must be a local effort to be effective. Service level efforts have been designed to support local command suicide prevention programs. Navy training and communications emphasize a simple message—ACT: Ask, Care, Treat. Recent surveys show that more than 80 percent of sailors (and growing) know the acronym ACT and understand it. More than 90 percent report that they know what to do if someone talks about suicide, can explain appropriate actions to take, and believe that their shipmates will get needed help. We have an increasing number of reports from commands that describe how members either sought help for themselves or a leader, peer or family member sought assistance for the individual. We believe this is a successful element of our program based on survey results and the increasing number of reports of sailors and family members taking necessary action.

Navy policy requires commands to have written crisis response plans that itemize suicide safety precautions and appropriate actions to get emergency assistance for someone who demonstrates signs of acute suicide risk. We know of at least 2 specific instances and have several anecdotal reports that such plans made the critical difference by reaching someone in time to save their life.

In 2009, the Marine Corps redesigned its suicide prevention and awareness training with the noncommissioned officer Never Leave a Marine Behind course. A junior Marine course followed in January 2011, and officer and staff noncommissioned officer versions are expected to be released in March 2011. Marines from the operating forces were included in all stages of course development. The courses contain various degrees of training in intervention skills, frontline supervisor awareness, and managing command climate to build resilience and encourage help-seeking behavior. Marines and instructors in formal schools, such as recruit training and Corporal's course, continue to receive suicide prevention and awareness instruction.

The Corps continues to embed behavioral health providers in deploying units, and recently began providing awareness and intervention training to those who support behavioral health providers, such as medical providers, corpsmen, chaplains, and religious personnelmen. In addition, 40–50 marines in each deploying unit are offered nonmedical training in how to identify fellow marines experiencing stress reactions, and how and where to refer them for additional help if needed. It is that relationship and interaction between individual marines that is so important to maintaining a healthy force.

Our programs have many other evidence-informed elements in our suicide prevention programs including peer-to-peer training, front line supervisor training, assessment and management of suicide risk for mental health providers.

Both the Navy and Marine Corps collaborate with Office of the Secretary of Defense (Readiness), Sister Services, other Federal, and civilian agencies, to continually adapt our efforts and reflect the latest public health science; and the ever-changing needs of the Navy and Marine Corps family.

NUCLEAR FUNDING

Question. Secretary Mabus, in H.R. 1, the House has decided to protect Defense spending from massive budget cuts proposed in other departments. This includes preserving research and development funding for a new generation of Ohio class ballistic missile submarines. It cuts funding, however, for the National Nuclear Security Administration which would build the nuclear engine to power the submarines. Can you reconcile these policy choices?

Answer. Among its other missions, National Nuclear Security Administration (NNSA) enhances global security by providing naval nuclear propulsion for the most survivable leg of the nuclear triad, developing and maintaining the nuclear warheads which arm this platform, and preventing the proliferation of nuclear weapons.

The funding provided for NNSA in H.R. 1 is approximately \$1 billion less than the fiscal year 2011 request including a \$125 million shortfall for Naval Reactors' efforts. If funded at the levels in this legislation, Naval Reactors will not be able to deliver on commitments made to the Department of Navy. In particular, this bill will adversely impact the reactor design work for the OHIO Replacement Submarine and delay refueling of the Land-Based Prototype. Within NNSA, Naval Reactors has overall responsibility for the reactor plant design for the next generation ballistic missile submarine, OHIO Replacement, and its NNSA funding request will continue specific work on the reactor plant (reactor core and supporting systems). Should the funding level in H.R. 1 become law, at a minimum, there would be a:

- Six to nine month delay to the OHIO Replacement Program and resultant loss of synchronization with the Navy's work on the ship.
- Staffing reduction of over 50 personnel at shipyards and Naval Reactors' laboratories.
- Deferral in planned hiring of 150 personnel at shipyards and Naval Reactors' laboratories.
- Deferral in reactor plant component design subcontract placements.
- Other impacts to Naval Reactors, including the delays to the manufacturing demonstration of alternate core materials and fuel systems technology, the S8G prototype refueling, and a large majority of previously planned General Plant Projects (GPP).

These shortfalls are particularly damaging in the early stages of the project when we are trying to mature the design and set plant parameters that will, for the most part, refine the cost and schedule for ultimate delivery of the reactor plant to support ship construction.

Question. What impact will the cut for the nuclear engine program have on the new Ohio class ballistic missile submarine program?

Answer. A strong Navy is crucial to the security of the United States, a Nation with worldwide interests that receives the vast majority of its trade and energy via transoceanic shipment. Navy warships are deployed around the world every hour of every day to provide a credible "forward presence," ready to respond on the scene wherever America's interests are threatened. Nuclear propulsion plays an essential role in this, providing the mobility, flexibility, and endurance that today's smaller Navy requires to meet a growing number of missions. About 45 percent of the Navy's major combatants are nuclear-powered, including 11 aircraft carriers, 53 attack submarines, 14 strategic submarines (the Nation's most survivable nuclear deterrent), and 4 strategic service submarines converted to covert, high-volume, precision strike platforms.

The mission of the Naval Nuclear Propulsion Program, under DOE as Naval Reactors, is to provide militarily effective nuclear propulsion plants and ensure their safe, reliable, and long-lived operation and disposal. This mission requires the combination of fully trained U.S. Navy men and women with ships that excel in speed, endurance, stealth, and independence from logistics supply chains. Because of the Program's demonstrated reliability, U.S. nuclear-powered warships are welcomed in more than 150 ports of call in over 50 foreign countries and dependencies.

Within NNSA, Naval Reactors is responsible for naval nuclear propulsion design, technology development and regulatory oversight. The Navy sets the requirement, and Naval Reactors delivers the reactor plants.

The funding levels proposed by both the House and the Senate's year long continuing resolution would not allow Naval Reactors to honor commitments made to the U.S. Navy to deliver the OHIO class Replacement submarine on the required schedule. If no additional funding is made available to Naval Reactors, this would result in at least a 6 month deferral of planned reactor plant component design subcontracts, including development of the pressurizer, control drive mechanisms, and core and reactor component development efforts which support reactor compartment design and arrangements; a staffing reduction of over 50 personnel at Naval Reactors.

tors' laboratories and the shipyard in Groton, CT for the last 3–4 months of fiscal year 2011; and a deferral in required hiring of approximately 150 personnel at Naval Reactors' Knolls Atomic Power Laboratory in Schenectady, New York. The combination of these factors would result in a delay of at least 6–9 months to the OHIO Replacement program, and ship design and construction schedules would need to be revised and sub-optimized from their current cost minimizing approach.

Among the most significant requirements for the OHIO class Replacement is a life-of-the-ship core. To provide a life of the ship core for the OHIO class Replacement, NR needs to use an alternate cladding material. Failure to receive the full fiscal year 2011 request could prevent the required insertion of alternate core materials and fuel system technology into the Land-Based Prototype or delay the refueling schedule. For the refueling of the Prototype, Naval Reactors will test and demonstrate the manufacturability of the alternate core materials and fuel system technology required for the OHIO class Replacement life-of-the-ship core. This work must continue in fiscal year 2011 to establish production processes for the OHIO class Replacement core prior to full-scale production and procurement.

In addition to the important research and development mission this platform performs, the prototype serves as a training platform for our sailors. Delays to the refueling of the prototype will impact the readiness of our nuclear fleet by delaying training of our Nuclear qualified operators. All nuclear operators go through a rigorous initial training and qualification program that includes qualifying to operate either one of the Land-Based Prototype or one of the Moored Training Ships. During this training, operators develop a respect for the unforgiving nature of nuclear propulsion technology and, from the very beginning of their careers in the Program, develop confidence in their ability to safely operate a reactor plant. These highly trained and qualified operators are key to our record of safe and reliable operation.

The proposed funding levels are concerning on a higher level in that Naval Reactors has a long, successful track record of rigorously defining requirements and executing major projects efficiently on budget, on schedule, and of the quality demanded by complex nuclear technology that has a very high consequence of failure.

HUMANITARIAN RELIEF

Question. As evidenced by this past year's events, the U.S. military's involvement in disaster and humanitarian relief has become more and more important. I note specifically aid to Haiti both after the earthquake and the hurricane in 2010, aid to Pakistan after the 2010 floods, and most recently aid to Japan in the aftermath of the earthquake and tsunami. This type of assistance is vital to our global relationships and I applaud you for your consistent quick reaction and comprehensive support. Is the Navy-Marine Corps team adequately equipped to conduct these missions?

Answer. The Department of Navy (DON) is adequately equipped and trained to conduct Humanitarian Relief missions when called upon. This is exemplified by the recent response to the earthquake, tsunami and nuclear reactor disasters in Japan which had minimal impact on DON missions. These responses showed the flexibility of Navy and Marine Corps assets. The same platforms and the same people can conduct a wide range of missions.

Humanitarian Assistance/Disaster Relief (HA/DR) is crucial to fostering and sustaining cooperative relationships in times of calm so that during crisis previously established working relationships improve response efficiency and efficacy. We will continue to mitigate human suffering as the vanguard of interagency and multinational efforts, both in a deliberate, proactive fashion and in response to crises. Human suffering moves us to act, and the expeditionary character of the maritime forces uniquely positions us to provide assistance. With HA/DR being a core capability as outlined in the current maritime strategy, it has been, and will continue to be, part of who we are as maritime services.

