

Stenographic Transcript
Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON THE POSTURE OF THE
DEPARTMENT OF THE NAVY IN REVIEW OF THE DEFENSE
AUTHORIZATION REQUEST FOR FISCAL YEAR 2016 AND THE
FUTURE YEARS DEFENSE PROGRAM

Tuesday, March 10, 2015

Washington, D.C.

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1 HEARING TO RECEIVE TESTIMONY ON THE POSTURE OF THE
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7
8 U.S. Senate
9 Committee on Armed Services
10 Washington, D.C.
11

12 The committee met, pursuant to notice, at 9:31 a.m., in
13 Room SD-G50, Dirksen Senate Office Building, Hon. John
14 McCain, chairman of the committee, presiding.

15 Committee Members Present: Senators McCain
16 [presiding], Inhofe, Sessions, Wicker, Ayotte, Cotton,
17 Rounds, Ernst, Tillis, Sullivan, Graham, Reed, Nelson,
18 McCaskill, Manchin, Shaheen, Gillibrand, Blumenthal,
19 Donnelly, Hirono, Kaine, and King.
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1 OPENING STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR
2 FROM ARIZONA

3 Chairman McCain: Good morning. I want to welcome the
4 witnesses, and I thank you all for being here this morning.
5 The committee meets to receive testimony on the plans and
6 programs of the Department of the Navy for Fiscal Year 2016.
7 I want to thank each of our witnesses for their
8 distinguished service to the Nation as well as to the
9 sailors, marines, and civilians they lead who are serving
10 around the world today.

11 This is Admiral Greenert's last posture hearing before
12 the committee, and I am sure he is relieved to know that,
13 his last appearance as Chief of Naval Operations. And I
14 would like to thank you, Admiral Greenert, for your 40 years
15 of distinguished service to our Navy, and I wish you and
16 Darlene all the best in the future.

17 In the last three months, some of America's most
18 experienced statesmen and strategic thinkers have offered
19 this committee a clear, unified, and alarming assessment of
20 current worldwide threats in U.S. national security
21 strategy. As Dr. Kissinger testified on January 29th, "The
22 United States has not faced a more diverse and complex array
23 of crises since the end of the Second World War."

24 The actual global challenges we face are compounded by
25 the limitations of the Budget Control Act and sequestration,

1 which are a self-inflicted national security crisis.
2 Indeed, all four of the military service chiefs have
3 testified that defense spending at sequestration levels
4 would put American lives at risk. Now more than ever, a
5 strong Navy and Marine Corps are central to our Nation's
6 ability to deter adversaries, assure allies, and defend our
7 national interests.

8 From our strategy of rebalancing, to the Asia-Pacific
9 region, to conducting ongoing operations against ISIL, to
10 deterring rogue actors like Iran or North Korea, to many
11 other requirements, the U.S. Navy and Marine Corps are key
12 pillars of our national security strategy. Yet by any
13 measure, today's fleet of 275 ships is too small to address
14 these critical security challenges. The Navy's force
15 structure assessment requires is 306 ships. The bipartisan
16 National Defense Panel calls for a fleet of 323 to 346
17 ships, and our combatant commanders say they require 450
18 ships. But under sequestration, the Navy has said the fleet
19 could shrink to 260 ships. Equally troubling, the Marine
20 Corps continues personnel reductions down from 202,000
21 active duty marines in 2012 to 184,000 today, to 182,000 in
22 2017.

23 With the demands on our sailors and marines rising,
24 these force reductions, coupled with major readiness
25 shortfalls due to sequestration, are lengthening

1 deployments, cutting training and time at home with
2 families, and putting our all-volunteer force under
3 considerable strain. The President's budget request
4 attempts to buy as much readiness as the Department can
5 execute for Fiscal Year 2016, and this is yet another reason
6 why we cannot afford a defense budget at sequestration
7 levels.

8 The President's budget also includes significant
9 funding requests for major Navy and Marine Corps acquisition
10 programs. In the current fiscal environment, it is all the
11 more important for this committee to conduct rigorous
12 oversight of these programs to ensure that the Department of
13 the Navy is making the best use of limited taxpayer dollars.
14 That is exactly what we will.

15 With the Littoral combat ship, despite initial cost
16 overruns that more doubled the cost per ship, the Navy
17 appears to have stabilized the cost of the LCSC frames. And
18 yet the program still faces challenges to deliver the
19 promised warfighting capability. All three of the LCS
20 mission packages still need significant further testing and
21 must overcome major technology integration challenges.

22 Regarding of the Secretary of Defense's decision to
23 upgrade the LCS, this committee will continue seeking
24 further information to justify this decision. Without a
25 clear capabilities-based assessment, it is unclear what

1 operational requirements the upgraded LCS is designed to
2 meet, and, thus, how much more lethal and survivable the
3 ship needs to be. In short, the Navy must demonstrate what
4 problem the upgraded LCS is trying to solve. We cannot
5 afford to make this mistake again.

6 With the first three Ford Class carriers, despite cost
7 overruns of more than \$2 billion each, this program has not
8 exceeded the cost cap in the last three years. However, the
9 second Ford Class carrier, the USS John F. Kennedy, will
10 deliver in Fiscal Year 2022 less capable and less complete
11 due to the Navy's proposed two-phase delivery approach.
12 This plan would leave us with an incomplete ship should
13 world events demand an additional aircraft carrier, or if
14 the USS Nimitz encounters unforeseen problems in the final
15 years of its 50-year service life. I am also concerned
16 about the Navy's plan to delay full ship shock trials from
17 the first to the second Ford Class carriers. That delay is
18 hard to justify for a new ship that is this complex.

19 This committee also has a duty to shape the future of
20 our Navy and Marine Corps. With three service combatant
21 classes set to retire soon, now is the time to lay the
22 analytical groundwork to replace those ships. As the Navy
23 develops requirements for the next class of amphibious
24 vessel, we must ensure that our warships are capable of
25 supporting the Marines in the manner they plan to fight in

1 the future. We must also carefully examine the future
2 aircraft fleet and the carrier air wing. Twelve billion
3 dollars or more for one ship is simply too expensive. We
4 must do even more to reduce costs and increase competition
5 within the aircraft carrier program, and as challenges to
6 American air power projection grow, we must chart a path to
7 achieve the unmanned strike capability from our aircraft
8 carriers.

9 We look forward to the witnesses' testimony today and
10 hope that they will cover the broad spectrum of policy,
11 procurement, readiness, personnel, and resource issues that
12 the Department confronts. Senator Reed?

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1 STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE
2 ISLAND

3 Senator Reed: Well, thank you very much, Mr. Chairman.
4 Let me join you in welcoming Secretary Mabus, Admiral
5 Greenert, and General Dunford to this committee this morning
6 to testify on the plans and programs of the Department of
7 the Navy and the review of the annual budget request. Let
8 me also thank Secretary Mabus for joining us last Saturday
9 at Quonset Point for the keel laying ceremony for the USS
10 Colorado. Thank you, Mr. Secretary.

11 I want to welcome General Dunford to his first posture
12 hearing, and I also want to join the chairman in commending
13 the outstanding work of Admiral Greenert as he departs at
14 least this venue. Thank you very much, sir, for your
15 extraordinary service to the Navy and to the Nation.

16 Our witnesses this morning face huge challenges as they
17 strive to balance the need to support ongoing operations and
18 sustained readiness with the need to modernize and keep the
19 technological edge so critical to military success. These
20 challenges have been made particularly difficult by the
21 fiscal constraints of the Budget Control Act and
22 sequestration. All the military departments have been
23 forced to make painful tradeoffs, and now the threat of
24 sequestration continues to loom. If Congress does not act
25 to end sequestration, I believe our long-term national

1 security interests will be threatened.

2 Last year, the Department of the Navy was facing
3 serious readiness problems caused by deferred maintenance,
4 reduced steaming and flying hours, and cancelled training
5 and deployments. The increased emphasis on readiness in
6 this year's budget will address some of the Navy's most
7 serious readiness problems, but results in a serious
8 shortfall in modernization funds to meet future threats. I
9 am interested in hearing the witnesses' views on the
10 increase in this risk because of the shortfalls.

11 All areas of our naval forces are overtaxed. The Navy
12 is facing shortfalls on attack submarines, air and missile
13 defense cruisers, destroyers, and strike fighter
14 inventories. They have already been operating for two years
15 now with fewer than their required 11 aircraft carriers.
16 And during the next decade, as a first priority the Navy
17 will buy a new class of strategic missile submarines to
18 replace the Ohio class submarines, a very costly venture. I
19 am interested in hearing how the Navy is managing its
20 operational tempo with these shortfalls. I am also
21 interested in the witnesses' views on how they will manage
22 competing demands in the budget once the costs of the Ohio
23 replacements begins.

24 The President's budget request calls for Marine Corps
25 end strength of 184,000 marines, down from the war time high

1 of over 20,000 marines. I am interested to learn how the
2 Marine Corps will manage mission risk with a force this
3 size, particularly with additional missions such as
4 increased embassy security. For Marine Corps modernization,
5 the Fiscal Year 2016 request supports the decisions made
6 last year that made the strategy for ground systems more
7 sound.

8 The Marine Corps clearly remains committed to
9 revitalization of its armored amphibious assault
10 capabilities with a budget request that includes funds for
11 mobility and survivability upgrades for its current family
12 of armored amphibious assault vehicles, and continues the
13 competitive search for a new-wheeled amphibious combat
14 vehicle. We understand that the Amphibious Combat Vehicle
15 Program would integrate a number of existing technologies
16 into a new vehicle. The Marine Corps has described this
17 program as "non-developmental," which raises a question
18 about what "non-developmental" means when you are developing
19 a new system. I am interested in your insights, Commandant,
20 on what this whole program involves.

21 It also is clear the Marine Corps' real amphibious
22 challenge on what General Dunford has called the amphibious
23 gap has more to do with ships and connectives than air and
24 seaborne assault systems. Navy witnesses have testified
25 about the number of ships required to meet amphibious

1 shipping goals. Sometimes lost in that discussion is the
2 fact that changes to the Marine Corps ground or air
3 components ripple through the amphibious ship force
4 requirement. I know that the Navy's planned purchase of the
5 LPD-28 amphibious transport is one effort to address the
6 amphibious shipping shortfall. I am interested to know what
7 else the Department of the Navy is doing to close or
8 mitigate the gap between requirements and capabilities to
9 ensure our amphibious force meets our needs and is capable
10 and ready.

