

STATEMENT OF  
HONORABLE ROBERT B. PIRIE, JR.  
BEFORE THE  
SENATE ARMED SERVICES COMMITTEE  
OCTOBER 3, 2000

GOOD MORNING, MR. CHAIRMAN, I WOULD LIKE TO THANK YOU AND YOUR COMMITTEE FOR HAVING ME HERE TODAY. I AM GREATLY HONORED TO BE NOMINATED TO BE THE NEXT UNDER SECRETARY OF THE NAVY.

MR. CHAIRMAN, OVER THE PAST SIX YEARS AS ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS AND ENVIRONMENT) I HAVE WORKED HARD WITH YOU, THIS COMMITTEE, AND THE OTHER COMMITTEES OF CONGRESS ON MANY IMPORTANT ISSUES. I BELIEVE THAT TOGETHER WE HAVE DONE GREAT THINGS IN SUPPORT OF THE QUALITY OF LIFE OF OUR SAILORS AND MARINES. THIS COMMITTEE HAS BEEN PARTICULARLY HELPFUL IN THE AREAS OF MILITARY COMPENSATION AND MILITARY CONSTRUCTION. BUT I HAVE ALSO WORKED HARD ON SUCH THINGS AS THE ORDERLY CONVEYANCE OF BASE CLOSURE PROPERTY TO AFFECTED COMMUNITIES, AND THE WAYS IN WHICH

WE CAN COMPLY FULLY WITH ENVIRONMENTAL LAW AND  
REGULATION WHILE OFFERING THE LEAST OBSTRUCTION TO  
OPERATIONS AND TRAINING. SHOULD I BE CONFIRMED, I LOOK  
FORWARD TO CONTINUING THIS RELATIONSHIP AND FURTHER  
ENHANCING THE QUALITY OF LIFE OF OUR SAILORS AND  
MARINES AND THE READINESS OF OUR FORCES. I WOULD LIKE  
TO THANK YOU FOR YOUR CONSIDERATION TODAY AND ASK FOR  
YOUR SUPPORT. I WOULD NOW WELCOME ANY QUESTIONS YOU  
MAY HAVE OF ME.

**Answers to SASC Policy and Management Questions**  
**by the Honorable Robert B. Pirie, Jr.**

**Defense Reforms**

**More than a decade has passed since the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms.**

**Do you support full implementation of these defense reforms?**

A. I am committed to the complete and effective implementation of these reforms.

**What is your view of the extent to which these defense reforms have been implemented?**

A. I believe these reforms have been fully implemented and that they have greatly clarified the responsibilities and authorities of the Secretary of Defense, the Secretaries of the Military Departments, the Joint Chiefs of Staff, and the Chairman of the Joint Chiefs.

The effectiveness of our joint warfighting forces especially with respect to communication, interoperability, training, and joint operations, has improved as a result of these reforms.

**What do you consider to be the most important aspects of these defense reforms?**

A. In my view, the most significant value of these reforms has been to strengthen joint warfighting. I also appreciate the effect of this legislation in enhancing the participation of the CINCS in the resource allocation process and in increasing attention to the formulation of strategy.

**The goals of the Congress in enacting these defense reforms, as reflected in Section 3 of the Goldwater-Nichols Department of Defense Reorganization Act, can be summarized as strengthening civilian control, improving military advice; placing clear responsibility on the combatant commanders for the accomplishment of their missions; ensuring the authority of the combatant commanders is commensurate with their responsibility; increasing attention to the formulation of strategy and to contingency planning; providing for more efficient use of defense resources; and enhancing the effectiveness of military operations and improving the management and administration of the Department of Defense.**

**Do you agree with these goals?**

A. Yes.

**Recently, there have been articles which indicate an interest within the Department of Defense in modifying Goldwater-Nichols in light of the changing environment and possible revisions to the national strategy.**

**Do you anticipate that legislative proposals to amend Goldwater-Nichols may be appropriate? If so, what areas do you believe it might be appropriate to address in these proposals?**

A. I am unaware of any proposals to amend Goldwater-Nichols. If confirmed, I will be in position to better understand and assess whether such proposals would be warranted. The implementation of the Goldwater-Nichols reforms has enhanced the ability of the Services to act quickly and jointly. However, like all innovative effort, this may warrant review and assessment in light of experience. If anything, the "next level of jointness" ought to be ensuring that the Services and our allies are fully interoperable.