Our greatest current concern related to Humanitarian Relief is the fiscal strain placed on DON by the voluntary departure of military dependents from the Island of Honshu, Japan. With an estimated cost of \$54.5 million through April 8, and the tremendous strain our sailors are already bearing due to the reduction of PCS order lead-time from 6 months down to as little as 2 months, we simply cannot absorb these costs within MILPERS accounts under the Continuing Resolution (CR). The Department has submitted a CR exception request to the President's Office of Management and Budget (OMB) for additional cash under the "Safety of Human Life" exception to fund the additional cost for travel, lodging, meals, and per diem for evacuees through April 8, 2011. This short-term solution has been approved by OMB. The annual funding picture remains unresolved and a full year funding strat-

egy cannot be determined until congressional action on the fiscal year 2011 President's budget is complete. We appreciate any help you can provide on this matter.

Question. What kind of training do our sailors and marines receive with respect to humanitarian missions?

Answer. The Navy established Humanitarian Assistance and Disaster Response (HA/DR) as a core capability of our Maritime Strategy. As such, it is now a competency that is woven into the fabric of daily naval operations. The conduct of Global Maritime Partnership missions, as well as other partner building activities, connect development and diplomacy priorities to fleet-planned activities. When disasters occur, the Navy's globally distributed and regionally concentrated forces are ideally suited for HA/DR operations in the littorals where the preponderance of the world's population resides. Naval forces can quickly respond to security related crisis operations in large measure due to how naval forces are trained, organized, deployed, and employed. The Department of Navy (DON) sailors and marines provide support for humanitarian missions by performing functions which are already part of their daily Service mission.

Two enduring missions that practice proactive HA/DR are PACIFIC PARTNERSHIP, conducted in East Asia and Oceania, and CONTINUING PROMISE, conducted in South America and the Caribbean. These missions, which are coordinated with each Country Team, build critical partner capacity and improve disaster response readiness for both our partners and our sailors through the development of habitual relationships with relevant partner ministries, departments, and officials. The deliberate day-to-day coordination of the Naval Service with international partners, joint, interagency, international, and NGO efforts strengthens relationships and sets the conditions for effective collaboration and rapid response when an in-extremis response is required.

Recently, the RONALD REAGAN Strike Group's quick response to the earthquake and tsunami in Japan highlighted the Navy's unique ability to provide expeditious humanitarian relief around the globe.

Question. Are there additional resources that would make you more efficient or effective in providing this type of assistance?

Answer. Additional resources are not required to make the Navy more efficient or effective in providing Humanitarian Assistance (HA) and Disaster Relief (DR) to emergent events such as Haiti, Pakistan, and Japan. These operations are the core capabilities of the Navy's maritime Strategy.

HA/DR is funded by Overseas Humanitarian, Disaster and Civic Aid (OHDACA) funds approved by Office of Secretary of Defense (OSD). OSD authorizes designated Combatant Commanders (COCOM) to render assistance, including transportation of personnel and supplies, assessments of affected areas and purchase of relief supplies in coordination with U.S. Agency for International Development (USAID)—lead agency for Disaster response.

With no timetables for disasters, DR cannot be budgeted and OHDACA reimburses Navy for use of OMN funds to support HA/DR operations.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

SHIP TO SHORE CONNECTOR

Question. Secretary Mabus, the Navy is in the middle of the process of choosing a contractor for a new Ship to Shore Connector (SSC) to replace the LCAC's that currently move equipment between ships and the shore. As the Navy prepares to evaluate the two proposals that are expected at the end of this month, can you explain how the Navy will take into account Total Ownership Costs as it makes its decision?

Answer. The exact number of proposals which will be received for the Ship to Shore Connector (SSC) is unknown. An Offeror's proposal will be evaluated in accordance with the criteria set forth in the final Request for Proposals (RFP). Currently, in the draft RFP, Total Ownership Cost (TOC) is included in the technical evaluation of the Offerors' Detail Design and Engineering Approach, as well as Build Approach.

The evaluation process will consider, among other things, an Offeror's top three TOC reduction initiatives inherent in their proposed approaches to developing the SSC Detail Design and producing the resultant craft. This will be part of the overall best value determination.

Question. Is there a defined process for considering Total Ownership Costs (TOC)? If so, how does that work?

Answer. Yes, for this solicitation there is a defined process for considering Total Ownership Costs outlined in the draft Ship to Shore Connector (SSC) Request for Proposal (RFP) released on March 1, 2011 via a FedBizOps announcement.

According to the draft RFP, evaluation factors include non-price (technical evaluation) factors and a price factor. These factors will be used to evaluate the extent to which proposals address, and meet or exceed, the requirements of the SSC solicitation. These evaluation factors are as follows:

—Technical Evaluation: Factor 1—Detail Design and Engineering Approach; Factor 2—Build Approach; Factor 3—Management Approach; and Factor 4—Past Performance.

—Price Evaluation: Factor 5—Price.

Total Ownership Cost is included in the technical evaluation of Factor (1), Detail Design and Engineering Approach, and Factor (2), Build Approach. For Factors (1) and (2), the evaluation process will consider, among other things, an Offeror's top three Total Ownership Cost (TOC) reduction initiatives inherent in their proposed approaches to developing the SSC Detail Design and producing the resultant craft. The corresponding technical factors will then be assigned an adjectival rating, which will be part of the overall best value determination.

Question. What are some examples of TOC initiatives in acquisition programs?

Answer. Total Ownership Costs (TOC) reduction initiatives include the following areas: Training, Maintenance, Energy Usage, Supply Support, Configuration Management, Operations, Environmental Impact, and Craft Disposal.

Some examples of TOC reduction initiatives in surface shipbuilding programs include:

—The T-AKE contract was awarded on the basis of TOC, not primarily acquisition costs. In addition, a formal TOC reduction program was instituted which incorporated design features projected to save over \$700 million over the life of the class. The ship is outfitted with an integrated electric drive that allows for optimum fuel economy over the full range of operation.

—The Mobile Landing Platform design leverages an existing production design (General Dynamics NASSCO's BP Tanker). As a result, program risk was greatly reduced and coupled with requirements tradeoffs, the Navy saved over \$2 billion.

—Provided Auxiliary Propulsion System in LHD 8 and LHA 6.

—Reduced permanent manning levels in LPD 17 class, DDG 1000 and Littoral Combat Ship programs.

—Combined Government Furnished Equipment (GFE) buy across the ship classes for the Commercial Broadband Satellite Program (CBSP). The DDG 113 Advance Procurement, T-AKE and JHSV planned buys were adjusted to take advantage of the stepped pricing structure of the CBSP equipment contract, which resulted in approximately \$1.4 million in savings per system.

—Issued Stern Flap Modification for DDG 79–112, resulting in a total savings through the 35-year life span.

—Deleted the port anchor and forward kingpost on DDG 113 and follow-on ships.

—Combined GFE buys for machinery control system between DDG Modernization and DDG 113 and follow-on ships.

—Maximize competition for subcomponent procurements for DDG 113 and follow-on ships (e.g., Main Reduction Gears).

—Use refurbished equipment on DDG 113 and follow-on ships (e.g., High Frequency Radio Group).

Question. How does the evaluation process ensure that a competitor is not penalized for increased acquisition cost that may be necessary for a TOC initiative that will dramatically reduce operating or maintenance costs?

Answer. For Ship to Shore Connector (SSC), an Offeror's proposal will be evaluated based on four non-price (technical) factors and a price factor. Total Ownership Cost is included in the technical evaluation of Factor (1), Detail Design and Engineering Approach, and Factor (2), Build Approach.

For Factors (1) and (2), the evaluation process will consider, among other things, an Offeror's top three Total Ownership Cost reduction initiatives inherent in their proposed approaches to developing the SSC Detail Design and producing the resultant craft. The corresponding technical factors will then be assigned an adjectival rating, which will be part of the overall best value determination. A best value determination is based on an assessment as to which proposal demonstrates the greatest technical merit at a reasonable cost.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

P-8A BASING

Question. In the President's budget for fiscal year 2012, no money was included for military construction projects at Naval Air Station Whidbey Island to begin preparing the facility for P-8A aircraft basing. When does construction on the necessary MILCON projects need to begin in order to have NAS Whidbey prepared to receive aircraft by 2017?

Answer. Naval Air Station (NAS) Whidbey Island is currently planned to transition to P-8 outside the FYDP, in 2017 or later. Preliminary design and subsequent construction would require approximately 3 years to complete prior to P-8 arrival. As the P-8 program matures and delivery schedules, operational employment, and transition plans are implemented, the specific timeline will be determined.

Question. What construction projects are required to upgrade the base and how much do they cost? Has the Navy given any consideration to less expensive alternatives for military construction at Whidbey?

Answer. Naval Air Station (NAS) Whidbey Island is currently planned to transition to P-8 outside the Future Years Defense Plan, in 2017 or later. To support P-8 operations, approximately \$330 million would be required for a 3-bay P-8 hangar, a Fleet Training Center, and P-8 related base infrastructure modifications. The Navy will continue to give consideration to less expensive alternatives such as reuse and or consolidation of existing facilities at NAS Whidbey Island as the transition to P-8 progresses.

Question. When will the Navy make a final decision regarding whether or not to follow the ROD?

Answer. The 2008 Record of Decision (ROD) is the Navy's current guidance for long term basing of the P-8 force. The ROD identified five operational squadrons and one Fleet Replacement Squadron at Naval Air Station (NAS) Jacksonville, Florida; three squadrons in Marine Corps Base Hawaii (MCBH) Kaneohe Bay; and four squadrons in NAS Whidbey Island, Washington. Within the current Future Years Defense Plan (FYDP), P-8 will be introduced in NAS Jacksonville and MCBH Kaneohe Bay. NAS Whidbey Island is currently planned to transition to P-8 outside the FYDP, in 2017 or later. Unless otherwise amended by a new ROD, NAS Whidbey Island will continue to support Airborne Electronic Attack, Fleet Reconnaissance, and Maritime Patrol squadrons.