11 The Defense Department's Defense Strategic Guidance
12 issued in January 2012, followed by the 2014 QDR, and this
13 January our national security strategy, all echo a renewed
14 U.S. military orientation on the Asia-Pacific. Consistent
15 with that strategy, the Defense Department has been working
16 to realign U.S. military forces in South Korea and Okinawa,
17 and plan to position Navy and Marine Corps forces in
18 Australia, Singapore, and possibly elsewhere in the region.
19 The problem has also been implementing a plan to forward
20 deploy more ships, as shown by the Navy's second rotational
21 deployment of a Littoral combat ship, the USS Fort Worth, in
22 Singapore. I am interested in hearing more about these and
23 other aspects of the deployment.

24 Again, there are many questions, but I want to conclude
25 by once again thanking all of you for your extraordinary

1 service to the Nation, to the Navy, and to the Marine Corps.

2 Thank you.

3 Chairman McCain: Mr. Secretary?

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1 STATEMENT OF HON. RAYMOND E. MABUS, JR., SECRETARY,
2 UNITED STATES DEPARTMENT OF THE NAVY, WASHINGTON, D.C.

3 Secretary Mabus: Thank you, Mr. Chairman. Chairman
4 McCain, Ranking Member Reed, members of this committee,
5 thank you for this opportunity to discuss the Department of
6 the Navy with Chief of Naval Operations John Greenert and
7 Commandant of the Marine Corps, Joe Dunford. I have the
8 great privilege of representing the sailors and marines who
9 serve our Nation around the world, the civilians who support
10 them, and all of their families.

11 As the chairman and Senator Reed pointed out, this is
12 Admiral Greenert's last posture testimony before this
13 committee. He has been a steady hand at the helm of the
14 Navy through the past four years of international
15 instability and budget turbulence, and every day his
16 judgment, his advice, his good counsel have been critical.
17 It is an honor to serve with him, and he will leave a
18 lasting legacy.

19 Today our security interests face an increasing array
20 of threats and demands, while our budget situation, as you
21 so clearly pointed out, Mr. Chairman, grows more
22 challenging. But it is clear that the Navy and Marine Corps
23 team offer the best value to advance both our global
24 security and economic interests. Uniquely, the Navy and
25 Marine Corps provide presence around the globe around the

1 clock. We are the Nation's first line of defense, ready for
2 anything that may come over the horizon. Presence means
3 that we respond faster, we remain on station longer, we
4 carry everything we need with us, and do whatever missions
5 are assigned by our Nation's leaders without needing anyone
6 else's permission.

7 We have always said America's success depends on an
8 exceptional Navy and Marine Corps. Article 1 of our
9 Constitution authorizes Constitution to raise an army when
10 needed, but directs you to provide and maintain a Navy.
11 From the first six frigates to our growing fleet of today,
12 from Tripoli to Afghanistan, sailors and marines have proven
13 the founders' wisdom. American leaders across the political
14 spectrum have understood the vital significance of sea
15 power.

16 We are truly America's away team. We deploy in peace
17 just as much as in war, and our role the last seven years in
18 securing sea lanes and freedom of commerce has boosted our
19 own and the world's economy. Nearly half the world's
20 population lives within 100 miles of the sea, 90 percent of
21 all global trade goes by sea, and 95 percent of all voice
22 and data goes under the ocean. The shelves of our stores
23 are stocked with just-in-time delivery, with products from
24 all over the globe, and some 38 million American jobs are
25 directly linked to seaborne international trade. For seven

1 decades, the Navy and Marine Corps have been the primary
2 protector of this international system, and that is why our
3 national defense strategy is so clearly focused on the
4 maritime domain and requires investment in maritime assets.

5 For the past few years, the Department of the Navy has
6 attempted to minimize the impact of an uncertain budgetary
7 environment marked by numerous continuing resolutions, the
8 imposition of sequester-level funding, and the threat of the
9 return of sequestration. This environment had made it much
10 more difficult, but even more critical, to set priorities
11 and to make some hard choices.

12 The presence of our Navy and Marine Corps uniquely
13 delivers is built on four foundations: people, platforms,
14 power, and partnerships. These are key to the capability,
15 capacity, and success of our naval services, and they remain
16 my top priorities.

17 People. Our sailors and marines are well known for
18 their ability to exercise independent judgment and the
19 flexibility to adapt to changing circumstances. We remain
20 committed to providing our sailors, marines, and our
21 civilians with the training and the support they need to
22 maintain our naval presence, and we include in this their
23 dedicated families, our injured, and our wounded.

24 We have launched a comprehensive approach to assuring
25 we have the world's healthiest, fittest, most resilient, and

1 best educated force, one which truly America represents
2 America's diversity. We continue to aggressively combat
3 sexual assault, abuse, ethical failings, similar challenges,
4 and we are exploring innovative means to improve the way we
5 manage the force.

6 In platforms, our people, as good as they are, cannot
7 do their job without ships. Providing presence, being where
8 we are needed when we are needed, requires those ships.
9 Quantity has a quality all its own. That means we have to
10 have a properly sized and a properly balanced fleet. On
11 September 11th, 2001, the Navy battle force stood at 316
12 ships. By 2008, our fleet had declined to 278 ships. Our
13 focus on two ground wars only partly explains that decline.

14 In the five years before I came to this office, the
15 Navy contracted for only 27 ships, not enough to stop the
16 slide and the size of the fleet. In my first five years, we
17 have contracted for 70 ships, halting and reversing the
18 decline. By the end of the decade, our fleet will once
19 again top 300 ships. We have accomplished this with a
20 direct and fundamental business approach based in large part
21 on the legislation which originated in this committee,
22 authored by Chairman McCain and then Chairman Levin, things
23 like increasing competition, relying more on fixed price
24 contracts. And thanks to this committee, Congress has
25 helped multiyear and block buys.

1 But budget instability, budget uncertainty seriously
2 erode our ability to grow our fleet, manage our resources,
3 and maintain the industrial base. Without a correctly sized
4 and shaped fleet, the Navy and Marine Corps will not be able
5 to meet the demands for the kinds of missions for which we
6 are the best and often the only option. In the face of
7 budgetary uncertainty, cutting ships is the most damaging
8 and least reversible course of action, which is why I am
9 committed to preserving ship building to the maximum extent
10 possible.

11 Fueling the ships' aircrafts and vehicle of our Navy
12 and Marine Corps is a vital operational concern and enables
13 a global presence. That is why the Navy has a history of
14 innovation, particularly in energy, moving from sail to
15 steam to oil and pioneering nuclear power. We believe our
16 national security interests and the ability of the Navy and
17 Marine Corps to meet its missions must be enhanced by
18 increasing our energy diversity and efficiency. Our ability
19 to maintain presence and advance global security will also
20 be augmented through partnerships. Cooperation makes us
21 more effective and defuses tensions, reduces
22 misunderstandings.

23 Again and again, our naval forces have proven
24 themselves the most immediate, the most capable, and the
25 most adaptable option when a crisis develops. Overall, the

1 President's Fiscal Year 2016 budget balances current
2 readiness needed to execute assigned missions while
3 sustaining a highly capable fleet, all within a tough fiscal
4 climate. That climate demands, as you pointed out, Mr.
5 Chairman, our most rigorous examination of every dollar we
6 spent in continuing our aggressive efforts to cut
7 unnecessary costs in every program and shift resources from
8 tail to tooth.

9 When America is called, the Navy and Marine Corps have
10 always been there. In order to ensure that we continue to
11 provide the naval force our Nation's leaders and the America
12 expect, the Commandant, the Chief of Naval Operations, and I
13 look forward to answering your questions, and to working
14 together with this committee and with Congress to maintain
15 our great Navy and Marine Corps. Thank you.

16 [The prepared statement of Secretary Mabus follows:]

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1 Chairman McCain: Thank you, Mr. Secretary, and the
2 complete statements that have been submitted by all three of
3 you will be included in the record. General Dunford?
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1 STATEMENT OF HON. JOSEPH F. DUNFORD, JR., COMMANDANT,
2 UNITED STATES MARINE CORPS, WASHINGTON, D.C.

3 General Dunford: Chairman McCain, Ranking Member Reed,
4 and distinguished members of the committee, I am honored to
5 be here today with Secretary Mabus and Admiral Greenert to
6 represent your Marines. I will begin by thanking the
7 committee for your steadfast support. Due to your
8 leadership, we have fielded the best trained and equipped
9 Marine Corps our Nation has ever sent to war.

10 I know this committee and the American people have high
11 expectations for Marines as our expeditionary ready force.
12 You expect your Marines to operate forward, engage with our
13 partners, deter potential adversaries, and respond to
14 crises, and when we fight, you expect us to win. You expect
15 a lot from your Marines, and you should. This morning as
16 you hold this hearing, over 31,000 marines are forward
17 deployed and engaged in doing exactly what you would expect
18 of them.

19 Our role as the Nation's expeditionary ready force
20 informs how we man, train, and equip the force. It also
21 prioritizes the allocation of resources that we receive from
22 Congress. Over the last few years, we have prioritized the
23 readiness of our forward deployed forces. These are the
24 forces you can count on for immediate crisis response.
25 These are the forces that supported the recent evacuation of

1 U.S. citizens in South Sudan, Libya, and Yemen. These
2 forces are currently conducting strikes in Syria and Iraq,
3 training the Iraqi army, and protecting our embassy in
4 Baghdad. These are 22,500 marines in the Pacific west of
5 the international dateline.

6 I can assure you that your forward deployed marines are
7 well-trained, well-led, and well-equipped, but we have had
8 to make tough choices to deal with the effects of two wars,
9 sequestration in 2013, and reduced budgets in 2014 into
10 2015. In order to maintain the readiness of our forward
11 deployed forces, we have not sufficiently invested in our
12 home station readiness, modernization, infrastructure
13 sustainment, and quality of life programs. As a result,
14 approximately one-half of our non-deployed units -- those
15 are the units you depend on for unforeseen contingencies --
16 are suffering personnel, equipment, and training shortfalls.
17 In a major conflict, these shortfalls will result in a
18 delayed response and/or the unnecessary loss of American
19 lives.

20 Over time, under investing in modernization will result
21 in maintaining older and obsolete equipment at higher cost
22 and degraded capabilities. In many areas, funding levels
23 are forcing us to maintain legacy capabilities instead of
24 innovating and adapting for tomorrow's threats. It will
25 eventually erode our competitive advantage, and we do not

1 ever want our marines and sailors in an unfair fight.