### **Duties**

**Section 5015 of title 10, United States Code, provide that the Under Secretary of the Navy performs such duties and exercises such powers as the Secretary of the Navy may prescribe.**

**Assuming you are confirmed, what duties do you expect that Secretary Danzig will prescribe for you?**

A. I believe the Secretary intends the Under Secretary's office to keep the Department of the Navy on track as far as maintaining his top priorities. If confirmed as his Executive Officer, I will ensure Secretary Danzig's priorities are maintained. I will also take the lead on items that he decides need special attention.

**In carrying out these duties, what would be you relationship with the following officials?**

#### **Under Secretaries of Defense**

A. I believe it is important to develop and maintain open communications channels and strong liaison with the Under Secretaries of Defense. If confirmed, I will assist Secretary Danzig in carrying out his responsibilities to the Secretary of Defense for all affairs of the Department of the Navy. I will strive to meet regularly with the senior OSD officials to keep them fully informed on matters affecting their responsibilities.

#### **Under Secretaries of the Army and the Air Force**

A. If confirmed, I will look forward to having an open and productive relationship with my counterparts in the other services in order to better understand, assess, and manage areas of mutual concern, such as personnel, readiness, and quality of life.

**Assistant Secretary of the Navy for Manpower and Reserve Affairs**  
**Assistant Secretary of the Navy for Installation and Environment**  
**Assistant Secretary of the Navy for Research, Development and Acquisition**  
**Assistant Secretary of the Navy for Financial Management**

A. If confirmed as the Under Secretary of the Navy, I intend to work closely with the Assistant Secretaries to ensure the Department focuses on issues of concern to the Secretary consistent with US Code, Title X. I would expect to have full authority over the Department of the Navy, acting as the Secretary in the absence of Secretary Danzig. In those circumstances the Assistant Secretaries would report to me.

### **The General Counsel**

A. If confirmed I will work closely with the office of the General Counsel to ensure decisions taken by the Secretary reflect both the letter and spirit of the law.

### **The Chief of Naval Operations** **The Vice Chief of Naval Operations**

A. My relationship with the Chief of Naval Operations and Vice Chief of Naval Operations, as well as the Commandant of the Marine Corps and Assistant Commandant of the Marine Corps, will be as prescribed by the Secretary and as necessary to allow for the proper management of the Department of the Navy.

### **Sailors, Marines and their families**

A. With the support of this committee, we have made great strides in recognizing and beginning to realistically provide for the needs of the men and women of the Navy and Marine Corps. Additionally, we fully recognize the demand on the families of these men and women that results from the sacrifices they make in the interest of our National security. In my view, we have only begun, and much more needs to be done to provide pay and allowances and a better quality of life, that reflects the value of their sacrifice to this nation and competes fairly with the opportunities of our economy. I believe you know how strongly I am committed to the men and women of the Navy and Marine Corps, and if confirmed, I will work with you to provide the support they deserve.

### **Quadrennial Defense Review**

**Next year, the Department of Defense will conduct another Quadrennial Defense Review (QDR) to include a comprehensive examination of the defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the**

**defense program and policies with a view toward preparing the armed forces of the United States for the security environment of the 21<sup>st</sup> Century.**

**Would you outline your views on the most pressing matters facing the Navy with regard to the QDR?**

A. The overarching challenge for the Navy in QDR 01 is best addressed in terms of two issues. First, it is vital that the QDR maintain the force structure required to sustain our commitment to providing combat credible naval presence forward in regions of U.S. interest. That includes providing the resources required to modernize and recapitalize the current force, while at the same time providing for the readiness of that force. I believe that the QDR will reinforce the Navy's enduring contribution as an expeditionary deployed force that provides continuous shaping and timely response to crises, and forms -- together with the Marine Corps -- the "leading edge" of the U.S. military's capability to fight and win.