Question. What justification (both budget and strategic) would support an alternate basing plan for stationing P-8A aircraft only at Jacksonville and Kaneohe Bay? And, are those facilities able to sustain the additional four squadrons that would have been based at Whidbey?

Answer. The 2008 Record of Decision (ROD) is the Navy's current guidance for long term basing of the P-8 force. NAS Whidbey Island is currently planned to transition to P-8 outside the FYDP, in 2017 or later. Unless otherwise amended by a new ROD, NAS Whidbey Island will continue to support Airborne Electronic Attack, Fleet Reconnaissance, and Maritime Patrol squadrons. Any change to the ROD to station four operational squadrons in NAS Whidbey Island would require strategic, fiscal, environmental, and facilities assessments to address impacts across the force.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

AEGIS BALLISTIC MISSILE DEFENSE

Question. Secretary Mabus, the Navy has assumed the lead for the first phase of the European missile defense plan. This first phase began last Monday with the USS *Monterey* beginning a 6 month deployment to the Mediterranean. With the immediate need to support the European missile defense plan along with the current demand from Combatant Commanders in other parts of the world for ships, are there enough ships available to support the ballistic missile defense mission? Can the current ship maintenance schedule support deployment of phase one and phase two of the European missile defense plan?

Answer. The Navy currently has sufficient capacity to meet the most critical demands for multi-mission surface combatants; however, Navy does not have the capacity to meet all Geographic Combatant Commander (GCC) demands for Ballistic Missile Defense (BMD)-capable ships without breaking established Personnel Tempo program limits for deployment lengths, dwell and homeport tempo.

In the near-term, surface combatants with Aegis BMD capability are allocated to GCCs through the Department of Defense Global Force Management (GFM) process taking into consideration GCC surface combatant requirements all mission areas.

The Navy employs the Fleet Response Plan (FRP) as the framework to structure, prepare and posture ready Navy forces to meet GFM requirements, to include BMD. The FRP balances the requirements to maintain and upgrade equipment, train for the full spectrum of operations and deploy in support of GCC requirements.

The required ship maintenance and Aegis Modernization plan supports the expected requirements of Phase 1 and Phase 2 of the European missile defense plan. To meet the increasing demand for these ships and reduce the risk to our long term force structure caused by the increased operational tempo from longer deployment lengths, the Navy, in conjunction with MDA, has established a plan to increase the number of BMD-capable Aegis ships from 23 in fiscal year 2011 to 41 in fiscal year 2016 (see Figure 1 below). This plan balances the need for meeting current operational requirements against the need to upgrade existing surface combatants with BMD capability to pace the future threat. Included in this plan are increases in both the Navy's capacity and capability of Aegis ships through the installation of Aegis BMD 3.6.1/4.0.1 suite, the Aegis Modernization program (Aegis BMD 5.0 suite), and new construction (commencing with DDG-113). The current Continuing Resolution (CR) and the President's budget for fiscal year 2012 may impact this plan.

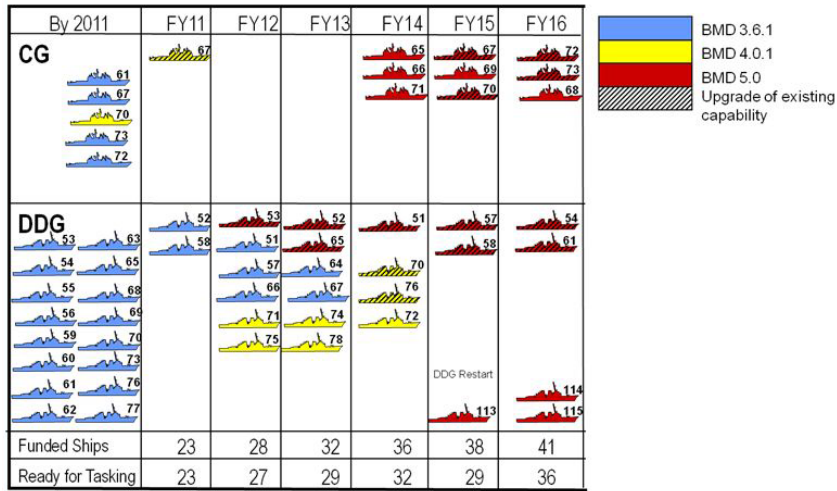


FIGURE 1.—Aegis BMD Ship Profile, Presidential budget for fiscal year 2012.

QUESTION SUBMITTED BY SENATOR SUSAN COLLINS

BRUNSWICK NAVAL AIR STATION CLOSURE

Question. The Brunswick Naval Air Station is slated to close as an active military installation on May 31, bringing to a close a proud era in naval aviation in Brunswick, Maine. The Senate Armed Services Committee has provided the necessary conveyance authorities to transfer property under BRAC quickly. Recently, several of the initial conveyance packages to Southern Maine Community College have been delayed without explanation. Buildings 151 and 512 at NAS Brunswick, which are projected to serve as the new Maine Advanced Technology and Engineering Center (MATEC) and Southern Maine Community Residence Hall respectively, are essential resources for the start of the College's upcoming Fall Semester. The property was originally scheduled to be conveyed to the College in January through the Department of Education, but the properties still remain under the Navy's control. Given that these properties require up to 6 months of redevelopment and the start of the Fall semester is August 2011, the education of students relying upon the College's new campus is in jeopardy unless this conveyance occurs in the near future. Secretary Mabus, will you review the status of this conveyance and commit to a conveyance date in the near future?

Answer. I share your desire to transfer the property to the Brunswick community as expeditiously as possible. On March 29, 2011, Navy assigned 10 acres of Bruns-

wick Naval Air Station, including Buildings 151 and 512, to the Department of Education for conveyance.

The Department of Education will conduct the conveyance of Brunswick Naval Air Station property to Southern Maine Community College through a public benefit conveyance.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

U.S. NAVY ENVIRONMENTAL REMEDIATION ON ADAK

Question. As you might be aware, environmental remediation at multiple sites on the island of Adak has been ongoing since 1986. The U.S. Navy, in conjunction with the EPA and the State of Alaska, have been working since that time to restore the lands on Adak to an environmentally stable state following the Navy occupation of those lands. While through fiscal year 2009, the Navy has spent \$289.8 million on restoration activities on Adak, it is my understanding that the Navy anticipates that another \$102.5 million would be needed to complete the restoration projects. I have been recently informed that the majority of restoration efforts that the Navy has conducted have been focused on lands that are not available for habitation or economic development by the communities on Adak. Is there a process by which the Navy determines which lands receive remediation funding and projects before others?

Answer. The Navy funds cleanup to protect human health and the environment and meet legal obligations, including agreements with States and the U.S. EPA, such as the Adak Federal Facility Agreement (FFA). For BRAC sites, cleanup schedules are also aligned with property redevelopment timelines to the best extent possible. If additional funds are made available by Congress, projects that accelerate property transfer are then considered.

Question. Does the Navy have a long term plan in place that defines which lands will be remediated and in which order?

Answer. The Navy has a plan which includes a schedule for investigation, cleanup and long-term monitoring of all Navy environmental sites on Adak. The Navy consults with the local Restoration Advisory Board (RAB) and regulatory agencies when developing and updating the plan.

Question. What is the Navy's projected timeframe for the completion of the remediation projects on Adak?

Answer. The Navy has a schedule to complete all cleanup actions by fiscal year 2016. The remedy selected for some environmental sites include long-term monitoring consisting of periodic inspection and repair of landfills, groundwater sampling and analysis, marine tissue sampling and analysis, and inspection and repair of institutional controls. Long-term monitoring requirements are documented in the Adak Comprehensive Monitoring Plan (CMP) and are scheduled to continue until fiscal year 2041.

QUESTIONS SUBMITTED TO ADMIRAL GARY ROUGHEAD

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

NAVY SHIFT IN SEA BILLETS

Question. Admiral Roughead, the Navy recently announced its plans to shift approximately 6,800 billets through fiscal year 2016 to realign them for warfighting capabilities. A portion of this shift will increase the number of sea billets while cutting shore billets. What led the Navy to initiate this shift, and what effect will this have on the ship to shore rotation of sailors?

Answer. The Navy shifted these billets from support staff to operational roles to improve warfighting readiness and support the Navy's future force and warfighting capabilities. The reduction in staff billets allowed us to increase operational, sea going billets for the LHA-7, DDG-51 class destroyers, LCS class ships, unmanned and helicopter aviation detachments to support the LCS, Virginia class submarines, new E-2D Advanced Hawkeye aircrews, and the outfitting of an additional Riverine Squadron.

With Navy's increased focus on enhancing efficiencies in our operations, this will require some sailors to serve longer sea tours. The necessary realignments toward operations will likely require implementation of risk mitigation strategies to support sea intensive communities and ratings. Some of the initiatives being considered are Sea Duty Incentive Pay (SDIP), increased general shore duty billeting in recruiting

commands, and increased in-rate shore duty billets at regional maintenance centers and waterfront school houses.

Question. Are you concerned that this tighter ship to shore standard will have a negative effect on families and retention?

Answer. While sea/shore rotation does factor in to retention decisions, we do not anticipate this realignment to cause retention statistics to fall outside of historic norms. Currently, the Navy is experiencing unprecedented retention, which is expected to continue, based on current economic indicators. Disregarding the current positive impact of the economy and the high operational tempo, 65 percent of sailors beyond 6 years of service remain in the Navy and 80 percent of sailors with greater than 10 years of service decide to Stay Navy based on historical averages. The Navy has established maximum allowable sea tour lengths to preserve positive tone-of-the-force and to minimize retention risk.

The billet realignment was approved only after careful analysis of operational needs, fleet readiness requirements, and input from fleet sailors. The increase in manning at sea is anticipated to have positive effects that will reduce the workload of sailors currently on sea duty and increase the opportunity for sailors to obtain professional qualification through participation in Fleet operations.