2 The readiness challenges we have today provide context
3 for my message this morning. We can meet the requirements
4 of the defense strategic guidance with the President's
5 budget, but there is no margin. BCA funding levels will
6 exacerbate the challenges that we have today. It will also
7 result in a Marine Corps with fewer available active duty
8 battalions and squadrons than would be required for a single
9 major contingency. Perhaps more concerning, it will result
10 in fewer marines and sailors being forward deployed and in a
11 position to immediately respond to crises involving our
12 diplomatic posts, American citizens, or U.S. interests. As
13 we saw in the wake of Benghazi, the American people expect
14 us to respond to today's crisis today, and we can only do
15 that if we are properly postured forward.

16 In closing, my assessment is that funding below the
17 President's budget level will require that we develop a new
18 strategy. Thank you once again for the opportunity to
19 appear before you this morning and for your leadership in
20 addressing today's fiscal challenges. I look forward to
21 your questions.

22 [The prepared statement of General Dunford follows:]

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1 Chairman McCain: Admiral Greenert?
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1 STATEMENT OF HON. JOHN W. GREENERT, CHIEF OF NAVAL
2 OPERATIONS, UNITED STATES NAVY, WASHINGTON, D.C.

3 Admiral Greenert: Chairman McCain, Ranking Member
4 Reed, and distinguished members of the committee, thank you
5 for the opportunity to testify today. It is my honor to
6 serve and represent more than 600,000 active and reserve
7 sailors, our civilians, and their families, especially the
8 41,000 sailors who are underway and deployed around the
9 world today. It is my pleasure to testify to this morning
10 beside Secretary Mabus and General Dunford.

11 Chairman, Navy-Marine Corps team is united in
12 fulfilling their longstanding mandate: to be where it
13 matters when it matters, ready to respond to crises. Now,
14 to that point, recent events exemplify the value of forward
15 presence. Last August, the Bush Carrier Strike Group
16 relocated from the Arabian Sea to the Arabian Gulf -- it is
17 about 750 miles -- in less than 30 hours, and immediately
18 began flying 20 to 30 combat sorties per day. And for 54
19 days, that was the coalition strike option to project power
20 against ISIS.

21 The destroyer Truxtun arrived in the Black Sea within a
22 week after Russia invaded Crimea, and the Littoral combat
23 ship Fort Worth and the destroyer Sampson were among the
24 first vessels to support the search effort for the Air Asia
25 Flight 8501 in the Java Sea. So we have been where it

1 matters when it matters.

2 But, Mr. Chairman, as I have testified before, the
3 continuing resolution and the sequestration of 2013 degraded
4 our readiness and our capabilities, and we have not yet
5 recovered. Budget reductions have forced reduction of
6 afloat and ashore operations, generated maintenance
7 backlogs, and have compelled us to extend unit deployments.

8 Since 2013, many of our ships have been on deployment for
9 eight to 10 months or longer, and that exacts a cost on the
10 resiliency of our people and the service lives our ships.

11 Now, this degraded readiness has reduced our ability to
12 respond to contingencies. For example, our combatant
13 commanders require that three carrier strike groups and
14 three amphibious ready groups be ready to respond within 30
15 days to a crisis. That is our covenant to them. However,
16 today on average we have been able to keep one carrier
17 strike group and one amphibious ready group in this
18 readiness posture, so we are at one-third of the
19 requirement.

20 Now, assuming the best case of an on-time adequate and
21 stable budget and no major contingencies, we might be able
22 to recover from the accumulated backlogs by 2018 for our
23 carrier strike groups, and by 2020 for our amphibious ready
24 groups. So that is at least five years after this first
25 round of sequestration, and that is just a glimpse of the

1 damage sequestration would cause if we go back there.

2 We have been forced to slow Navy modernization. The
3 overall impact of the budget shortfalls in the past three
4 years has declined our relative war fighting advantages in
5 several areas, notably anti-surface warfare, anti-submarine
6 warfare, air-to-air warfare, and what we call integrated air
7 and missile defense. So we have been compelled to accept
8 significant risk in the execution of two key missions that
9 are specified in the defense strategy. I provided each of
10 you a handout that summarizes where the Navy stands with our
11 missions and where we stand in relation to those missions
12 under the two budgets, the President's budget and
13 sequestration.

14 The first mission at risk is to deter and defeat
15 aggression, which really means to win a war at sea while
16 deterring another at sea in a different theater. And the
17 second mission at risk is to project power despite anti-
18 access and aerial denial challenges. Mr. Chairman, when I
19 say "risk," I mean that some of our platforms, our people,
20 and our systems will arrive late to the fight. They will
21 arrive with insufficient ordnance, and they will be without
22 modern combat system sensors and networks that are required,
23 and they will be inadequately prepared to fight. Now,
24 ultimately this means more ships and aircraft out of action
25 in battle, more sailors, marines, and merchant mariners

1 killed, and less credibility, frankly, to deter adversaries
2 and to ensure allies in the future.

3 Given the circumstances, the President's budget 2016
4 submission represents the absolute minimum funding levels
5 needed to execute our strategic guidance. To bring the Navy
6 program into balance within that fiscal guidance, we focus
7 to build the appropriate capability, and then deliver that
8 capability at whatever capacity we could afford. We were
9 once again compelled to defer upgrades in aircraft, upgrades
10 in ships and submarines, and to take significant reductions
11 in aircraft procurement, munitions, and shore
12 infrastructure.

13 So, Mr. Chairman, today's world is more complex, more
14 uncertain, and more turbulent. Our adversaries are
15 modernizing and expanding their capabilities. It is vital
16 that we have an adequate, predictable, and a timely budget
17 to remain an effective Navy. I thank you, and I thank this
18 committee for what they have done for us, and I look forward
19 to working with the Congress to find solutions that will
20 ensure our Navy retains the ability to organize, train, and
21 equip our great sailors and their families in the defense of
22 this Nation. Thank you.

23 [The prepared statement of Admiral Greenert follows:]

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1 Chairman McCain: I want to thank the witnesses, and
2 those are very compelling remarks, Admiral Greenert.
3 General Dunford, do you share Admiral Greenert's level of
4 concern concerning the effects of sequestration, and the, as
5 Admiral Greenert pointed out, a significant period of time
6 before we can even recover from the present effects of
7 sequestration?

8 General Dunford: Chairman, I absolutely do. The
9 sequestration of 2013 has certainly impacted our current
10 level of readiness. And frankly, if we go to sequestration,
11 we will be unable to meet the current strategy, and we will
12 certainly have to reduce the capacity of marines that have
13 forward deployed.

14 Chairman McCain: I believe you were asked by another
15 -- I believe it was Senator King, does this sequestration
16 put the lives of the men and women who are serving in
17 uniform at greater risk.

18 General Dunford: Chairman, I will take that. It
19 absolutely does, Chairman, and in this way. We have
20 readiness challenges at home station. My expectation is
21 that when Marines are called, we will go, and they will
22 either go late or they will go with shortfalls in equipment
23 and training that would absolutely put young Americans'
24 lives at risk.

25 Chairman McCain: Admiral Greenert?

1 Admiral Greenert: Absolutely, Chairman. A lot of
2 people write recently about today in Today's Navy, a nice
3 article recently. This is about the future Navy. Our
4 benchmark is 2020. If we do not modernize, we will be late.
5 We will not be ready. We will not have what we need to
6 defeat and deny.

7 Chairman McCain: Is it affecting morale and retention
8 of outstanding men and women?

9 Admiral Greenert: It is. The families are angry with
10 sequestration in general and the threat of it again. We
11 have pilots, a very key part of our ability to project, who
12 are -- our retention is low on pilots. It is low on
13 nuclear-trained operators, Aegis technicians, and cyber.

14 Chairman McCain: And, General Dunford, the deployments
15 are longer. Is that correct?

16 General Dunford: Chairman, the biggest significance is
17 the time between deployments. Most of our units, our
18 infantry battalions, our fighting squadrons, are deploying
19 for less than a one-to-two deployment to dwell ratio. What
20 that means is they are deploying for seven months, and they
21 are actually home for less than 14 months before they
22 deploy. And that continues almost at infinitum.

23 Chairman McCain: So that is another factor on
24 reenlistment.

25 General Dunford: Chairman, it will be over time. We

1 have not seen the impact on the ability to recruit and
2 retain high quality forces right now, but it does have an
3 impact on two things. It has an impact on training across
4 the range of military operations, and it also has an impact
5 on the amount of time our marines are able to spend with
6 their families between deployments.

7 Chairman McCain: Mr. Secretary, you and I have had
8 conversations about the situation of the cost overruns of
9 the aircraft carriers, of the Gerald R. Ford. And I
10 understand that the follow-on 78 and 79, I guess, they are
11 or will be around \$12 billion each. Is that correct?

12 Secretary Mabus: The 79 has a congressional cost cap
13 of \$11,500, and we are under that.

14 Chairman McCain: And I hope, Mr. Secretary, given new
15 technologies, and drones, and a lot of other aspects of
16 warfare, including the F-35 capabilities, that we will be
17 looking at alternatives as well to the Nimitz class or the
18 latest class of aircraft carriers. Is that correct?

19 Secretary Mabus: It is, Senator. I think that as you
20 and I discussed, everything is getting smaller and faster
21 with the possible exception of the military.

22 Chairman McCain: I guess I am not quite clear on why
23 -- is it not true that the major cost overruns were due to
24 advances or new technology in launching and electromagnetic
25 aircraft launching system, advanced arresting gear, dual

1 band radar, and advanced weapons elevators. Are those still
2 the greater risks on the cost problem with the Gerald R.
3 Ford and the Kennedy?

4 Secretary Mabus: Mr. Chairman, you are absolutely
5 correct that those were some of the reasons for the cost
6 overruns. You and I are in pretty violent agreement that
7 the way the Ford was build is not the way to build a ship.
8 It was being designed while it was being built. Too much
9 new technology was trying to be forced in, and that
10 technology was not mature.

11 Today, though, the Ford is 87 percent complete. The
12 testing on the electromagnetic launch and the advanced
13 arresting gear is where it should be, and it is moving
14 along. And the risk of anymore cost overruns, as you
15 pointed out in your opening statement, we have stable costs
16 for the last three years or more now, and it goes down every
17 day. There is still some risk in the testing of those brand
18 new systems that we have never used before.