That takes us to the second issue, which concerns not only the size, but also the shape, of the Navy of the future. The Navy's transformation -- reflected in the Service's emphasis on network-centric warfare -- is a significant change in force posture, and it is critical that we continue to implement these improvements in our existing and future platforms if our Navy is to dominate the battlespace of the future -- sea, air, land, space, and cyberspace. As potential adversaries field a range of increasingly sophisticated capabilities in pursuit of anti-access strategies, our forces must develop the superior knowledge required to control the domain of time, acting inside the adversary's decision and engagement timeline. A related issue stems from the transformation efforts of the Army and Air Force, which will result in a more expeditionary character to those Services. The result is that the Navy -- already deployed overseas -- will be increasingly relied upon to help assure access for this Joint warfighting power. The Navy of the future will therefore augment its traditional mission to maintain control of the seas by projecting defense ashore in the form of Theater Ballistic Missile Defense and providing deep, precise land attack from aircraft, surface ships and submarines.

In summary, I believe that the results of the QDR must reflect a Navy that is sized and shaped not only to represent our interests abroad today, but also meet the challenges that will result from the evolution of the rest of the Joint force.

To support our nation, the Navy must be:

- (1) Sized to maintain the presence required in regions of U.S. interest;
- (2) Provided the resources required to modernize and recapitalize the force, while sustaining the readiness of the force;
- (3) Equipped with systems for network-centric warfare to sustain the Navy's transformation to a knowledge-superior force; and
- (4) Outfitted with the capabilities that will enable the Navy to assure access for the projection of Joint combat power from the United States.

**What recommendations do you believe that the QDR might make to adequately posture the Navy for the requirements of the 21<sup>st</sup> Century?**

A. As discussed in the last question, the results of the QDR must reflect a Navy that meets the needs of the nation for a rotationally deployed, combat credible forward presence in regions of U.S. interest. Ensuring the readiness of our Navy forces, as well as equipping them

with the systems required to sustain the Navy's transformation to a network-centric, knowledge superior force, must be a priority. Similarly, the Navy's shore-based infrastructure must be maintained in a condition of readiness that supports its ability to provide for our combat forces.

**Do you believe that the QDR could recommend further personnel reductions without adversely affecting the ability of the Navy to accomplish its missions or without hindering the capability of the Combatant CINCs to accomplish the mission of the U.S. military.**

A. No. The current Navy force of roughly 370,000 men and women is sufficient to man the battle force to approximately 90 percent of the requirements; any further manning reductions would negatively affect the capability of the Navy to execute combat missions. The answer does not lie in cutting personnel ashore, because the Navy has already reduced manning in support of the shore-based infrastructure that supports the Fleet. In addition to the visible costs associated with unfilled billets, further reductions in manning would negatively impact training by exacerbating shortfalls at training commands and dramatically reducing or eliminating the turnover periods that are traditionally associated with personnel transfers.

During a period in which each of the Services is fighting to recruit and retain qualified men and women, further reductions in manning will heighten that challenge through their negative impact on the Quality of Service of our Sailors. Given the sustained level of commitments that must be met by our Navy, further reductions in personnel should not be viewed as an option for savings.

### **Maintaining a Ready Force**

**Senior officials within the Department of Defense have expressed concern that the high operating tempo of recent years may begin to impact readiness.**

**What indicators or early warning signs have been established to permit the Navy to monitor readiness?**

A. The reported readiness of deployable units is tracked via the Status of Resources and Training System (SORTS). This data is formally reviewed monthly, and more frequently for specific cases. The Aviation Material and Supply Readiness (AMSR) review has developed Top Level Metrics to track the variables that drive aviation material and supply readiness. CASREP data are tracked monthly.