We remain steadfast in our commitment to provide exceptional support to mitigate the adverse impacts families may experience during deployments. We offer a broad array of services through Navy Fleet and Family Support Centers, military medical treatment facilities, child care centers, and morale, welfare and recreation programs. These, coupled with ready access to command ombudsmen and referral services through Military OneSource, provide a network of support to sustain families enduring the hardships associated with prolonged family separations while their loved ones are away.

AEGIS MISSILE DEFENSE

Question. Admiral Roughead, Aegis cruisers and destroyers provide a crucial capability for conducting ballistic missile defense operations. The administration's Phased Adaptive Approach (PAA) for ballistic missile defense operations includes operating Aegis ships in European waters. Do you have sufficient resources to carry out this additional mission?

Answer. The Navy currently has sufficient capacity to meet the most critical demands for its multi-mission Aegis ships; however, we do not have the capacity to meet all Geographic Combatant Commander (GCC) demands for Ballistic Missile Defense (BMD) without exceeding established Personnel Tempo program limits for deployment lengths, dwell tempo, or homeport tempo. Based on threat analysis and current indications from GCCs, and assuming standard 6 month deployment lengths, the Navy and the Missile Defense Agency (MDA) concluded that GCC demand for surface combatants with Aegis BMD capability will outpace capacity through approximately 2018.

To meet the increasing demand for these ships and reduce the risk to our long term force structure caused by the increased operational tempo from longer deployment lengths, the Navy, working in conjunction with MDA, has established a plan (see Figure 1 below) to increase the number of BMD-capable Aegis ships from 23 in fiscal year 2011 to 41 in fiscal year 2016. This plan balances the need for meeting current operational requirements against the need to upgrade existing BMD-capable Aegis ships to pace the future threat. Included in this plan are increases in the Navy's capacity and the capabilities of Aegis ships through the installation of an Aegis BMD 3.6.1/4.0.1 suite, the Aegis Modernization program, or new construction (commencing with DDG-113).

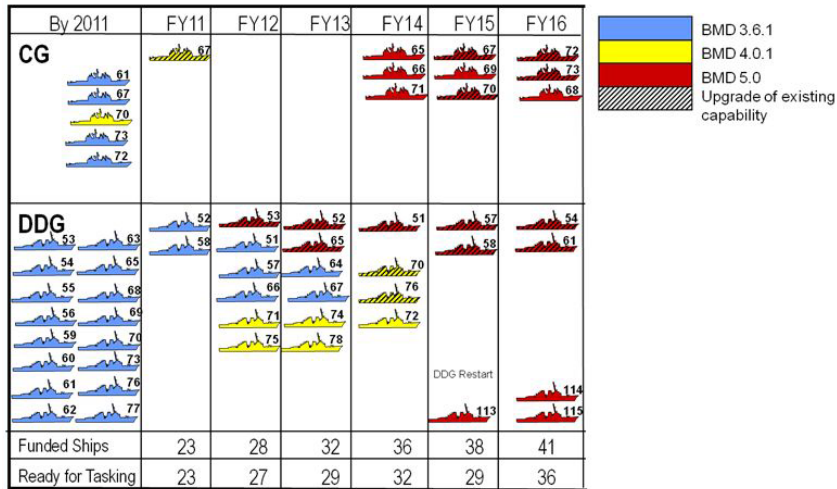


FIGURE 1.—Aegis BMD Ship Profile, Presidential budget for fiscal year 2012.

Question. Admiral Roughead, are you concerned that the heightened demand for Aegis Ballistic Missile Defense will detract from other, non-BMD missions?

Answer. With the exception of our SSBN’s strategic deterrence patrols, the Navy does not deploy ships with a single mission purpose. Single mission use of our Aegis ships for Ballistic Missile Defense (BMD) will result in shortages in other mission areas and a loss of operational flexibility for the Geographic Combatant Commanders (GCCs).

To ensure GCCs demands are met, the Navy employs Aegis ships in multi-mission roles rather than for exclusive missions on an enduring basis. These ships can perform a variety of other non-BMD missions such as strike warfare, air warfare, submarine warfare, surface warfare, information warfare, high-value asset protection, or maritime interdiction either concurrently or sequentially as the GCC requires. The Navy has created a flexible operating concept for maritime BMD which features a graduated readiness posture that allows BMD-capable Aegis ships to be on an operational tether and available for other tasking when not directly involved in active BMD operations. Aegis ships operating in support of a BMD mission do not lose the capability to conduct other missions; however, specific mission effectiveness may be affected by ships’ position and/or application of ship resources to those missions.

AEGIS BALLISTIC MISSILE DEFENSE OPERATIONS

Question. Admiral Roughead, the USS *Monterey* recently deployed as the first asset in European missile defense. Could you provide the Committee with an update on those operations?

Answer. While the Navy has previously deployed BMD-capable ships to the European region, USS *Monterey* is the first deployed BMD-capable multi-mission ship to support the European Phased Adaptive Approach (EPAA). This deployment will lay the foundation for the EPAA, by developing a better understanding of what is necessary to execute ballistic missile defense from the sea in Europe and how to operate in coordination with Allies and partners.

USS *Monterey* will engage with our NATO Allies and European partners to promote the U.S. commitment to the EPAA mission and the broader U.S.–NATO theater security cooperation efforts. To date, this engagement included participation in the NATO Air Defense Committee conference in Antwerp, Belgium and future engagements are planned with our Allies and partners in the Black Sea and Eastern Mediterranean.

During her deployment, USS *Monterey* will continue integration and testing of U.S. BMD capabilities with NATO’s existing missile defense framework, including the emerging NATO command and control network.

As a BMD-capable multi-mission ship, USS *Monterey* also remains ready to provide a wide range of capabilities enabling her to promote peace and security, pre-

serve freedom of the seas and provide humanitarian aid and disaster response as necessary.

BOW WAVE IN SHIP PROCUREMENT

Question. Admiral Roughead, the Navy's stated force structure goal is 313 ships. However, your most recent 30-year shipbuilding plan submitted to Congress shows that beginning in fiscal year 2027, the Navy fleet will fall well below that number and drop to less than 290 ships. What steps are you taking to mitigate these projected shortfalls?

Answer. With the need for multi-mission platforms vice single mission platforms, and recognizing the significantly increased capabilities of current new construction ships, the Navy cannot recapitalize our battle inventory to replace its legacy ships at the same rate at which they were originally procured in the 1980s and 1990s and maintain an affordable, balanced procurement plan. To manage this inventory issue with our current fiscal constraints, the Navy will manage the service lives of our existing ships through modernization and maintenance over the Future Years Defense Plan and into the 2020s to mitigate the impact of the upcoming block obsolescence of the ships procured in large quantities during the 1980s. This management approach will minimize gaps in capacity through the 2020s in a cost efficient manner. To enhance our combat capability for our existing ship designs we will continue our spiral capability upgrades to prevent technological obsolescence and to extend the service lives of specific ship classes. Both of these initiatives will mitigate the decline in our battle force inventory during the 2020s and early 2030s.

During the period fiscal year 2031 to fiscal year 2040, we have assumed a procurement strategy based on sustaining procurement rates. Wherever feasible, the Navy will procure new ships at a steady state reducing the magnitude of annual funding variations and providing a more stable demand to industry. In some cases, where rapid retirement rates are anticipated, it may be necessary to start procurement of next generation ships earlier than might otherwise be required or accept "bathtubs" in certain ship classes until procurement rates catch up with retirement of ships procured during the 1980s. As requirements, resources and the industrial landscape come into better focus for the post-2020 timeframe, the Navy will continue to consider mitigation strategies for these anticipated shortfalls in future plans.

Question. Admiral Roughead, the Congressional Budget Office estimates that the Navy's ship procurement budget is 19 percent below what is required to execute your current 30-year shipbuilding plan. Do you agree with this assessment?

Answer. No, I do not agree with this assessment. Navy's anticipated annual procurement budget averages about \$15.9 billion in fiscal year 2010 per year over the 30 year shipbuilding plan period. This average includes those funds necessary to recapitalize the OHIO Class ballistic missile submarines. The Navy and Congressional Budget Office (CBO) estimates for the near-term (fiscal year 2011–fiscal year 2020) reflect a less than 5 percent difference. Given known ship capability and quantity requirements, the Navy cost estimates are judged to be accurate in this period.

What has driven the 19 percent difference in our estimates has been the far term (fiscal year 2031 to fiscal year 2040) where CBO and Navy estimates differ by 37 percent. The requirements during this period are not as well defined as those for the near or mid-term. The CBO made several different assumptions than the Navy in its assessment, particularly in the far-term. Those differences result partly from different methods of estimating shipbuilding inflation during the period as well as different assumptions about the design and capabilities of future ships. The number, types and capabilities of ships are estimated based on anticipated Joint and Navy war-fighting requirements, and cost estimates are fluid due to both the uncertainty of business conditions affecting the shipbuilding industry and the inherent technology costs of future combat systems.

There are several uncertainties that must be resolved regarding the Navy's missions in the next decade; the relative threat levels that will exist at that time and the extent to which we will adjust the force to meet these challenges. Each of these issues will have a direct bearing on the overall costs required to recapitalize this force. Ultimately, this will require that we set funding priorities properly, adjust capabilities in the ships being built and readdress risk in those mission areas where appropriate. We must and will continue to conduct thorough reviews of each facet of our budget to ensure we are providing the Nation with the needed level of capability in all areas in the most cost efficient manner.

Question. Admiral Roughead, do you intend to provide an updated long-range shipbuilding plan to Congress this year?