19 Chairman McCain: General Dunford and Admiral Greenert,
20 could you give a brief update on the progress of the F-35?

21 General Dunford: Chairman, in our case, the 1st
22 Squadron will be at initial operating capability this
23 summer. That is the VMFA 121 out in Yuma, Arizona. I
24 visited the squadron a couple of weeks ago. I am confident
25 that we are on path to bring that squadron up to IOC, and we

1 also have a good number of aircraft laid in across the next
2 -- across the five-year defense plan to bring the F-35B into
3 service.

4 Chairman McCain: Admiral?

5 Admiral Greenert: We had our carrier test this past
6 summer. It went great. Tailhook was certified. We had no
7 bolters, so the avionics of the aircraft itself for the C
8 model -- that is ours -- is good. We still have a way to go
9 for the software. That is the 3F software. Right now we
10 are on track for an IOC of late Fiscal Year 2018 or early
11 2019.

12 My concern is that this software is able to integrate
13 all of the weapons systems that we have on the current
14 aircraft on our air wing, so this aircraft has to fit into
15 our air wing. We cannot fit the air wing around the
16 aircraft. But so far so good. We have to keep really close
17 watch on it.

18 Chairman McCain: Thank you. Senator Reed?

19 Senator Reed: Well, thank you, Mr. Chairman, and let
20 me first say that the chairman's questions regarding
21 sequestration and your responses about the real and dramatic
22 effects on the lives of the men and women that we serve are,
23 I think, another strong indication of the need for
24 collective and bipartisan action to end sequestration. So
25 thank you, gentlemen, and thank you, Mr. Chairman.

1 Mr. Secretary and Admiral Greenert, last year in the
2 defense authorization bill, we in Section 1022 created the
3 National Sea-Based Deterrence Fund, which was designed to
4 help you from a Department of Defense level to build or
5 replacement the Ohio Class submarine. And can I just ask
6 both of you how you intend to use this fund, and in general
7 your plans for the replacement of the Ohio. And, Mr.
8 Secretary, if you want to begin?

9 Secretary Mabus: Well, we very much appreciate the
10 establishment of this fund. CNO and I have been talking for
11 some time now about when we begin to build the Ohio class
12 replacement in 2021, if it is a pure Navy build, it will
13 devastate some part of the Navy, either our shipbuilding, or
14 readiness, or something, because of the high cost of these,
15 and because we do not recapitalize them very often.

16 If you look back in history, there is precedent for
17 either making this a national program because it is the most
18 survivable leg of our deterrence triad, or adding funds to
19 Navy shipbuilding to accommodate it. The 41 for Freedom in
20 late 50s, early 60s, and the Ohio class in the late 70s
21 through '92, both times Navy shipbuilding was increased
22 pretty dramatically to accommodate these submarines. But to
23 show you the effects from '76 to '80, the Navy shipbuilding
24 budget doubled to accommodate the Ohio class. Our fleet
25 still declined by 40 percent because it simply was not

1 enough to do both.

2 Senator Reed: Admiral Greenert?

3 Admiral Greenert: Senator, first of all, I think it is
4 a great start. I think we need to pursue clarity of the
5 intent of the Congress, and what I mean by that is the legal
6 ramifications for sources of the fundings we could put in
7 there. Is it just other Navy shipbuilding accounts? Is it
8 just other Navy appropriations, or do we mean the whole
9 Department of Defense could contribute to this fund, which,
10 in my view, would be great.

11 Senator Reed: Thank you very much. In my view it
12 would be great, too, and that was the intent, I believe.
13 The clarification we will try to produce for you, sir.

14 General Dunford, again, in my opening remarks I talked
15 about the Fighting Vehicle Program, and this has been an
16 interesting and tortured path. The expeditionary fighting
17 vehicle was cancelled. We have several different concepts,
18 and this has spanned the careers of several commandants.
19 Now, we are into this new amphibious combat vehicle, which
20 is described as non-developmental. And seriously, your
21 comments upon what you see is the challenge. What are you
22 trying to accomplish by this, and how do you avoid the fate
23 of the preceding vehicles, which we spent money on, but
24 could never deliver?

25 General Dunford: Senator, thanks. We have been

1 working for some time, as you alluded to, to replace the 40-
2 year old amphibious assault vehicle. And until two years
3 ago, we were trying to reconcile the protection required
4 against today's threat, the costs that we could afford, and
5 then the ship-to-shore capability, that high speed self-
6 deploying capability.

7 It turned out that we could not reconcile those three,
8 and so a decision was made to break the program into thirds.
9 So the third is to address the need for ground tactical
10 vehicles with adequate protection from range-to-shore right
11 now, and so that vehicle would be moved from ship-to-shore
12 in a connector. The second phase would be to get our
13 vehicles to at least have the same capabilities as today's
14 assault amphibious vehicle. That is, it could self-deploy
15 from an amphibious ship.

16 And from that point down the road, we have a decision
17 point to then pursue again a self-deploying high speed
18 vehicle. If at that time we can reconcile those three
19 variables I talked about, or to continue to make
20 improvements to the second phase, which is a vehicle with at
21 or greater than capability to our current assault amphibious
22 vehicle. But, Senator, the reason why we are where we are
23 is we simply could not reconcile those three things -- the
24 cost, the capability, and the protection required against a
25 current threat.

1 Senator Reed: So you are focusing first on a vehicle
2 that will be basically have some limited forwarding
3 capability to get a short distance in a low surf, and then
4 fight on land with all the protections we have seen against
5 IEDs and those things, and all the lessons we have learned.
6 That is the first phase.

7 General Dunford: That is exactly right, Senator. We
8 expect our vehicles will operate 90 percent of the time
9 ashore, and so this first phase vehicle is optimized for
10 ground protection and mobility ashore.

11 Senator Reed: And the second phase, is it going to be
12 a completely different vehicle, or you are trying --

13 General Dunford: No, Senator. I was out to the Nevada
14 Auto Test Center about three weeks ago to look at the
15 current state of the vehicles. And quite frankly, I think
16 in most cases, we have asked for a vehicle that just
17 provides adequate ground mobility and not necessarily a
18 self-deploying vehicle. All of the individuals right now
19 that are competitive in the process have a vehicle that
20 actually I think may get pretty close to the second phase
21 that we require.

22 Senator Reed: Thank you very much. And just finally,
23 Mr. Secretary, the director of operations, who will test the
24 evaluation, has raised some concerns about the survivability
25 of the LCS -- and if Admiral Greenert wants to take the

1 question also -- and also the ones that have been modified
2 to operate as frigates. Have you specifically established
3 survivability requirements for the modified LCS, and have
4 you -- are those requirements much different than the
5 initial requirements of LCS?

6 Secretary Mabus: The small surface combatant task
7 force looked at that and did upgrade the survivability by
8 things like hardening the area around the magazine, around
9 various combat systems. CNO has pointed out very accurately
10 in the past, the best way to survive is not to get hit. And
11 so we have upped the defensive capabilities of that ship,
12 and it is also a very ship, too.

13 It is important to keep in mind that this is a small
14 surface combatant, that the new upgraded ones have been
15 designated a frigate. But they are not destroyers, they are
16 not cruisers, and they have a very different role to play.
17 But the survivability for a small surface combatant,
18 particularly with the upgrades, meets our fleet requirements
19 and meets the requirements that we have set.

20 Senator Reed: Thank you. Thank you, gentlemen.

21 Chairman McCain: Senator Inhofe?

22 Senator Inhofe: Thank you, Mr. Chairman. I would say
23 to our panel we have good attendance up here, so we are
24 going to be talking about a lot of systems, and I will kind
25 of start off on one, Admiral Greenert, that I think has

1 changed quite a bit, and that is the JSOW program. I think
2 a year ago they were talking about adding 4,400 or so of the
3 JSOWs, and that was in the '15 budget. I do not remember.
4 What is the current inventory? If we were going to get --
5 how many more would that represent when you said 4,400?

6 Admiral Greenert: I will have to get you those
7 numbers. I do not have them handy here.

8 Senator Inhofe: I mean, is it like 2,000 now?

9 Admiral Greenert: We benchmark against the combat
10 requirement, and, again, I have got to get you the number.

11 Senator Inhofe: Okay, that is fine. But I guess my
12 point is, if we were talking about projecting in last year's
13 budget 4,432 more of the JSOWs over the life of the program,
14 which would have included at that time, because we have in
15 this budget, or we had in this budget, 200 to be bought,
16 then all of a sudden, at least it was to me, the program was
17 terminated. And I am just wondering what has happened that
18 caused that not to be a necessary component as it was
19 considered to be before now?

20 Admiral Greenert: Well, we had to take some chances,
21 and I am not happy at all. We do not have enough munitions.
22 I am very concerned about it, and I think I expressed it.
23 But the point was we felt we had the combat expenditure. We
24 watched very closely how many we used during the year. When
25 I say "combat," I mean we have enough for what we believe

1 would be the model number, and can we reconstitute the line,
2 and we felt we could. So we are taking risks. It is not
3 good.

4 Senator Inhofe: Okay. That is a good point. You are
5 adding risk by having to do this. You would prefer not to.

6 Admiral Greenert: I would prefer not to. I have risk
7 in other munitions that are just bad. It is not a good
8 picture, Senator.

9 Senator Inhofe: Yes. Yes. No, that is right.
10 Senator Reed talked about, General Dunford, about the F-35.
11 Just to elaborate a little bit more, that would actually be
12 there in replacing the F-18s, is that correct, and the
13 EA6Bs?

14 General Dunford: And the AV-8s, Senator. It will
15 replace three aircraft --

16 Senator Inhofe: All three.

17 General Dunford: -- all of which are over 20 years
18 old.

19 Senator Inhofe: All right. Yes, that is right, 23
20 years old, the F-18s and the E6B-27. So and you have looked
21 at the missions of all these, and you are satisfied that
22 these missions are going to be met with this change and
23 getting rid of the older, and the F-35s are going to be
24 capable of doing it?

25 General Dunford: Well, Senator, it will do that, but

1 it is probably also important to point out that this
2 actually does not just replace the F-18, the AV-8, or the
3 VA-6. It is a fundamentally different capability. It is a
4 transformational capability. It will do everything that
5 those three aircraft will do, but also in terms of the
6 information environment, it will do a significant amount
7 more for the Marine Air-Ground Task Force.