**Are the existing procedures and practices sufficient to provide the Navy leadership meaningful and timely information which will permit identification and corrective action to prevent an impending readiness problem?**

A. Yes. Readiness assessment is a complex task, part science and part art. The metrics available provide visibility into the readiness of Navy units, as well as the principal drivers of unit

readiness. Monthly and Quarterly Readiness Reports to Congress detail the readiness of the Navy, and highlight any challenges and resource shortfalls. Testimony addresses specific readiness concerns. Internally, the Senior Readiness Oversight Council reviews readiness metrics monthly.

### **Excess Infrastructure**

#### **In your view, what steps will the Navy need to take to reduce excess infrastructure?**

A. The Navy and Marine Corps have a number of initiatives underway to make our infrastructure more effective and less costly. For example, both have building demolition programs that together will eliminate by FY-2002 over 12 million square feet of aging, unneeded and often unsightly facilities and their associated operating and maintenance costs. Both are evaluating opportunities to privatize about 850 utilities on Navy and Marine Corps installations under Defense Reform Initiative Directive 49. And both have a Smart Base initiative to bring off the shelf modern technology and business practices to shore installation functions. Finally, we need to close more bases.

#### **Do you believe the Navy needs to close additional bases?**

A. Yes. The Quadrennial Defense Review, Defense Reform Initiative, and the National Defense Panel all concluded that more rounds of Base Realignment and Closure (BRAC) are required to further shrink the military infrastructure. An April 1998 Department of Defense (DoD) report to Congress, submitted in accordance with Section 2824 of the FY-1998 Defense Authorization Act, concluded that the DoD has about 23 percent excess base capacity. I agree with these reports and have supported the need for two additional rounds of BRAC as proposed by the Secretary of Defense.

I do not believe the Department of the Navy has too much in the way of naval air stations or naval stations, or real estate in port areas. We certainly do not have too much air space or training space. But I believe we still have excess capacity in industrial and the research and development areas. I would expect that a joint service examination of these areas would find opportunities for consolidation and greater efficiency across DoD.

### **Priorities for the Department of the Navy**

**With declining fiscal resources, a balanced budget agreement with the defense top line determined for five years, the decisions regarding how to balance the available resources between personnel, quality of life, near-term readiness and modernization programs are more important than ever.**

#### **What priorities would you recommend for the Navy?**

A. I believe we now have sufficient experience in the post-Cold War era to cause all of us to re-think some of the assumptions under which the Department of Defense has been operating over the past few years. For example, we know now with greater assurance that we must

continue to address with urgency the legitimate expectations of our Sailors and Marines, particularly, their Quality of Service. We also know that the armed forces, and especially naval forces, have been and will continue to be in great demand around the world, essentially all the time. Toward these ends, we need to ensure that the Navy and Marine Corps can perform their essential missions today and in the near future by sustaining their critical priorities. Principal among these are the well-being of our Sailors and Marines, maintenance of their abilities to protect the national security, continuation of key programs now in procurement, and continued commitment to the critical platforms that we must initiate over the next five years.

### **Privatization of military family housing and installation utilities systems**

**As the Assistant Secretary of the Navy for Installations and Environment, you have had a key role in developing the Navy's policies in support of privatizing both Navy family housing and the installation's utility systems. In both instances the Department of the Navy does not appear to be as aggressive in implementing the programs as the other services.**

**What are the benefits of privatizing military family housing and the installation utility systems?**

A. Through use of the military housing privatization authorities, we have the ability to leverage our resources to more rapidly revitalize our family housing stock and, where a shortage exists, construct additional housing. We will be able to eliminate over 37,000 inadequate family housing units in the Department's inventory by Fiscal Year 2010 through a mix of privatization and military construction.

Utilities privatization allows us to take advantage of industry's ability to achieve savings through innovative financing and operational efficiencies. Aggregating our utility requirements with those of other customers allows the utility to achieve economies of scale. By privatizing utility systems we can better focus our efforts and resources on executing our mission objectives, while still properly maintaining our utility systems.