Answer. No, we do not intend to submit an updated long range shipbuilding plan to Congress. Section 231 of Title 10, United States Code (section 231) was amended by the National Defense Authorization Act for fiscal year 2011, deleting the requirement for the Secretary of Defense (SECDEF) to submit with the Defense Budget an annual long-range plan for construction of naval vessels commonly know as “The 30-Year Shipbuilding Plan”. As amended, section 231 now requires that concurrent with submission of the President’s budget (PRESBUD) during each year in which SECDEF submits a Quadrennial Defense Review (QDR), the Secretary of the Navy (SECNAV) shall submit a long-range shipbuilding plan that supports the force structure recommendations of the QDR and will be assessed by Cost Assessment and Program Evaluation Office (CAPE) to determine if the level of funding is adequate and determine potential risk in supporting the requirements of the Combatant Commanders.

In any year in which a QDR is not submitted and the number of ships decreases in the Future Years Defense Plan (FYDP), SECNAV shall submit an addendum to the most recent QDR that fully explains and justifies the decrease.

Consistent with the amended section 231, the Navy does not intend to submit an updated long-range shipbuilding plan to Congress this year because the number of ships has increased with the PRESBUD 2012 Future Years Defense Plan (FYDP); however, we are providing updated 10-year data tables per the House Committee of Armed Services request of February 15, 2011.

EFFECTS OF CONTINUING RESOLUTION ON MILITARY PERSONNEL

Question. Admiral Roughead and General Amos, how has the series of short-term continuing resolutions negatively affected the Navy and Marine Corps’s ability to manage its military personnel accounts? For example, how much notice is being given for sailors and marines to prepare to move to their next assignment, and what is the goal?

Answer. Operating the military personnel accounts under a series of short-term continuing resolutions (CR) and reduced funding has presented many execution challenges. Under the full year CR, the Military Personnel, Navy (MPN) appropriation is underfunded by \$415 million. This shortfall is due to the difference between the annualized amount of the fiscal year 2010 appropriation and the requested fiscal year 2011 President’s budget. Additionally, the MPN account is underfunded by an additional \$41 million from additional requirements and work in the year of execution resulting from high retention. The added costs associated from the evacuations of Japan and Bahrain, as well as Operation Odyssey Dawn, will further pressurize the MPN account.

To preserve cash to pay our sailors and civilians and to avoid an Anti-Deficiency Act (ADA) violation, the Navy deferred 20,000 Permanent Change of Station (PCS) moves and reduced lead times from 6 months down to 2 months. Lack of lead time on PCS orders hurts military families as they have less time to plan for major life changes associated with moves (i.e. home sales, lease expirations, overseas screening, uncertainty, etc). Historical goals for lead time are approximately 4 months for CONUS moves and 6 months for overseas moves.

Navy has also reduced Active Duty for Operational Support Orders (ADOS) by \$20 million. ADOS is used to facilitate emergent, unplanned and non-recurring short term projects. This reduction restricts our ability to support Fleet operations.

NAVY CYBERSECURITY AND THE TENTH FLEET

Question. Admiral Roughead, as you know, cyber security is one of the most significant challenges facing our Nation today. Modern warfare has become highly dependent upon computers and networks; therefore protecting this capability is vitally important. Could you explain the cyber security initiatives in the budget, and what are the near-term priorities you have established for this critical mission area?

Answer. The Navy’s focus in cyber security is on delivering game-changing information capabilities that advance our operational proficiency in cyberspace and enhance our other information capabilities. Navy is improving its cyber-security by implementing an improved Defense in Depth infrastructure that is aligned to the Department of Defense (DOD) Information Assurance Boundary Architecture. In our PB 2012 budget request, we include the following cyber security initiatives:

—*Computer Network Defense (CND).*—This program’s capabilities secure Navy networks and information systems. This program oversees our firewall components, Virtual Private Networks (VPNs), Intrusion Prevention/Detection Systems, Boundary Protection, Host Based Security System (HBSS), Administrator Access Controls, and diverse network security tools and filtering routers.

—*Cyber Security Inspection and Certification Program (CSICP)*.—CSICP provides the capability to detect vulnerabilities in Navy networks, provide assistance to network operators to correct and prevent vulnerabilities, and ensure compliance with Navy and DOD Information Assurance directives.

—*Communications Security (COMSEC)*.—The Navy's cryptographic equipment procurements are facilitated through these accounting lines and include procurement of KIV-7M, a replacement cryptography suite, Cryptographic Universal Enclosures (CUE), and various other cryptographic devices.

—DOD-wide deployment of PKI certificates for identity authentication.

—Procurement of secure voice tactical hardware, Next Generation Internet Protocol Phones and Navy, and Certificate Validation Infrastructure Cards.

—Electronic Key Management System (EKMS) upgrades and initiatives for web based order support.

—Secure Communication Interoperability Protocol (SCIP) Inter-Working Function (IWF) capabilities to provide sea-shore secure telephony communications.

Question. Admiral, what advantages do you anticipate as a result of classifying your Cyber Command as a weapons system?

Answer. Last year, I established the U.S. Tenth Fleet and the Deputy CNO for Information Dominance. This restructuring has enabled the Navy to focus on enhancing our capabilities in electronic warfare and cyber operations. However, Fleet Cyber Command/U.S. Tenth Fleet is not considered a weapons system. It is a Navy component command that executes its unique cyber capability at the operational level of war through the forces under the command of Tenth Fleet. This approach has provided an alignment of effort through the use of a single operational commander for Cyber operations that is responsible for the orchestration of the Navy's global resources and activities in cyberspace.

Question. Admiral, recently you turned on a new system that gives the Navy its first real-time view of all traffic into and out of the networks. What have you learned about the health of your network since initiating the use of this system?

Answer. We are learning a tremendous amount about the trends and patterns of information flow. The insights from our trend analysis and the new data on information flow has allowed us to characterize network activity faster and allows us to recognize areas that require further analysis earlier.

NEXT-GENERATION BALLISTIC MISSILE SUBMARINE

Question. The Navy has initiated a program to replace the Ohio-class submarines beginning in 2029, but concerns have persisted about the price tag of the replacement. These submarines are an indispensable part of our nuclear triad, and it is important that we have them ready on schedule at an affordable cost. Admiral Roughead, could you comment on the steps that are being taken to make sure that this program does not suffer the all-too-common problems of being over budget and past schedule?

Answer. Through thorough research by the Navy and OSD on the history of the last 50 years of survivable sea-based strategic deterrence, we have been able to determine the high-level baseline ship characteristics to establish affordability goals to be used during ship design for the OHIO Replacement (OR). This early and well understood basis for all requirements is necessary to prevent cost growth and control costs.

The Department is committed to provide the required and proper level of investment in up-front research and development to mature critical technologies and prove construction techniques to support lead ship construction. The use of appropriately mature technologies will be a major driver in controlling construction costs while recapitalizing the SSBN fleet. Likewise, achieving a sufficient level of maturity in the overall design will be critical to cost effective construction. Where practical, OR will use existing VIRGINIA Class technologies and components.

The OHIO Replacement Program will leverage design and construction lessons learned from the VIRGINIA Class to continue our ongoing and highly successful cost reduction initiatives. In addition, Navy will leverage the same design contract strategies from VIRGINIA to ensure OR is designed and procured at the lowest possible cost. The Navy is investing an additional \$50 million/year in fiscal year 2012–fiscal year 2014 to enhance designing the OR for affordability. The Design for Affordability (DFA) effort will be a joint Government and Shipbuilder effort focused on reducing Total Ownership Costs. The DFA process will specifically target reductions in lead ship Non-Recurring Engineering (NRE) cost, reducing construction time and cost, balancing acquisition and lifetime operations and support (O&S) costs, and the process will provide shipbuilder research & development incentives

based on validated proposals for cost estimate reductions, DFA design schedule, and additional cost reduction initiatives.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

CHINESE MILITARY ADVANCES

Question. Admiral Roughead, we have recently seen a great deal of discussion about China's development of a new anti-ship missile, the DF-21D or "carrier killer" which is intended to hit a well-defended target, such as one of our carriers, with pinpoint accuracy. The concern is that such a missile will put our carriers at risk and hamper the Navy's ability to intervene in a conflict over Taiwan or North Korea. Vice Admiral Scott van Buskirk, commander of the U.S. 7th Fleet, downplayed concerns about the missile noting that it was just "one weapons system, one technology that it out there." What is your assessment of the threat this weapon poses to our carrier fleet?

Answer. The DF-21D Anti-Ship Ballistic Missile (ASBM) is but one system in China's arsenal that challenges naval operations in contested areas. To successfully employ an ASBM, or any long-range maritime weapon, China needs a robust command, control, communications, computers, intelligence, surveillance and reconnaissance (C⁴ISR) capability to find and relay targeting information to decision makers and firing units. While China operates a wide range of ISR assets, the aggregation of near-real-time information that is required for the PRC to move quickly from initial detection to engagement is a highly complex problem, especially against one of our aircraft carriers that would be maneuvering at sea. Additionally, the Navy has made significant investment in kinetic and non-kinetic capabilities to counter anti-ship ballistic missiles and advanced cruise missiles, including increased investment in Aegis modernization, which will upgrade our existing Aegis technology to continually improve our Integrated Air and Missile Defense capability. More details in response to this question are best provided in a classified setting.

Question. What is the U.S. response?

Answer. The Navy has made significant investment in kinetic and non-kinetic capabilities to counter the threat of anti-ship ballistic missiles and advanced cruise missiles, including increased investment in Aegis modernization, which will upgrade our existing Aegis technology to continually improve our Integrated Air and Missile Defense capability. A more detailed response to this question is best provided in a classified setting.

Question. What other challenges to the U.S. Navy's presence in the Pacific do you see arising from China and how should we respond?