8 Senator Inhofe: You talked about the -- no, Admiral
9 Greenert, you talked about the pilots, and we have a pilot
10 shortage. You have talked to your -- the Air Force and the
11 problems that they are having right now. Are your problems
12 similar to that?

13 Admiral Greenert: They are. What happens is people
14 get deployed. They are flying all the time. In fact, they
15 are flying so much, working up quickly to go on deployment,
16 some of them say I cannot even get a wheel done. And then
17 when we come back, we shut down, and they sit around here,
18 and they look out on the tarmac, and there is a Super Hornet
19 they would love to be flying, but we do not have the funding
20 to provide that. And they say what is with this? This is
21 not what I signed up for.

22 Senator Inhofe: That is the same thing that General
23 Walsh talked about.

24 Admiral Greenert: It is, yes, sir.

25 Senator Inhofe: It is the same situation. Now, tell

1 me if this is true because I remember bringing this up kind
2 of comparing the cost of replacing some training versus
3 retention. As I understand, the 10 years of the retention
4 bonus was around \$250,000. That is in the Air Force. Is
5 that comparable to the Navy?

6 Admiral Greenert: It is comparable. We have the same
7 thing.

8 Senator Inhofe: Yes. Yes. And then also, that
9 training, if you take to them F-22 capability, is going to
10 be something like \$17 million. I mean, up here we look at
11 the economics of this thing, and obviously it is far better
12 if we can retain these people rather than go through
13 training. Have you thought of anything specifically that
14 would help you in that respect?

15 Admiral Greenert: We have, yes, sir. And so, we use
16 the term -- we want to optimize what we call our training
17 plan, our fleet response training plan, and you hit the nail
18 on the head. It is getting the flying done more
19 consistently throughout, keep them, if you will, busy,
20 proficient, that they feel a part, they have a predictable
21 future out there instead of a cycling process as they get
22 ready to deploy.

23 Senator Inhofe: And that is the message I get when I
24 talk to those -- we know there is a lot of competition with
25 the airlines. We know that in the training, it is a supply

1 and demand thing.

2 Admiral Greenert: Senator, excuse me. A consistent
3 budget will really help us be able to do that. Consistency
4 is key.

5 Senator Inhofe: Absolutely. I understand that. And
6 you said, General Dunford, when Senator McCain asked you
7 some specific questions about it, you said, and I wrote it
8 down, "Funding below the President's budget would require a
9 new strategy." And you answered a couple of questions about
10 some of the specifics, but what would an overall new
11 strategy look like? What are we talking about?

12 General Dunford: Well, Senator, what I really meant
13 was that on a day-to-day basis, we would not have the
14 marines that are forward deployed to meet the sure allies,
15 part of the strategy, and to respond to crisis, part of the
16 strategy. And then we would have fewer forces than were
17 required to meet a single major contingency. And so, in my
18 mind that does, from a marine's perspective, drive the need
19 for a new strategy.

20 Senator Inhofe: Yes, I understand.

21 General Dunford: So it is a capacity issue as well as
22 a readiness issue.

23 Senator Inhofe: Okay. My time has expired, but if you
24 want to expand on that for the record, please do because
25 that would be something that we need to be equipped with

1 her.

2 General Dunford: We will do that, Senator. Thank you.

3 [The information referred to follows:]

4 [COMMITTEE INSERT]

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1 Chairman McCain: Senator Manchin?

2 Senator Manchin: Thank you, Mr. Chairman, and thank
3 all of you for your service, and appreciate it very much.
4 You know, I will take a little different twist than this.
5 There is not a person I know of in West Virginia that is not
6 extremely proud of the military that we have and have served
7 with distinction, and truly is proud to have the greatest
8 military that history has ever recorded.

9 With that being said, I sat in my first meetings in
10 this Armed Services, and at that time we had the Joint
11 Chiefs of Staff and Admiral Mullen was here. And the
12 question was asked to Admiral Mullen what is the greatest
13 threat that the United States of America faces. And I
14 thought I was going to hear his depiction of an evaluation
15 of the around the world terror that we were facing. He did
16 not even hesitate, and he said that the finances of our
17 country is the greatest threat we face.

18 We are at \$18 trillion and growing. We will grow
19 another half a trillion this year. With that being said,
20 people back home in West Virginia want us to be responsible.

21 And they ask the question, and they said, you know, we hear
22 that our military, our Department of Defense, will spend
23 more than the next seven or eight countries combined. How
24 come we cannot do it more efficiently or more effectively?
25 And if money is the problem, we have got to make sure that

1 we have the money to do it. But are we using the money
2 wisely?

3 So through procurement we are trying to get OTTIS. We
4 are trying to find out why procurements -- why we have --
5 everyone has a different platform. Everything seems to be
6 siloed, if you will, rather than integrated. And I do not
7 know if you all have a comment or an answer to that, but it
8 is hard to go back home and explain, you know, we are going
9 to be -- I think the request is a little under \$600 billion
10 this year for Fiscal Year 2016. Is the request \$585? And I
11 think just from the Navy, yours has gone from \$149 to \$161,
12 your request.

13 So they are not going this way, and I know you are
14 saying if sequestering kicks in. Sequestering has a real
15 onerous, I think, connotation to it because of the way it is
16 administered. And if we allowed you all to do maybe things
17 differently than us intervening in it and trying to tell you
18 how to do your job, it might be a little bit better.

19 I appreciate that, too, and I know it is hard for you
20 all to make those comments, Secretary. But are there ways
21 that we can do it more effective and efficiently, and what
22 can we do to untie your hands to let you do more with maybe
23 a little more challenging financial, but be able to have the
24 ability to do more with what you have?

25 Secretary Mabus: Senator, first, you are absolutely

1 correct that we as a military have to be efficient, have to
2 be effective, have to use the taxpayers' money very
3 efficiently. My father was the cheapest human that God ever
4 saw fit to put on this earth I think, and I am his son. And
5 so, we have been using the tools that this committee and
6 this Congress has given, things that I talked about -- firm
7 fixed price contracts, driving them down, things like that.

8 But I will show you a chart. Here is what we have to
9 do to buy anything. You cannot read it. I cannot either
10 from here. It is spaghetti. It is a labyrinth that you
11 have got to go through. You could help us by taking out
12 some of those things. Make us focus on what is important,
13 and that is the outcome.

14 We are also looking at things like contracts. The Navy
15 spends about \$40 billion a year on contracts, and until a
16 couple of years ago we could not track that money from the
17 time you appropriated -- authorized and appropriated it
18 until it got to the contract. We can today. And we are
19 saving today 10 percent a year, so \$4 billion a year on
20 contracts. We are going to do better than that. Those are
21 hard things. Those are not easy things.

22 The last thing is that there are really four parts to
23 the Department of Defense or five parts. There are the four
24 services, the three departments -- the Army, Navy, Air
25 Force. But there is also the Department of Defense, the

1 defense agencies, that are all overhead, and they have grown
2 far, far faster than the services.

3 Senator Manchin: Let me just say one thing, and one
4 final thing because my time will be running out real quick,
5 and I am so sorry. But every time we talk about a lack of
6 resources or money, General and Admiral both, it is always
7 reduction-in-force, how it is going to affect the people on
8 the front line. But when we look at you all's staff, your
9 staff keeps growing and growing and growing, even though you
10 talk about reduction-in-force. It does not make sense why
11 we go to the front line immediately and have a reduction-in-
12 force when the staff has made no sacrifices.

13 Secretary Mabus: Can I take a shot at that, sir?

14 Senator Manchin: Whoever. Whoever.

15 Secretary Mabus: I am going to defend my two service
16 chiefs here. Their staffs not have grown. The uniforms and
17 the civilians in the Department of the Navy have not grown.
18 In fact, from '14 to '16, we have a difference of 10
19 civilians. We are not growing. In fact, the Marines are
20 shrinking, the Navy is staying steady, and the staffs are
21 staying steady or going down. We are doing a 20 percent
22 reduction in headquarters staff.

23 But, again, it is what we call the fourth estate, the
24 Department of Defense agencies, things like the Defense
25 Finance and Accounting Service, things like the Defense

1 Logistics Agency. And their contractors have just grown
2 exponentially. And so, that is where the growth is coming.
3 It is not -- I will speak just for the Department of the
4 Navy, it is in not in the Department.

5 Senator Manchin: Thank you.

6 Chairman McCain: Senator Wicker?

7 Senator Wicker: Thank you, Secretary Mabus, and maybe
8 we will have time to get to that point, but let me go ahead
9 with my planned questions. Admiral Greenert, we sort of
10 decided on this rebalance to Asia before the latest
11 provocations from Russia, before ISIS took over so much
12 territory. If sequestration returns in October, what sort
13 of gap will these cuts create between Asia's rebalance
14 strategy and the already important tasks of deterring Russia
15 and defeating ISIS? And can you highlight to this committee
16 the role amphibious ships will have in executing these
17 missions? Admiral Greenert?

18 Admiral Greenert: Thanks, Senator. Yes, Senator, one
19 of the top priorities we have is presence. So other than
20 funding the sea-based strategic deterrent, I need to make
21 sure that we are present around the world. So my point
22 would be we will pursue forward presence. You will not see
23 much reduction under a Budget Control Act scenario in our
24 forward presence. Most of the rebalance to the Asia-Pacific
25 is what we call forward stationed or forward-deployed naval

1 force in Japan, in Singapore, and in Guam. Those will
2 continue to, in fact, increase.

3 Our distribution around the world is -- we are
4 increasing the forces in the European command as we look at
5 how we are going to deploy in the future, strictly for the
6 reason you stated with the instability in the AFRICOM and in
7 the EUCOM region. It is not dramatic, but it is there.
8 Amphibious forces play a very important role, which we call
9 the "new normal," the ability to respond quickly to counter
10 terrorism, to piracy, and to support our forces and defend
11 Americans abroad, especially in our embassies.

12 Senator Wicker: So the Asia-Pacific rebalance will not
13 take a hit from sequestration, and our European presence
14 will not take a hit from sequestration. Those hits will
15 take place elsewhere. Is that --

16 Admiral Greenert: Those hits, if you will, will take
17 place in our ability to respond to supplement those forces
18 forward, and those forces forward will not be as modern as
19 they need to be. We will have dramatic decreases in
20 modernization.

21 Senator Wicker: Okay. General Dunford, as you know, I
22 have been worrying aloud about Afghanistan. General Dempsey
23 told our committee last week there is a terrorist network
24 that stretches from Afghanistan to Nigeria, and we have got
25 to keep pressure on it throughout its entire length. He

1 went on to say "I think Afghanistan is and will remain an
2 anchor point for that pressure." Do you agree with that,
3 General Dunford?