**What are the disadvantages, if any, of the privatization programs and what is the impact on the Navy?**

A. Perhaps the greatest disadvantage associated with military housing privatization is the uncertainty surrounding its status as a pilot project and whether or not the privatization authorities would be extended by the Congress. The expected extension of the program's authority in the FY-2001 Defense Authorization Bill will be a major step in dispelling any private sector doubts which may exist about the Department's commitment and Congressional support for privatization. We have addressed a number of concerns expressed about housing privatization. The business approach taken by the Department of the Navy (DoN) incorporates safeguards to protect the Government's interest, such as providing for active DON participation in major decisions (e.g. property management and recapitalization over the life of the project). We have also incorporated provisions governing rent escalation and, where necessary, differential

lease payments to ensure that the privatized housing costs remains affordable to our military families.

Utilities privatization is new to both the government and industry and therefore policies and guidance on how to accomplish privatization, for the most part, do not exist. We must answer questions such as: how do we protect ourselves from unreasonable price increases once we don't own the system; how do we insure that our interests are protected if the privatization contractor sells the system to another entity; and how do we best protect the interests of our employees in the transfer of responsibility. We are working within DoD and with industry to find mutually satisfactory answers to these questions.

**What has been the most significant hindrance to the timely implementation of the military family housing privatization program?**

A. The Department of the Navy has been the pioneer in military housing privatization with its award of the first two housing privatization projects within the Department of Defense. Since the initial award of pilot projects in Texas and Washington State, we have spent considerable effort in developing a structured Department-wide approach to housing privatization that would provide substantial protection of the Government's interests while ensuring the long-term availability of suitable, affordable housing for Sailors and Marines and their families. The execution of follow-on projects was delayed as we worked through these issues.

At present, we have nine active projects that involve the privatization of 6,400 existing and new housing units. We have recently notified the appropriate Congressional committees of the intent to award projects at Kingsville, TX, and Camp Pendleton, CA. We expect to provide Congressional notification for award of a third project (Everett, WA) soon.

**Concerns in the Ranks**

**As a retired naval officer you have experienced and are familiar with the frustrations and concerns of the officers and enlisted personnel who man our fleet. Earlier this year, there were newspaper accounts that young officers were leaving the service because they are disgruntled about "micro management," heavy workloads while in port, and a "zero defect mentality" among their superiors.**

**Are the concerns expressed by these officers unique to the current environment of our Navy or did you hear the same concerns during your service in the Navy?**

A. Those newspaper accounts referred to a survey that polled junior Surface Warfare Officers (SWO) (Year Groups 1990-97) in an attempt to confirm suspicions about why these officers were leaving the service in such large numbers. SWO retention is 27% - the lowest in the Unrestricted Line - and your summary is accurate with respect to dissatisfiers in that community. Combined with a robust civilian economy, these issues pose a significant challenge to attracting and retaining sufficient numbers of high quality junior officers. These concerns are not unique. When I was on active duty I often heard them expressed by my contemporaries. They seem to be particularly evident during times of downsizing and stress, for example after the Korean War, or

during the Vietnam War. But just because they are not new does not mean that they are not real, or that we should not pay attention to them. On the contrary, the technical demands that the modern Navy places on officers make it all the more important to retain the best and brightest.

### **How has the Navy's leadership responded to these concerns?**

A. This challenge is being met head-on by three sets of interwoven initiatives that are working in concert. First, the SWO community is decisively acting to improve junior officer retention by addressing the issues confirmed in the survey. These actions include:

- Developing a long-term junior officer retention campaign plan encompassing feedback from the fleet and involvement at every level in the chain of command.

- Forming a Junior Officer Retention Committee comprised of SWO flag officer selectees who review SWO JO retention initiatives and their effectiveness and develop new strategies.

- Conducting periodic junior officer (JO) retention off-sites where junior officers and JO Retention Committee members review the SWO retention campaign plan for required adjustments.

- Providing robust JO mentoring instruction to senior officers at the Surface Warfare Officers School in Newport, Rhode Island.

- Reducing Department Head over-touring in ships as a result of the Early Roller Program and the recently enacted Surface Warfare Officer Continuation Pay.

- SWO flag officer/ship-sponsored mentoring of Naval Reserve Officer Training Corps units around the country.