Answer. There are an increasing number of foreign capabilities, including those of China, that have the potential to slow or disrupt the deployment of friendly forces into a theater or cause our forces to operate from distances farther from a conflict than desired. Capabilities that impact our forces in this manner are termed "anti-access" capabilities and include long-range, precise, anti-ship and land attack ballistic and cruise missile systems; advanced combat aircraft and electronic warfare technologies; advanced Integrated Air Defense systems; submarines and subsurface warfare capabilities; surface warfare capabilities; C⁴ISR capabilities, and cyber warfare technologies. The Navy has and will continue to develop programs and capabilities to address the anti-access environment emerging in the Western Pacific and other theaters of operation. Accordingly, we are mindful of the need to be prepared to respond to all challenges by strengthening our alliances and partnerships, modernizing our forces, fielding new capabilities and technologies, and developing new operational concepts.

NAVAL TACTICAL AIRCRAFT SHORTFALL

Question. In June 2009, the Navy testified to Congress that its aircraft fleet was facing a potential shortfall of 243 tactical aircraft in the next decade. We understand that the less than 2 years later, the Navy is now stating a shortfall of only 65 aircraft. I am interested in how the Navy determined this new shortfall estimate. Has the Navy assumed additional risk in order to reduce the shortfall? If so, what are those risks?

Answer. Based on the 2012 President's budget, the Department of the Navy projects it will experience a peak inventory shortfall of 65 aircraft in 2018, should the following conditions exist: accelerated transition of 10 F/A-18 legacy Hornet squadrons into Super Hornets; the service life extension of approximately 150 legacy Hornets; and procurement of a total of 556 F/A-18E/F Super Hornets. This aircraft shortfall is manageable.

Question. What are the practical consequences of the strike fighter shortfall?

Answer. Based on the 2012 President's budget, the Department of the Navy projects it will experience a peak inventory shortfall of 65 aircraft in 2018, should the following conditions exist: accelerated transition of 10 F/A-18 legacy Hornet squadrons into Super Hornets; the service life extension of approximately 150 legacy Hornets; and procurement of a total of 556 F/A-18E/F Super Hornets. This aircraft shortfall is manageable.

Question. What is the Navy doing to mitigate this shortfall?

Answer. Based on the 2012 President's budget, the Department of the Navy projects it will experience a peak inventory shortfall of 65 aircraft in 2018, should the following conditions exist: accelerated transition of 10 F/A-18 legacy Hornet squadrons into Super Hornets; the service life extension of approximately 150 legacy Hornets; and procurement of a total of 556 F/A-18E/F Super Hornets. This aircraft shortfall is manageable.

SHIPBUILDING

Question. Admiral Roughead, your budget request includes funding for 10 ships in fiscal year 2012 with a total of 50 ships over the Future Year Defense Plan. Will this production rate support your stated goal of a 313 ship Navy?

Answer. Yes. The Navy plans to procure a total of 55 ships in the PB 2012 Future Years Defense Program (FYDP), an increase of 5 from last year's plan. This production rate will reach a battle force inventory of 313 ships in the near-term (fiscal year 2011-fiscal year 2020) reaching 315 ships in fiscal year 2020. President's budget (PB) 2012 achieves a balanced and executable shipbuilding program which provides additional capability while gaining stability and efficiency in the shipbuilding industrial base.

Question. How will the current set-backs related to the constraints of the Continuing Resolution affect the fiscal year 2012 procurement rates?

Answer. Without the fiscal year 2011 requested SCN budget, the future build plan for shipbuilding, including fiscal year 2012, would have to be reprioritized and re-phased. There could be future cost impacts attributed to revised workload at major shipbuilders, rate increases associated with protracted schedules, and inefficient procurement of major systems. There are secondary impacts to the Navy as delays in delivery could result in delays to initial operating capabilities or the ability to retire fleet assets as planned. Under the CR, the inability to increase procurement quantities, initiate new starts, increase funding levels, or reallocate funding constitutes a considerable impact to the FYDP for shipbuilding.

Currently, the Navy plans to procure a total of 55 ships in the fiscal year 2012 President's budget FYDP with 10 ships budgeted in fiscal year 2012. The CR's limitation in the shipbuilding program to the fiscal year 2010 funding levels and procurement quantities negatively impacts Navy's fiscal year 2011 build program. Specifically, the CR prohibits the procurement of a second Virginia Class Submarine, a second DDG-51 Class Destroyer, a LHA replacement amphibious ship, an oceanographic ship, a Mobile Landing Platform, and several smaller programs. Available funding under the CR does not provide required advanced procurement funding for future platforms to include the Carrier Replacement and Carrier Refueling Overhaul Programs, nor does it provide the final increment of funding required for the CVN 78.

Question. How will the Navy mitigate those effects?

Answer. In developing our shipbuilding plan, we assessed risk mindful of the uncertainties of the future to achieve the best balance of missions, resources and requirements possible for our PB 2012 Navy procurement request.

PB 2012 achieves a balanced and executable shipbuilding program which provides additional capability while gaining efficiency in the shipbuilding industrial base. The Navy has requested to procure a total of 55 ships in the PB 2012 FYDP, 5 more than last year due to our efficiencies and acquisition strategies. This request includes ten ships in fiscal year 2012. These ships include: a continuation of the fiscal year 2010 restart of the DDG 51 program, with an additional ship in fiscal year 2014; an additional Littoral Combat Ship (LCS) in fiscal year 2012 to support an acquisition strategy of two 10 ship block procurements from each contractor, continuation of the SSN 774 program at two ships per year through fiscal year 2016; acceleration of the new Mobile Landing Platform (MLP) program aimed at increasing the capacity and capability of the existing Maritime Prepositioning Ship (MPS) fleet; continuation of the CVN 78 program; procurement of the eleventh LPD 17 ship, meeting the Marine Corps lift requirements for this class of ship; and a substantive increase in the Navy's ability to meet theater cooperation demands and intra-theater lift requirements through capitalization of a more robust Joint High

Speed Vessel (JHSV) program. Overall, the fleet additions represented by the additions to the PB 2012 FYDP will position the Navy to meet its obligations and mission requirements through the next decade.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

GREAT GREEN FLEET

Question. Has the composition and homeport of the Great Green Fleet been decided?

Answer. No final decision regarding the composition of the Great Green Fleet has been made. The individual Navy units that would deploy in 2016 have not been identified, but the Great Green Fleet will be composed of ships from various home ports. As such, it will not have a single home port.

Question. Will the fiscal year 2011 Continuing Resolution impact the timeline for the 2012 Green Strike Group? If so, what specifically will be impacted?

Answer. The continuing resolution (CR) necessitated the reprogramming of \$5.5 million above the \$4.5 million received in fiscal year 2010. This reprogrammed funding for fiscal year 2011 was not received until April 2011, causing schedule delays to the program. Currently Navy has received \$10 million of \$10.8 million programmed for the testing and certification needed to support the Great Green Fleet. Efforts are ongoing to identify avenues to mitigate delays. Navy plans to be back on track within the next 3 months to complete the fuel certification required for ship and aircraft systems to conduct the demonstration of the Green Strike Group in 2012.

Question. Where is the Navy getting the fuel currently being used for testing? When does the Navy think the fuel will be ready for certification?

Answer. The Navy receives all of its fuels through the Defense Logistics Agency—Energy through competitive procurement. The test and certification process of the fuels necessary for the Great Green Fleet is currently underway. Current funding puts the Navy on track to complete the fuel certification required for ship and aircraft systems to conduct the demonstration of the Green Strike Group in 2012.

Question. After the 2012 test, is the Navy planning to transition more bio-fuels capability to the fleet or will that occur after the 2016 demonstration?

Answer. The Navy plans to use certified, cost-competitive alternative fuels as they become available. If certified bio-fuels are commercially available at a competitive price earlier than the objectives set by the Secretary of the Navy, the Navy will pursue their competitive procurement.

Question. What is the cost to modify ship and aircraft engines to use bio-fuels instead of conventional? What are the potential long term savings for using a renewable energy source for fuel?

Answer. There is no need to modify ship and aircraft engines to use bio-fuels instead of conventional fuel. Navy requires alternative fuel suppliers to engineer the fuel so that it closely mirrors the current fossil fuels of F-76 and JP-5; the fuels are a 'drop-in' replacement for 100 percent petroleum and can be mixed freely with it. There is a potential for long-term cost savings by using renewable biofuels if the cost of petroleum keeps rising and eventually exceeds the declining cost to produce biofuels.

Question. Does the Navy have any plans to add hybrid tugs to the Fleet? If so, what is the timeframe by which they intend to acquire them?

Answer. The Navy does not currently have any plans to add hybrid tugs to the Fleet.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

HIGH PERFORMANCE COMPUTING

Question. Admiral Roughead, The Naval Meteorology and Oceanography Command and its associated supercomputing capability have proven to be valuable assets in a host of mission areas including ocean modeling, weather modeling, and disaster relief, such as, the Gulf oil spill last year. Can you describe for the Committee the importance of Supercomputing capacity and how it has assisted the Navy in accomplishing its mission?

Answer. The Department of the Navy utilizes High Performance Computing (HPC) resources to accelerate development and transition of advanced defense technologies into superior war-fighting capabilities, and to support our operational needs. Specifically, the Navy Research, Development, Test, and Evaluation

(RDT&E) community utilizes HPC assets for modeling and simulation. HPC allows the Navy to develop physics-based simulations, which create realistic warfare environments that allow us to evaluate the performance of new technologies and tactics in real-time. The simulated environments enabled by HPC are essential, especially in cases where no test range exists to emulate combat environments, where physical testing has unacceptable safety risks, where physical testing is prohibitively expensive, and where we have to rapidly test new systems to counter emerging threats in ongoing conflicts. HPC allows us to conduct classified and unclassified early advanced research, and it reduces the cost, acquisition time, and risk for our major defense programs by optimizing the mix of simulation with physical testing. The use of HPC enables Navy's RDT&E infrastructure to deliver necessary capabilities to our sailors faster and cheaper.