4 General Dunford: Senator, I do agree with that. I
5 think Afghanistan as a counterterrorism partner and as a
6 platform from which the United States can protect its
7 interest in Southwest Asia is absolutely critical.

8 Senator Wicker: Am I right then to worry about the
9 current plans for drawing down our forces in Afghanistan, to
10 worry that those are based on more of a political
11 calculation rather than the facts on the ground?

12 General Dunford: Senator, my understanding from
13 listening to Secretary Carter's testimony, and General
14 Dempsey's testimony, and General Campbell's testimony is
15 that they are all reviewing the current plan in light of the
16 points you just made.

17 Senator Wicker: I hope we do. You know, last week
18 before the committee, I pointed out to Secretary Carter and
19 General Dempsey that things are headed in the right
20 direction in Afghanistan. I do not know if the American
21 people appreciate that, but we have made great gains there.
22 President Ghani and his chief opposition leader, Dr.
23 Abdullah, and a partnership, they want us there as a
24 stabilizing force, and I just hope that we are not about to
25 throw away what progress we have made.

1 Secretary Mabus, you and I have been friends a long
2 time. Remarkable testimony actually. Very profound
3 statement that you had, which you, of course, had to abridge
4 during your oral remarks. You mentioned what Thomas Paine
5 said about the cause of America is in a great measure the
6 cause of all mankind. I almost want to substitute the word
7 "cost" there, and it seems that it falls on the United
8 States of America. You also correctly say for seven decades
9 the United States and Marine Corps have been the primary
10 protector of this international system. We are doing it for
11 everybody else.

12 There is a sound basis in this proposition that rising
13 international prosperity is directly linked to the United
14 States Navy. Thank you to our military and to our Navy. We
15 have kept the sea lanes open you say. We have kept freedom
16 of navigation open for anybody engaged in peaceful and
17 legitimate trade. As the President said, we been the anchor
18 of global security.

19 This is for you, but also for our friends
20 internationally listening to this. We are going to have to
21 insist on more of a contribution from our international
22 partners. We keep the lanes open for them. Our friends in
23 Europe, our NATO friends, our other friends in Europe are
24 depending on what exactly you are talking about. And I
25 would just say we are going to have to collectively come up

1 with a plan to convince our partners in international
2 security that it is in their interests, too, to make the
3 financial sacrifice to help us afford all of this protection
4 that we are giving to the world. Would you like to comment
5 on that, Mr. Secretary?

6 Secretary Mabus: Well, first to say we have been
7 friends for a long time, and second to say that it is one of
8 the reasons that we are pursuing these partnerships, and
9 that is a message that you just gave that I take to
10 countries around the world that we cannot do it by
11 ourselves, and that they have to bear their fair share of
12 any burden.

13 And as part of that, to be interoperable with us, to
14 exercise with us, to make sure that we go to -- we go into
15 things together. And one of the things that -- one of the
16 tangible things that is happening right now is the French
17 aircraft carrier Charles de Gaulle is in the Arabian Gulf
18 conducting strikes against ISIS. That is a sort of
19 partnership that not only we need, but that the world needs.

20 Senator Wicker: Thank you, and I have gone way over.
21 I hope that I speak for Senator Hirono, my ranking member on
22 Sea Power, that you will perhaps give us some language to
23 address the problems you pointed out in that very confusing
24 chart. And if there are suggestions you have for ways that
25 we can cut through that red tape and make procurement of

1 important weapon systems a little easier and a little more
2 favorable to our fighting men and women, I hope you will get
3 that to Senator Hirono and me. Thank you.

4 Secretary Mabus: I would be very happy to. Thank you,
5 Senator.

6 Chairman McCain: The senator is correct. He has gone
7 way over.

8 [Laughter.]

9 Chairman McCain: Senator Donnelly?

10 Senator Donnelly: Thank you, Mr. Chairman. I have
11 taken warning of that comment that you just made. Mr.
12 Secretary, thank you for your service, and I want to tell
13 you, and you already know, you have a great team sitting
14 there with you, General Dunford, Admiral Greenert. And,
15 Admiral, thank you for everything you have done for our
16 country. We were extraordinarily blessed to have you on
17 command, and we appreciate it.

18 I also want to mention, Mr. Secretary and to Admiral
19 Greenert, I want to take a moment to recognize the superior
20 performance of the Navy's nuclear forces. It has been
21 exceptional. You have created a culture of outstanding
22 performance, and it has not gone unnoticed. And so, as a
23 Nation we really feel in your debt for having done all of
24 that.

25 Now I want to ask you about suicide prevention. It has

1 been such a challenge for our services. It has been
2 something we have worked on together. And what I want to
3 talk about is physician assistance. They have a great
4 reputation in the mission, a great reputation for medical
5 care. And the first is to Admiral Greenert and to Secretary
6 Mabus, and then I will get to General Dunford second. But
7 to Admiral and Mr. Secretary, what are your thoughts about
8 expanding the services' use of PAs specializing in
9 psychiatric care to fill some of the provider gaps that we
10 see?

11 Admiral Greenert: It is an excellent idea. We have
12 looked at things like this. I have to go back and take
13 another round through that, but clearly we can use more
14 folks to help us with the resiliency in the psychological
15 arena.

16 Secretary Mabus: Senator, I am a big fan of physician
17 assistance, of nurse practitioners, of people that we can
18 get out in bigger numbers to help with some of this
19 resiliency, because as you pointed out, suicide is one of
20 the big challenges we face, and not just in the military.
21 It is the second leading cause of death of Americans 18 to
22 32 years old.

23 Senator Donnelly: It is a staggering and scary
24 statistic. And, General, you have done a great job in
25 embedding mental health providers with the expeditionary

1 units. What are your thoughts on the utility of physician
2 assistance also helping in the Marine Corps with psychiatric
3 care?

4 General Dunford: No, Senator, thanks, and I think my
5 answer would be similar to Admiral Greenert. It is in the
6 sense that I would be supportive of anything that would
7 increase the capacity of us to deal with the resilience of
8 our marines and sailors, and also their mental health.

9 Senator Donnelly: Okay, thank you. And, Mr.
10 Secretary, as you know, at Crane in Indiana, we work on
11 counterfeit part detection. How big a threat do you see
12 that being in the years ahead?

13 Secretary Mabus: Well, it is something that we have
14 seen in the past, and it could be critical in the future.
15 And it is important for us to stay on top of that because
16 some of the counterfeit parts that we have detected that
17 Crane found earlier were critical parts in our submarines,
18 for example, and you cannot take chances on things like
19 that. And it is one of those capabilities that we have
20 absolutely got to keep up, and it is part of the acquisition
21 strategy that we have got to have adequate oversight.

22 And I will go a little bit further here in that our
23 acquisition workforce, people at Crane, people around the
24 country, that oversaw things like this, went down pretty
25 considerably. And since 2010, we have been rebuilding that

1 workforce to do exactly some of those very specialized
2 skills like that.

3 Senator Donnelly: General Dunford, the Marines have
4 played such a strong role in Anbar Province in Iraq over the
5 years. A lot of extraordinary relations were created
6 between the Marines and the Sunni tribes. As we take the
7 battle to ISIL, can you give me an update as to what role
8 the Marines are playing in terms of trying to cultivate
9 those long-term relationships because they are so critical
10 to our success?

11 General Dunford: Thank you, Senator. And we do, in
12 fact, have forces in Anbar Province today. We have got two
13 25-man training teams that are with the Iraqi 7th Division.
14 We have also got a Marines colonel who is the commander of
15 our special purpose Marine Air-Ground Task Force, and that
16 force now is focused on supporting General Austin's counter-
17 ISIL efforts.

18 In addition to developing those relationships in Anbar
19 Province, we have got marines protecting the embassy in
20 Baghdad, and then also we provide the tactical recovery of
21 aircraft and personnel missions. So we support the strikes
22 that can win both with carriers and with joint force
23 aircraft. We support the strikes that go into Iraq and
24 Syria with the V-22 so that if something did happen, we
25 would be in a position to recover aircraft and personnel.

1 Senator Donnelly: Thank you. Thank you, Mr. Chairman.

2 Chairman McCain: Senator Rounds?

3 Senator Rounds: Thank you, Mr. Chairman. Gentlemen,
4 thank you for your service. I would like to follow up a
5 little bit on what Senator Inhofe was discussing, and, in
6 particular, Admiral Greenert, you were responding to the
7 munitions questions, but this would be for both you and
8 General Dunford. In your judgment, are your munitions
9 inventories sufficient to support current operations and the
10 defense strategic guidance plan? Are there individual
11 munitions whose inventories are either present or projected,
12 which are insufficient to meet the requirements? And if so,
13 what are they, and what is being done to address the
14 shortfalls?

15 Admiral Greenert: For operations today, we have
16 sufficient munitions. For operations in the future, my
17 benchmark year, our benchmark year, is 2020. There is a
18 series of missions we have to do. They are outlined on the
19 card that I gave you. They are effectively based upon the
20 war plans. We have insufficient munitions in 2020, even
21 some munitions in the President's budget. They are air-to-
22 air. They are surface-to-surface, if you will, cruise
23 missiles. Some of our air-to-ground, and as Senator Inhofe
24 mentioned, the joint standoff weapon, the JSOW.

25 Now, the air-to-air has two elements. There is a

1 longer range and a medium range. Both of those have
2 shortfalls. In our lightweight torpedo we have a shortfall,
3 and our heavyweight torpedo we have a shortfall. A
4 "shortfall" is defined as the combatant commander believes
5 they need all of this to win in the model, you know,
6 campaign, and you have to have enough to reload so that you
7 are not just standing around here saying, well, we won, but
8 we are empty, if you see what I mean. So that is kind of
9 the baseline, sir.

10 Senator Rounds: General Dunford?

11 General Dunford: Senator, thank you. We have adequate
12 ammunition for today. We have taken risk and ammunition
13 that would be needed for a major contingency as we have
14 dealt with the budget challenges. The three major areas
15 that we have shortfalls are in our javelin systems and tow
16 systems. Those are anti-tank weapon systems. The other
17 areas in HIMARS rockets, that is an artillery system, a
18 rocket for artillery. There are a large number of other
19 smaller areas of ammunition that we are short. Those are
20 the main areas. And, again, it has been a decision that we
21 have made as we try to balance risk.