- Emphasis and focus on the "satisfiers" confirmed by the JO Survey: Leadership opportunity early, emphasis on warfighting skills, camaraderie, and travel/adventure.

Second, there are Navy-wide initiatives to improve junior officer retention that act in tandem with those of the SWO community including:

- Inter-deployment Training Cycle reductions aimed at reducing administrative requirements and underway time while in homeport.

- Increase in duty sections to reduce the number of duty days in homeport.

- OPTEMPO/PERSTEMPO reviews and reductions.

Finally, compensation for JO's has been reviewed and expanded in a variety of areas:

- Enhanced Aviation Career Continuation Pay and Nuclear Officer Incentive Pay are aimed at increasing JO retention in specific warfare areas and in the aggregate.

- SWO Continuation Pay (SWOCP) was enacted in the Fiscal Year 2000 National defense Authorization Act and was recently implemented.

### **What additional actions would you recommend to address these concerns?**

A. I believe the Secretary and CNO are doing the right things. A number of other initiatives are already being examined to address concerns within the Navy Chaplain, Civil Engineering, and Judge Advocate General Corps.

While the Navy has always had to work hard to retain quality people, the present challenging environment for attracting and retaining high quality junior officers causes us to

continually search for new and innovative solutions. Using the synergy of ideas that work in concert such as those mentioned above, we are confident that the challenge can be met.

### **Budget Gimmicks**

**In the fiscal year 1999 and fiscal year 2000 budget request, the military construction program was funded, in part, through budget gimmicks. In the fiscal year 2000 budget, the Department proposed incremental funding for all military construction and family housing projects. In the 1999 request, there were numerous construction projects funded using prior years unobligated funds. Although these funding methods may be considered appropriate by the budget analysts, they have a detrimental impact on the execution of the program.**

**Did you agree to these budget gimmicks as they related to the Navy's military construction program? If so, why?**

A. I was among those in the Department of the Navy, who expressed concern about those devices during the budget review process. Once the budget had been approved by the Secretary of Defense I was obligated, as a member of the Administration, to support it.

**If confirmed as the Under Secretary of the Navy, what role will you have in developing the Navy's budget request?**

A. I am sure I will have the same role as my predecessors, a role as an advisor to the Secretary of the Navy and advocate of reviewing new ways of doing business.

**Will you give us your assurance that, if confirmed, you will oppose the use of "gimmicks" to fund the Navy's military construction program?**

A. As Under Secretary of the Navy I will strive to ensure that our budget is balanced within our overall priorities and complies with applicable laws and budget policies. I believe that devices such as "advanced appropriations" are counterproductive, and given the very clear expression of congressional intent we received incident to the FY2000 budget, I would not expect anyone in the Department to advocate trying them again.

### **Revolution in Business Affairs**

**The Navy has invested a fair amount of energy into what is referred to as "a revolution in business affairs" which has been spearheaded by the Under Secretary of the Navy.**

**What have been the results of the Navy's efforts thus far in the revolution in business affairs?**

A. The Department's Business Vision and Goals were published in July 1999 to articulate the Naval leadership's goals in the areas of innovation, people, decision support systems, and organizing work. Over the past 2 years six flag officer and senior civilian led working groups have been formed to address: housing reform; recruiting, retention, training, and assignment of personnel; adoption of commercial business practices; knowledge management; infrastructure strategy, and e-business. These focused actions have energized the Department to take a fresh look at its existing business practices from a "Quality of Service" perspective, identify the desired results, and lay out a roadmap for success.

**If you decide to focus your attention in that area, what will be your priorities?**

My priorities in continuing the revolution in business affairs are:

- a. encouraging innovation;
- b. getting right how we recruit, train, retain, pay, and lead our people;
- c. building an e-Navy and Marine Corps with a Navy Marine Corps Intranet; and
- d. getting real results – being sure we win by continuing to perfect precision and network centric warfare, by using e-business practices such as the Navy Marine Corps Intranet, enterprise resource planning and all the other e-business tools that will go on the web.