The Navy also relies on HPC to support our operations. The Naval Oceanographic Office (NAVOCEANO) relies on HPC resources for operational oceanographic applications, including numerical ocean prediction, and our Fleet Numerical Meteorology and Oceanography Center (FNMOC) greatly benefits from HPC resources that support R&D and production of operational products designed to keep Navy assets safe from weather threats.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

PHALANX CLOSE-IN WEAPON SYSTEM

Question The Phalanx Close-In Weapons System is an important aspect of our naval defense, protecting our sailors and marines against threats ranging from anti-ship missiles to small boats and unmanned aerial vehicles. I am informed that the Navy has recognized the importance of this system by investing \$1.42 billion to upgrade 252 Phalanx mounts to the appropriate configuration. In your letter to me dated December 3, 2010, you stated that to maintain these systems the Navy needed to begin funding 36 overhauls per year, starting with the fiscal year 2012 budget. I see that the fiscal year 2012 budget request includes funding for only three Phalanx overhauls in a year, which would take the Navy 80 years to complete. Given the clear safety and security implications for our sailors and marines, what is the Navy's plan to meet this shortfall in fiscal year 2012?

Answer. Navy continues to procure and install Phalanx Block 1B systems at an accelerated pace and is on schedule to have 252 Phalanx Block 1B mounts in service by fiscal year 2014. This accelerated schedule of installations replaces normal Class "A" overhauls necessary to maintain system reliability and maintenance. We will complete Phalanx Block 1B upgrades as follows: 37 in fiscal year 2011; 29 in fiscal year 2012; 21 in fiscal year 2013; 55 in fiscal year 2014. As a result of this accelerated upgrade plan, the fiscal year 2011 CIWS maintenance backlog (all variants) will decrease from 60 systems today to less than 40 systems in fiscal year 2014.

Question And is there any progress being made to re-prioritize this overhaul in future years?

Answer. We are not planning to adjust our approach to the Phalanx Close-In Weapons System. The Navy continues to procure and install Phalanx Block 1B systems at an accelerated pace and is on schedule to have 252 Phalanx Block 1B mounts in service by fiscal year 2014. This accelerated schedule of installations replaces normal Class "A" overhauls necessary to maintain system reliability and maintenance. We will complete Phalanx Block 1B upgrades as follows: 37 in fiscal year 2011; 29 in fiscal year 2012; 21 in fiscal year 2013; 55 in fiscal year 2014. As a result of this accelerated upgrade plan, the fiscal year 2011 CIWS maintenance backlog (all variants) will decrease from 60 systems today to less than 40 systems in fiscal year 2014.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

DDG 51 MULTIYEAR PROCUREMENT

Question. The fiscal year 2012 President's budget request would continue DDG 51 ship procurement at a single ship in fiscal year 2012, two ships in fiscal year 2013 through fiscal year 2015, and returning to a single ship in fiscal year 2016. The addition of a second ship in fiscal year 2014 represents an improvement over last year's budget plan for DDG 51 procurement, which I applaud. However, buying an average two or fewer DDG 51s per year raises a number of near-term and long-term concerns. Admiral Roughead, you have previously expressed concern in testimony before Congress about the Navy's future force structure in the next decade, stating

that, “many of our existing cruisers and destroyers will reach the end of their service lives,” and in the mean time, “our existing BMD ships may experience longer deployments and less time between deployments as we stretch current capacity to meet growing demands.” Would you agree then, that if a way could be found to procure DDG 51s at a rate greater than one or two per year, the Fleet would face less operational risk in meeting mission requirements, there would be less concern regarding the looming cruiser and destroyer retirements, and the shipbuilding industrial base could produce these ships at a lesser, and more affordable, unit cost per ship?

Answer. The Navy’s shipbuilding plan, combined with our plan for DDG/CG modernization to upgrade our existing ships, provides the best balance among capability, capacity, and affordability for our Navy. The current shipbuilding plan allows continuous, stable construction of 13 ships and related combat system components from fiscal year 2010–fiscal year 2017, which address the Navy’s near term requirements while mitigating technology/design risk and production limitations. The shipbuilding plan also permits economic order quantity procurements and the efficient production and delivery of materiel and services, which reduces the cost of material and labor. Navy will continuously analyze force structure requirements over the next decade relative to future threats, requirements, and fiscal conditions to determine what the composition of the future force should be and the ability of our Fleet to meet those challenges.

NAVY SHIPBUILDING PLAN

Question. The Navy’s current 30-year shipbuilding plan calls for a minimum of 88 cruisers/destroyers. Implementing the Navy’s current shipbuilding plan would result in a cruiser-destroyer force that falls below the 88-ship minimum requirement beginning in fiscal year 2028 and would remain below the 88-ship floor for 14 years. The shortfall exists for more than one-third of the timeframe covered by the 30-year shipbuilding plan and reaches a shortfall of 20 ships in fiscal year 2034. This projected cruiser-destroyer shortfall is the single largest projected shortfall of any ship category in the Navy’s 30-year shipbuilding plan. Given funding pressures the Navy faces in its shipbuilding budget during the 2020’s by the Navy’s need to procure new SSBN(X) ballistic missile submarines, it would seem prudent to program additional DDG 51s to the shipbuilding plan in the fiscal years prior to fiscal year 2019. Admiral Roughead, if the Navy increased the production rate for DDG 51’s under the forthcoming Force Structure Assessment, would that help reduce the projected cruiser-destroyer shortfall in fiscal year 2027–fiscal year 2040?

Answer. If the Navy increased the procurement rate of our large surface combatants in the near-term it would mitigate the shortfall in the far-term. However, the Navy’s current shipbuilding plan represents a balance among Fleet requirements for presence, partnership building, humanitarian assistance, disaster relief, deterrence, and war-fighting by the COCOMs and our resources.

The procurement rates in the late 1980s and early 1990s for large surface combatants should not necessarily be replicated today. The DDG 51s in the restart program represent three decades of technological evolution. The warfighting demands for this ship class will define the inventory requirement for the future and it is undetermined whether this will involve one-for-one replacement. The inventory objective for this ship class will be the subject of further study in the future. The ships procured between fiscal year 2016 and fiscal year 2031 will replace our existing CG 47 Class cruisers with Air and Missile Defense Radar (AMDR) capable destroyers.

The options to shift resources within the budget to increase force structure are limited. Within the President’s budget submittal for fiscal year 2012’s Future Year Defense Plan (FYDP), several ship construction programs cannot be accelerated at this time due to technological, design risk or industrial production limitations. For programs without these risks, the Fleet inventory will reach its objective with current construction plans. Due to the Navy’s efficiencies and cost savings through our LCS acquisition strategy, Navy had sufficient resources within the FYDP to procure an additional DDG 51 in fiscal year 2014. If additional funding was provided to fund SSBN(X) procurement during the period from fiscal year 2020–fiscal year 2029, the Navy would be able to apply its shipbuilding funds to raise other ship procurement rates to reduce the impact on the shipbuilding industry and to increase the overall battleforce inventory. This additional funding would help reduce future ship inventory shortfalls and provide a more stable production base.

DDG 51 MULTIYEAR PROCUREMENT

Question. Admiral Roughead, I understand that for each of the previous two DDG 51 multiyear procurement (MPY) contracts, in fiscal year 1998–2001 and fiscal year

2002–2005, the Navy received MYP authority 1 year in advance (in fiscal year 1997 and fiscal year 2001). The Navy states that it wants another DDG–51 MYP starting in fiscal year 2013, but the Navy has not requested authority for this MYP as part of its fiscal year 2012 budget submission. When does the Navy plan to submit to Congress its request for authority for a DDG–51 MYP starting in fiscal year 2013?

Answer. The fiscal year 2012 President’s budget highlights the Navy’s intent to request congressional approval for a DDG 51 fiscal year 2013–fiscal year 2017 Multiyear Procurement (MYP). The Navy intends to submit the MYP legislative proposal as part of the fiscal year 2013 President’s budget commensurate with the first year of funding for the MYP.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

EARTHQUAKE

Question. Two weeks ago we conducted a hearing in this subcommittee on the impact that the failure to complete a fiscal year 2011 Defense Appropriations Bill is having on our military services. That was before the Navy and Marine Corps were pressed into service in response to the devastating earthquake and tsunami in Northern Japan which comes over and above everything else your services are doing around. If the Navy and Marine Corps were financially stressed in performing their missions before how does the unanticipated challenge of responding to an earthquake and tsunami further stress the ability of your service to perform its mission?

Answer. The Department of Navy (DON) response to the earthquake, tsunami and nuclear reactor disasters in Japan has had minimal impact on DON missions. Total costs through March 25, 2011 were \$26.5 million with at least \$10.5 million recoverable by reimbursement from the Overseas Humanitarian Disaster Assistance and Civic Aid (OHDACA) appropriation.

The greatest impact to our mission and budget has been the prudent, but voluntary, departure of military dependents from the island of Honshu, Japan. Through April 8, this operation has cost approximately \$54.5 million. Navy cannot simply absorb these costs within MILPERS accounts that have already been stressed under the Continuing Resolution (CR). Navy has submitted a CR exception request to the President’s Office of Management and Budget (OMB) for additional appropriation under the “Safety of Human Life” exception to fund the additional cost for travel, lodging, meals, and per diem for evacuees through April 8, 2011. This short-term solution has been approved by OMB.

Question. In Alaska we are no stranger to earthquakes and as you know we are home to the Pacific Alaska Tsunami warning center. Events such as those in Japan have refocused Alaska on our own level of preparedness if we were to experience an event like we did in Japan. And like Japan our runways in the Anchorage Bowl not only vulnerable to earthquake damage but also to flooding. If Alaska were to experience a catastrophic earthquake what role would you expect the Navy to play in a response?