22 And for the Marine Corps, as I mentioned in my opening
23 statement, we always ensure that our units that are forward
24 deployed or next to deployed have the wherewithal to
25 accomplish the mission. And so, what we end up doing is

1 taking risks at home station and against a major
2 contingency, and that is exactly what we have done in the
3 case of ammunition.

4 Senator Rounds: Thank you. Secretary Mabus, you
5 pointed out in the procurement process the complications and
6 the added costs that come with that. Are there programs
7 that would benefit from cost reduction initiatives, such as
8 multiyear procurement or block buys that do not currently
9 have those authorities? If there are, would you care to
10 elaborate on them?

11 Secretary Mabus: Well, Senator, thanks to this
12 committee, in particular, thanks to Congress, we have got
13 multiyear authority on things like the Virginia Class
14 submarines we bought 10 submarines for the price of nine
15 because of that multiyear. Now we have got a multiyear on
16 the Marine Osprey V-22s, and it has dramatically driven down
17 the costs. We have got a multiyear on our VDG-51s, our
18 destroyers, which has also pretty dramatically driven down
19 the costs, block buys on the Littoral combat ship.

20 Any time we can do that, we very much want to and
21 appreciate this committee. Expanding those authorities to
22 do that for weapon systems for things like that would
23 certainly be helpful. But it is some of the things, as I
24 said in my opening statement, it is just basic business
25 concepts, getting more competition in, doing some of these

1 longer-term things, so that industry knows what we are going
2 to buy so that they can make the investments up front in
3 infrastructure and job training so that they can buy things
4 in economic order quantities so that we can drive the costs
5 down. And the chart I held up just some of the steps that
6 we have to go through. Even if we get a multiyear, even if
7 we get a block buy, we have to go through this very
8 convoluted process that really adds no value at the end, and
9 it does not give us a better weapons system.

10 Senator Rounds: Thank you. Mr. Chairman, I yield back
11 my nine seconds.

12 Voice: You are a hero.

13 Chairman McCain: Very thoughtful. Senator Blumenthal,
14 you have an extra nine seconds.

15 Senator Blumenthal: Thank you, Mr. Chairman. I want
16 to begin by thanking all three of you for your extraordinary
17 service to our Nation. And, Admiral Greenert, particularly
18 my personal thanks to you for your numerous visits to
19 Connecticut and your strong advocacy of our Navy's strength,
20 particularly when it comes to submarines. And I know that
21 all of us on this committee and the American people join me
22 in gratitude to you.

23 I want to ask a question about submarines, the Virginia
24 Payload Module, which I think is critically important to the
25 Virginia Class submarines that we are going to be procuring.

1 And as you know, the Virginia Payload Module adds
2 significantly to the number of Tomahawks that can be
3 prepared -- I think it is 76 percent -- which will be
4 especially important at a time when the number of boats in
5 our fleet diminishes to minimum or below minimum strength.
6 And so, I am wondering whether there is the possibility that
7 that acquisition program -- I know that the Virginia Payload
8 Module, Virginia Class subs are going to be procured
9 beginning in 2019 with one, and then in subsequent year one.
10 Whether that program can be accelerated so that more of the
11 Virginia Class boats have the BPM and are able to increase
12 their capacity to deliver that kind of attack.

13 Admiral Greenert: We are going to look at that,
14 Senator, and by I think in April/May we will be done
15 studying that. We would like to do that. We have to look
16 at the technical risks associated with that, so if it is
17 feasible, we will give it a good try to get that one. If we
18 go to that year, '18, we are into -- the Secretary just
19 mentioned a block buy, that we have a block buy in there.
20 So we are going to have to transition that bridge, if you
21 will, into trying to manipulate such a major part into a
22 block buy. So I do not know what it will do, but we will
23 have to study that.

24 Senator Blumenthal: And what do you think is the
25 timetable for making that determination?

1 Admiral Greenert: By May we should have an answer. We
2 will be very working very closely with your committee and
3 make sure they know -- I am sorry, with your staff and make
4 sure they know how it is coming along.

5 Senator Blumenthal: If you could keep us informed, I
6 would appreciate it.

7 Admiral Greenert: Will do, yes, sir.

8 Senator Blumenthal: Let me move to an issue that I
9 know concerns all of you, the impact of post-traumatic
10 stress, the care for our men and women in uniform. General
11 Dunford, I know you have been very, very cognizant and
12 attentive to this issue. Are you satisfied that this budget
13 has enough in the way of resources to deal with post-
14 traumatic stress and traumatic brain injury, which, as you
15 also know, is the cause of not only a threat to readiness,
16 but also suicide and other facts?

17 General Dunford: Senator, we consciously protected
18 those programs as we built the President's budget in 2016.
19 But I would tell you, again, it goes back to what happens
20 with BCA levels or sequestration. It will become
21 increasingly difficult to protect those kinds of programs as
22 well as a number of other programs as we draw down the
23 budget even further.

24 Senator Blumenthal: On that topic, Secretary Mabus,
25 the connectivity to the Veterans Administration on health

1 issues, on a number of personnel-related issues has been
2 questioned and challenged in this very room by the VA's
3 officials and by other members of the Department of Defense.
4 I wonder whether there is more that you can see being done
5 to better relate and transfer information that is important
6 to disability claims, to healthcare in the VA, and so forth.

7 Secretary Mabus: Absolutely, Senator. That is one of
8 the critical things we do, particularly for our wounded or
9 injured as we move them from active duty to the VA. We have
10 got a goal in days of how long it takes to move someone.
11 Both Navy and Marine Corps are under that goal. We are
12 doing it faster.

13 But the goal is not a quick goal. It is too long, and
14 we need to get better at that. We need to get better at
15 having systems that talk to each other between DoD and the
16 VA. But it is something that we are very, very conscious
17 of, and trying to eliminate some of disability determination
18 that both DoD and the VA run, and sometimes they do the same
19 things, just at different times.

20 Senator Blumenthal: Thank you. Thanks, Mr. Chairman.

21 Chairman McCain: Senator Ernst?

22 Senator Ernst: Thank you, Mr. Chair. Gentlemen, thank
23 you so much for being here today. I appreciate your service
24 and your willingness to testify in front of this committee.

25 General Dunford, I would like to start with you, sir.

1 The budget that we have right now in front of us reflects a
2 switch from land-based to operations, large-scale battles,
3 back to being a quick reactionary force for the Marines, and
4 I know that the Marines are going to adapt accordingly.
5 They always do that very well. But I do worry that our
6 forces are going through a lot of uncertainty with financial
7 constraints, and we seem to be caught off guard by our
8 adversaries.

9 Our enemies are capturing stockpiles of weapons, some
10 of which are the M-16s and the M-4s. And we have been using
11 this individual weapon system for 50 years now. It was
12 developed in 1964. This still remains our soldier and our
13 airmen's basic rifle, and that puts us at an equal playing
14 level with our adversaries on the ground. Is it possible
15 that while we are taking a look at advancing our ships,
16 modernizing our ships, modernizing our aviation platforms,
17 within the budget, is there room to move on advancing
18 individual weapon systems that put us at a technological
19 advantage over our adversaries?

20 General Dunford: Senator, thanks for that question,
21 and that actually is one of my greatest concerns. You know,
22 we know historically the Marine Corps needs to invest a
23 minimum of about 11 or 12 percent, and that is fairly small,
24 of our overall obligation authority into modernization and
25 capability development.

1 This year we are at about nine percent, so it is lower
2 than it has been historically, and I am concerned. But
3 today I think we are doing a pretty good job of resetting
4 our capabilities to the fight that we had yesterday. I am
5 not satisfied we are investing enough in the capabilities
6 that we need to fight tomorrow. And what you are suggesting
7 is modernization of things like weapon systems.

8 I would say this. I agree with your point that we need
9 to be able to do that, but I also would just make a point
10 that it is not just a weapon, it is who is behind that
11 weapon. And so, it is still not a fair fight even if the
12 enemy has the same weapon as we do. It is the marine behind
13 the weapon that makes the M-16 most effective.

14 But your point about increased investment in these
15 areas, that is one of the sacrifices we have made as we have
16 continue to fight today's fight and make sure our marines
17 that are forward deployed have what they need. We have
18 taken risk in our capability development.

19 Senator Ernst: Exceptional. Thank you, General, for
20 pointing out it is that marine that is behind that weapon
21 system, and making sure that we are training them
22 appropriately and have the means to do that is extremely
23 important. One thing that I would love to address to both
24 Admiral and to you as well, General, and Secretary, in the
25 statements we have talked a little bit about the total force

1 that we have out there, which would include not only our
2 active duty personnel, but those reserve members that are
3 being used as operational forces. And I would love to hear
4 you elaborate a little bit about the role that our reserve
5 members have played in backfilling for your components.

6 Admiral Greenert: Well, I would be remiss if I did not
7 acknowledge this is the 100th anniversary of the Navy
8 Reserve this year, in fact, just a few days ago. So happy
9 anniversary to the Navy Reserve.

10 Senator Ernst: Yes, happy anniversary.

11 Admiral Greenert: We are absolutely unable to function
12 without our Navy Reserve today. They have gone from sort of
13 folks that were there for a strategic force in case of the
14 big war to now they are part of our total force. They do
15 our logistics, all of our logistics, a lot of our medical.
16 They are in cyber in a huge way. As we go to the unmanned
17 in the remote areas, they are our operators in waiting, and
18 a lot of them are integrating fully in that regard. They do
19 our RIVRON force. That means our high value units, our
20 submarines, our ships out and around the world, and they are
21 building partnership capacity. So there are other areas
22 that they are working their way into, so a very effective
23 force woven into the fiber of who we are today.

24 Senator Ernst: Thank you.

25 General Dunford: Senator, thanks. Our ability to meet

1 the combatant commanders' requirements on a day-to-day basis
2 and in response to a major contingency is inextricably
3 linked to the readiness of our Marine Corps Reserve. They
4 are integrated into everything that we do to the point where
5 when we look at our requirements over the next couple of
6 years, we actually have a force generation plan that fully
7 integrates our reserves into our ability to meet those
8 forward presence requirements every day.

9 So that to us is what we mean by when you use the term
10 "operational reserve." What it means is that we are using
11 them on a day-to-day basis to meet not only the routine
12 requirements of the combatant commanders, but, again, the
13 historic need for a strategic reserve that could respond to
14 an unexpected major contingency.