**Reorganization of the Navy staff**

**The Chief of Naval Operations is undertaking a significant organizational change. It has been reported that the creation of a new three-star position, N-7, in the Pentagon will result in requirements versus budget authority decisions being decided by the equivalent to a board of directors instead of by one three-star admiral, N-8.**

**What role will the Under Secretary of the Navy have in the reported board of directors?**

**Do you anticipate any changes to the Office of the Secretary of the Navy organization as a result of the changes in the CNO's organization?**

A. The Chief of Naval Operation's (CNO's) alignment of the OPNAV staff does not affect the authority relationship between the staffs of the CNO and Secretary of the Navy. The Deputy CNO (Resources, Requirements & Assessments) (N8) remains the CNO's principal advisor for requirement versus budget authority decisions. The CNO has established the Deputy CNO (Warfare Requirements and Programs) (N7) to serve as his principal advisor for warfare requirements. The Under Secretary, as a member of the existing Department of the Navy Program Strategy Board, will continue to advise the Secretary of the Navy regarding issues relating to the Planning, Programming and Budgeting System (PBBS) and other significant policy matters determined by the Secretary of the Navy.

I do not anticipate any substantive changes to the Office of the Secretary of the Navy organization tied to the CNO's initiative. The new OPNAV structure should match up nicely with our existing organization and generally benefit the effectiveness of the Department.

## Size of the Fleet

**Navy operational commanders have testified that the current force structure of about 315 ships is inadequate to carry out the National Security Strategy, CINC requests for ships in time of conflict have not been provided by the Navy, the ability to shape the international environment is impaired because fleet commanders have inadequate ships to engage in mutual beneficial exercises and demonstrations of support in key areas of the world. Navy witnesses have also testified that the Navy's average rate of procurement included in the Future Year Defense Plan is inadequate to maintain 300 ships. Furthermore, Navy witnesses have testified that quantity has a quality all of its own; thus, more capable ships will not solve the problems of having an adequate number of ships to provide on-station presence while accommodating inter-deployment personnel operation tempo.**

**What are your plans to ensure the Navy has adequate force structure to carry out the National Security Strategy?**

A. Current force levels, although above final Quadrennial Defense Review (QDR) levels, are stretched thin to meet the growing national security demands. The situation becomes more difficult as the Navy moves to a QDR level of 305 ships. Fewer ships, aircraft and personnel are available to accomplish our traditional naval missions, coincident with a marked increase in crisis response and contingency operations.

The Navy's day-in-day-out experience -- being on station, forward deployed, and ready to directly and decisively influence events ashore from the sea -- continues to show that numbers matter.

Sustained future naval readiness begins with a recapitalization program that delivers the right number of technologically superior platforms and systems for the fleet. Current Department of Defense (DoD) plans as outlined in the 30-year shipbuilding plan the Secretary of Defense sent to Congress last spring, provide for capable ships that sustain a QDR force of over 300 ships. The actual numbers of ships that will be procured and provided to the fleet depends on future shipbuilding appropriations, and competition with other Navy and DoD requirements. Consequently, future shipbuilding requirements will be central to the Department's recapitalization considerations for the upcoming QDR in 2001 and subsequent force structure planning.

## Naval Vessel Force Structure report

**The Naval Vessel Force Structure report was required by law in the National Defense Authorization Act for Fiscal Year 2000 to be delivered to Congress not later than February 1, 2000. The Congress did not receive the report until June 26, 2000. While the secretary of Defense was tasked with the delivering of the report to congress, the Navy apparently did not provide its input in a timely manner which would have enabled the Secretary of Defense to carrying the requirements of the law.**

**If confirmed, what will you do to ensure the required reports to Congress are submitted on time?**

A. The Secretary and I understand the value of these reports as one of the Navy's primary means of communicating with Congress. Although we pride ourselves on our overall record of providing detailed Reports to Congress on time, some reports require extensive research and/or coordination with other defense agencies. In these cases, our policy is to provide the most thorough and accurate response while making every effort to meet the established deadline. My intent, if confirmed, will be to continue to promote that process within the Department in order to allow my staff to achieve the best balance between providing a response that accurately reflects the Navy's position with the necessity of responding to Congress in a timely manner.