Answer. The Navy in its supporting role to Combatant Commands (COCOMs) provides maritime forces to accomplish their assigned missions, which include humanitarian assistance and disaster relief. In the event of a catastrophic earthquake in Alaska, U.S. Northern Command and U.S. Pacific Command would coordinate with the Joint Chiefs of Staff to determine specific Requests for Forces and/or Requests for Assistance to the Navy and other Services. Navy’s forces would contribute capabilities to the overall response effort performing evacuation, medical assistance, delivery of relief supplies, and possibly reconstruction. Additionally, other U.S. Government agencies such as DHS and FEMA would contribute their capabilities to provide a more robust, whole-of-Government response to a natural disaster.

QUESTIONS SUBMITTED TO GENERAL JAMES F. AMOS

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

EFFECTS OF CONTINUING RESOLUTION ON MILITARY PERSONNEL

Question. Admiral Roughead and General Amos, how has the series of short-term continuing resolutions negatively affected the Navy and Marine Corps’s ability to manage its military personnel accounts?

Answer. This question is overcome by events due to passage of the fiscal year 2011 Appropriations bill.

Question. General Amos, what is the current dwell time ratio for the Marine Corps, and what is the goal?

Answer. Our deployment to dwell ratio goal is 1:2. In light of our operational demands, and through the support of Congress in authorizing our end strength of 202,100 active duty forces, our combat units are beginning to realize an approximate 1:2 dwell time.¹ Other units vary at more favorable dwell time levels depending on their mission. We anticipate the 1:2 dwell ratio for combat units to remain relatively stable provided current deployed force levels are not increased; however, increased operational demands in Afghanistan or elsewhere may result in dwell times inconsistent with fostering a resilient Total Force.

Some marines in select military occupational specialties continue to fall into what is known as a high-demand, low-density status. This is a key indicator that the combat demand for marines with these skills does not match, or exceeds, the current manpower requirement and/or inventory. In addition, there are currently 14 of 211 occupational specialties where the on-hand number of marines is less than 90 percent of what is required.² Our recently completed force structure review addressed all these concerns. We are working actively to recruit, promote, and retain the right number of marines in the right occupational specialties thus promoting resiliency of our Total Force.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

USMC F-35 JOINT STRIKE FIGHTER

Question. General Amos, you have testified to the importance of having strike aircraft that can operate from amphibious shipping and austere airfields. You have placed the F-35B on a 2-year probation. Can you please explain what that probation entails?

Answer. Establishing a period of scrutiny for the F-35B was prudent in light of the progress the Joint Strike Fighter program has made. The STOVL technical challenges are typical of this developmental stage and none of the known issues are considered to be insurmountable. Corrective actions have either already been incorporated into production aircraft or they are being proactively analyzed. We now have the time to focus resources, ensure the solutions are effective, and incorporate them in the most efficient means possible while avoiding costly design changes.

Question. What are the problems with the program and what are you expecting to occur over the next 2 years?

Answer. There are three factors impacting delivery of the Joint Strike Fighter: production delivery delays, flight test progress, and the rate of software development. For the F-35B, the STOVL variant, developmental testing lagged last year as the program identified some anomalies in the design that need to be corrected.

I am personally engaged with the Joint Program Office and prime contractors to ensure we have instituted the most efficient and effective processes for resolving these challenges. As a result, the program will deliver a higher quality of aircraft in the shortest amount of time.

Question. If there are problems with the aircraft, why are we purchasing 6 of them in fiscal year 2012?

Answer. Our plan is to reduce fiscal year 2012 and fiscal year 2013 production to a rate of 6 per year. This will prevent the loss of valuable manufacturing experience gained since the start of production while the program develops and implements solutions for the technical challenges discovered in developmental testing. It is prudent to optimize the production rate to incorporate lessons learned into as many of the early lot aircraft as possible, to deliver a higher quality of aircraft in the shortest amount of time.

Question. If the F-35B program does not meet the requirements to continue, do you have a plan to replace the aging AV-8B Harrier II population?

Answer. Within our current inventory of our operational tactical aircraft, the AV-8B is the least affected by service life longevity. We anticipate flying the AV-8B well into the next decade, giving us time to develop a replacement plan if F-35B falters. However, the improvements we have seen in F-35B program since the first

¹ Infantry battalions will continue to remain just below 1:2 dwell time due to relief in place/transfer of authority requirements.

² Our most stressed occupational specialties based on percentage of marines beyond a 1:2 dwell are (1) Geographic Intelligence Specialist, (2) Imaging Analyst/Specialists, (3) Signals Collection Operator/Analyst, (4) Unmanned Aerial Systems Operator/Mechanic, and (5) European, Middle East, and Asia-Pacific Cryptologic Linguists.

of the year indicate the STOVL challenges will be solved and will meet or exceed our requirements.

Question. To quote your testimony, “The F-35B is vital to our ability to conduct combined arms operations in expeditionary environments.” What are the implications to the Marine Corps mission if they do not have this capability?

Answer. The F-35B is the tactical aircraft we need to support our Marine Air Ground Task Force from now until the middle of this century. Our requirement for expeditionary tactical aircraft has been demonstrated repeatedly since the inception of Marine aviation. Our ability to tactically base fixed wing aircraft in the hip pocket of our ground forces has been instrumental to our success on the battlefield. Given the threats we will face in the future, the F-35B is clearly the aircraft of choice to meet our operating requirements.

The implications of not having a STOVL tactical aviation capability reach far beyond the Marine Corps and directly affect our ability to support our national strategy. I am confident the F-35B will surpass expectations and be a key resource in our arsenal of expeditionary capabilities.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

OPERATIONAL IMPACT OF AMPHIBIOUS SHIP DECOMMISSIONINGS

Question. General Amos, the Department of the Navy has determined a minimum force of 33 amphibious ships is the limit of acceptable risk in meeting a 38-ship amphibious force requirement. However, the number of amphibious ships in inventory will reach 29 ships this year as more ships are decommissioned. With the current unrest in Africa and the Middle East, and the earthquake in Japan what is the demand for amphibious ships currently and what has been the demand from the combatant commanders over the last year or so?

Answer. Demand by Combatant Commanders (CCDR) for naval forces has remained high during the last 5 years.

Fiscal year	COCOM ARG/MEU Requirement ¹		COCOM Independent Amphib Requirement ¹	
	Demand/Sourced	Percent	Demand/Sourced	Percent
2008	3.4/2.62	77	3.5/1.88	54
2009	3.4/2.47	73	2.58/1.09	42
2010	4.57/2.62	57	3.89/1.49	38
2011 ²	4.4/2.68	61	3.83/0.76	20
2012 ²	4.44/2.54	57	4.41/0.93	21

¹ COCOM Amphib Ship Demand Based on Fleet Forces Command Data (Ships required computed at a 1:3.7 Rotation Rate).
² 2011/2012 Demand reflects Global Force Management Allocation Plan (GFMAP) Baseline data . . . does not include Requests for Forces.

While not able to meet the cumulative annual global CCDR ARG/MEU demand, the Navy is meeting SECDEF tasks as noted in the Global Force Management Allocation Process information above. The table shows that CCDR demand for crisis response forces and engagement are only being partially met.

As current events in North Africa, the Horn of Africa, much of Central Command, and in the Pacific reinforce, amphibious forces remain the cornerstone of our Nation’s ability to respond to crisis and overcome access challenges.

The current inventory of amphibious ships will not support continuous deployments in the PACOM, CENTCOM, EUCOM and AFRICOM that are being requested by the combatant commanders today. An inventory of 33 ships (11 large deck/11 LPD/11 LSD) would adequately support these regions with an ARG/MEU presence. Thirty-eight ships would support the ARG/MEU demand plus single ship deployments to meet the CCDR requirements to support additional forward engagement activities.

QUESTION SUBMITTED BY SENATOR LISA MURKOWSKI

EARTHQUAKE

Question. Two weeks ago we conducted a hearing in this subcommittee on the impact that the failure to complete a fiscal year 2011 Defense Appropriations Bill is having on our military services. That was before the Navy and Marine Corps were pressed into service in response to the devastating earthquake and tsunami in

Northern Japan which comes over and above everything else your services are doing around the world.

If the Navy and Marine Corps were financially stressed in performing their missions before, how does the unanticipated challenge of responding to an earthquake and tsunami further stress the ability of your service to perform their mission?

Answer. Recent USMC support to humanitarian assistance/disaster relief operations in Japan combined with no-fly zone enforcement support in Libya has forced the Marine Corps to reprioritize some of its resources in order to provide maximum support. The Marine Corps anticipates Overseas Humanitarian Disaster and Casualty Assistance (OHDACA) reimbursements from the State Department to provide funding for many of the costs incurred from the Humanitarian Relief effort associated with Operation Tomodachi. Outside of the relief efforts in Libya, the Marine Corps has incurred approximately \$600,000 in expenses which are not eligible for OHDACA reimbursement. Reprioritizing includes the delayed support to a wide range of Theater Security Cooperation (TSC) events. Specifically, Marine forces postponed planned exercises with India, Sri Lanka, and the Maldives during the late March-early April timeframe. Two other planned exercises with South Korea and Indonesia were cancelled during this same period.

In the cases noted above, events were postponed or cancelled due to higher priority missions, not because of a lack of funding.

SUBCOMMITTEE RECESS

Chairman INOUE. And the next hearing of this subcommittee will be on March 30. At that time, we'll receive testimony from the Department of the Air Force.

Thank you very much.

[Whereupon, at 12:40 p.m., Wednesday, March 16, the subcommittee was recessed, to reconvene subject to the call of the Chair.]