### **Major Challenges**

**In your view, what are the major challenges confronting the next Under Secretary of the Navy?**

**If confirmed, what plans do you have for addressing these challenges?**

A. I believe we must stay the course toward building a Navy and Marine Corps that provides the nation with ready naval forces operating forward, poised for any tasking from peacetime presence to major theater warfare. Our program of record positions the Navy and Marine Corps to fully perform these essential missions over the next several years. Beyond that, the Department needs additional resources to enrich its future readiness, modernization and recapitalization programs. Even with these resources, we must better manage our people and their quality of service as our primary long lead-time investment. In so doing, we need to make better use of the knowledge, skills and talents that are resident in our entire work force while empowering our enlisted people so they can more quickly assume higher levels of responsibilities and reap the potential rewards commensurate with those levels. We must also program and employ resources in ways that ameliorate documented shortages in our readiness accounts while addressing the disparity between needed future readiness capability and our fiscally-constrained recapitalization program. To help free-up the necessary resources to do the above in a timely fashion, we need to leverage opportunities inherent in new technologies and in more efficient ways of doing business to provide as much of that capability as affordable to our ship-building, weapons, aircraft and submarine systems. Concurrently, we need to reinvigorate plans to eliminate unnecessary non-operational shore infrastructure, by, among other ways, maximizing common synergies between our Services in such areas as aviation operations and support, logistics, administration, and telecommunication and information systems.

### **Most Serious Problems**

**What do you consider to be the most serious problems in the performance of the functions of Under Secretary of the Navy?**

**What management actions and timelines to address would you establish to address these problems?**

A. In the face of competing demands on the Secretary's time, we must continue to search for more effective ways to keep him abreast of emerging issues. If confirmed as the Under Secretary of the Navy, I will explore, in conjunction with our Assistant Secretaries and Vice Chiefs, a wide range of ideas for speeding up the flow of information within the department to include more extensive use of electronic communication and less formal coordination and review.

### **Qualifications**

**If confirmed, you will be entering this important position at a time of concern about force levels and readiness of our forces.**

**What background and experience to you have that you believe qualifies you for this position?**

**Do you believe that there are any steps that you need to take to enhance your expertise to perform the duties of the Under Secretary of the Navy?**

A. I have over forty years experience in defense-related work in the armed forces, the civil service and industry. During this period, I spent twenty years as a naval officer with three years in command of a nuclear attack submarine. More recently, as you know, I have performed in my current position as the Assistant Secretary of the Navy for Installations and Environment for nearly seven years. During that time, I also served as the Acting Under Secretary of the Navy for seven months from May to November 1997 during the transition from Under Secretary Danzig to Under Secretary Hultin.

In light of the above, I believe I am qualified for this position and quite knowledgeable of its responsibilities as well. That said, the Department of the Navy is facing substantial challenges within the context of the on-going defense debate. The next Quadrennial Defense Review (QDR) represents an opportunity to help shape our long-term vision. I look forward to playing an important role in that effort in conjunction with the other Services, Joint Staff and the Office of the Secretary of Defense.

I will clearly need a period of intense study to familiarize myself with the issues falling under the cognizance of the Under Secretary that are outside my area of expertise as Assistant Secretary.

### **Congressional Oversight**

**In order to exercise its legislative and oversight responsibilities, it is important that this Committee and other appropriate committees of the Congress are able to receive testimony, briefings, and other communications of information.**

**Do you agree, if confirmed for this high position, to appear before this Committee and other appropriate committees of the Congress?**

A. I do.

**Do you agree, when asked, to give your personal views, even if those views differ from the Administration in power?**

A. I do.

**Do you agree, if confirmed, to appear before this Committee, or designated members of this Committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the Chief of Naval Operations?**

A. I do.

**Do you agree to ensure that testimony, briefings, and other communications of information are provided to this Committee and its staff and other appropriate Committees?**

A. I do.