15 Senator Ernst: Thank you very much, gentlemen. Thank
16 you, Mr. Chair.

17 Chairman McCain: Senator Hirono?

18 Senator Hirono: Thank you, Mr. Chairman. And,
19 gentlemen, thank you for your service, and a particular
20 aloha mahalo to Admiral Greenert, this being your last force
21 posture testimony.

22 Secretary Mabus, as you know, I am very committed to
23 the rebalance of the Asia-Pacific, and we had a discussion
24 about that yesterday between you and me. And so, it is
25 really important that our efforts to maintain stability in

1 the Asia-Pacific area is important to our national security
2 even as there are conflicts arising in other parts of the
3 world. And as you stated in your testimony, "We must have
4 the right platforms in the right places to ensure our
5 friends and allied understand our commitment." So the
6 rebalance has to be more than rhetoric, and as we discussed
7 yesterday, I trust that the Navy, as it updates its
8 strategic lay down and dispersal plans will, ensure that
9 future plans will reflect the rebalance in terms of
10 equipment, personnel, and partnership opportunities. And I
11 certainly look forward to further discussions with you.

12 Secretary Mabus, do you think that this budget reflects
13 our continued commitment to the rebalance with sufficient
14 specificity?

15 Secretary Mabus: Senator, I do. The commitment to the
16 rebalance is real. It is absolute. And you can begin to
17 see the things that are already happening. You are seeing
18 the second deployment of an LCS to Singapore, and by 2017 we
19 will have four LCSs in Singapore. The crews will fall in on
20 the ships instead of the ships coming back home.

21 Today you are seeing more than a thousand marines
22 rotationally deployed to Darwin, Australia, and within the
23 next year or two that will go up to a full -- nearly 2,500
24 marines, special purpose marine air ground task force. You
25 are seeing the plans that we have to put our newest

1 equipment, both ships and aircraft, in the region. And we
2 are going from about 55 percent of our fleet in the Pacific
3 to 60 percent.

4 But I think the important number is that the fleet is
5 getting bigger so that 60 percent of this fleet is going to
6 be bigger than the fleet of the past. We in this budget
7 specifically have the resources to carry out that, but I
8 will echo Admiral Greenert and General Dunford. This is the
9 minimum that we have to have in order to do not only the
10 rebalance, but all the other missions that we are called
11 upon to do.

12 Senator Hirono: Thank you. I think I heard your
13 response to Senator Donnelly's question about your concern
14 about counterfeit parts, and I believe you said that you do
15 have a concern about that. I just wanted to ask you one
16 question, though. You do have a concern about counterfeit
17 parts.

18 Secretary Mabus: Yes.

19 Senator Hirono: So I was just wondering whether you
20 were aware of any technological product that can be embedded
21 in parts to ensure that it is not a counterfeit part.

22 Secretary Mabus: Senator, I am not aware of any
23 specific chip or whatever that you can imbed in it. What I
24 am aware of is that our quality control folks, places Crane,
25 Indiana that the senator was talking about, are

1 exceptionally good at spotting those counterfeits.

2 Senator Hirono: I am aware of a particular product
3 that I would love to talk with you further in a different
4 context.

5 Regarding your energy efforts, we do need a sustained
6 long-term commitment to research and development in this
7 area, and meeting our energy security needs and preserving
8 the superiority of our forces in the face of energy supply
9 challenges in the 21st century are important goals. In your
10 testimony, you highlighted the 2009 formal energy goals for
11 the Department of the Navy, which includes using energy more
12 efficiently and diversifying our sources of power, and
13 certainly, I will agree with your efforts. Could you give
14 us an update briefly on the 2009 formal energy goals, and
15 how does the President's budget proposal support these
16 energy goals?

17 Secretary Mabus: I would be happy to. The biggest
18 goal was by no later than 2020, at least half of all energy,
19 both afloat and ashore, will come from non-fossil fuel
20 sources. The goal is to make us better war fighters. In
21 terms of our basis, we will be there at the end of '15, and
22 we are saving money by doing it. We will have a gigawatt of
23 power into our bases from non-fossil fuel sources by the end
24 of '15.

25 In terms of afloat, we will buy no alternative fuels

1 unless it is absolutely cost competitive with traditional
2 fuels, but that seems to be the case even with today's low
3 oil prices, and we are moving pretty aggressively to do
4 that. We have demonstrated -- we have certified all of our
5 ships. We have certified all our ships. We have certified
6 all our aircraft on this. In terms of efficiencies, we are
7 making great strides in efficiencies, and the President's
8 budget supports both the diversifying -- the kinds of energy
9 and also the efficiencies.

10 Senator Hirono: Thank you, and I appreciate the
11 indulgence of the chair. I have gone over. Mahalo.

12 Chairman McCain: Senator Ayotte?

13 Senator Ayotte: I want to thank the chairman, and I
14 want to thank all of you for your leadership to the country
15 and our military at such an important time. I just wanted
16 to associate myself with some of the comments that Senator
17 Blumenthal made about the Virginia Payload Module. I am
18 very interested if that is feasible as well, Admiral, in
19 going forward, and I look forward to seeing what you come
20 forward with in May. I think it is important if we can
21 expedite that and it is possible to do that.

22 I also wanted to follow up, Admiral. In your prepared
23 statement, you noted that our naval shipyards and depots are
24 critical to maintaining warfighter readiness for the force,
25 and I certainly agree with that. And in order to have a

1 strong attack submarine fleet, we need to ensure that those
2 submarines are maintained properly and quickly, and that
3 they are combat ready.

4 And one thing that I wanted to ask about is making sure
5 that the facilities we have are prepared to do that, and
6 doing that in the most efficient way so that we can save
7 dollars and get things done sooner. I know that Senator
8 King shares my pride with the work done at the Portsmouth
9 Naval Shipyard, and, in fact, they have -- the workers at
10 the shipyard have actually been producing ahead of schedule
11 the maintenance -- just recently in April of last year they
12 undocked the USS Topeka days ahead of schedule -- 20 days
13 ahead of schedule. In June following a maintenance
14 availability, the workers at the Portsmouth Naval Shipyard
15 returned the USS California to the fleet 14 days ahead of
16 schedule. And in September they delivered the USS
17 Springfield back to the fleet ahead of schedule and under
18 budget.

19 And one of the things that they have brought to
20 attention of my office is that they are doing this with
21 facilities that are frankly outdated in some instances.
22 They are working in structural shops that are on average
23 over 100 years old, and have deteriorated to the point of
24 partial failure. For example, the heat treat forge area was
25 recently condemned, and the buildings have exceeded their

1 useful life. And so, the fact that they are delivering
2 faster and under budget even with these facilities, can you
3 imagine what they could do with more modern facilities?

4 There is a military construction project that has been
5 submitted for reprogramming. It is called P-266 Structural
6 Shops Consolidation. It will address many of the problems
7 that I just talked about, and it will achieve efficiencies,
8 improve working conditions, most importantly, save money and
9 time, which I know we are all looking to do, and result in
10 submarines being sent back to the fleet even more quickly.
11 And I am confident if we are able to do this, it will allow
12 them to do an even better job, and they are doing an
13 incredible job now.

14 So, Admiral, I am not expecting you to be familiar with
15 all of these projects offhand, but this is a very important
16 one to our shipyard, and I think that will, most
17 importantly, drive cost efficiencies and results for the
18 Navy. So I would like an update on where this reprogramming
19 request sits. And obviously I do not need you -- if you
20 have it now, great. If you do not, if that is something you
21 could submit to your office as quickly as possible, I would
22 appreciate it.

23 Admiral Greenert: I will take it for the record and
24 get you a complete answer, Senator.

25 Senator Ayotte: Thank you very much.

1 [The information referred to follows:]
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1 Senator Ayotte: I also wanted to follow up just to ask
2 in general about the importance of the Navy civilian
3 workforce, and what we see, Secretary Mabus, in terms of the
4 importance of the civilian workforce. Many of them -- I
5 think as the economy improves, the competition for the types
6 of skills that they have, that they are able to work
7 obviously on such important equipment like our attack
8 submarines or other equipment, then we are going to see more
9 competition for their skills. And we want to make sure that
10 they stay in the Navy and able to serve the Navy.

11 So can you talk to me about what is the strength of the
12 civilian workforce? How do we see recruitment going
13 forward? And what are the challenges we face there, and any
14 concerns you may have?

15 Secretary Mabus: Thank you, Senator. In terms of the
16 public shipyards like Portsmouth, if you want to see the
17 effects of sequestration, you do not have to look any
18 further than that. There was a hiring freeze put in place
19 because of sequestration, so as people left they could not
20 be replaced. There was a furlough that some of them were
21 exempt from, but not all. There was the government shutdown
22 when they could not work.

23 And because of all those things, we have got a backlog
24 in those public shipyards. They do great work, but they
25 have to have enough of those artisans, enough of those

1 people with the specific skills to do it. And, again, that
2 is a great tangible example of not only effects immediately
3 of sequestration, but how it stretches out because it will
4 take until about 2018, as the CNO said, to recover from
5 that.

6 The civilian workforce writ large, we would not have a
7 fleet to put to sea without those civilians, and we lost 12
8 civilians killed in the line of duty at the Washington Navy
9 Yard. So they are in every way an integral, vital part of
10 our Navy and Marine Corps.

11 Senator Ayotte: Thank you, Mr. Secretary. Admiral?

12 Admiral Greenert: Ma'am, this morning there is a great
13 article on what the director for Office of Personnel
14 Management is trying to do for quick hiring. We are trying
15 desperately to hire people into our shipyards because we
16 need to build it up. It is hard. The sequestration has
17 hurt us, and the Gordian Knot is getting through the
18 paperwork to hire someone. It is difficult to compete for
19 this young talent.

20 Senator Ayotte: And these are incredibly talented
21 people. I mean, I have had the chance to meet many of them,
22 exactly.

23 Admiral Greenert: Yes, ma'am.

24 Senator Ayotte: Thank you.

25 Chairman McCain: Senator King?

1 Senator King: Thank you, Mr. Chair. Admiral Greenert,
2 I want to associate my comments. It must be -- I am sure
3 you are very sad that this is your last hearing before this
4 committee, but you have had a long and very distinguished
5 career, and I want to thank you. Secretary Mabus, your dad
6 should have met my dad. I can remember my dad standing in
7 front of me on the long distance telephone looking at his
8 watch watching the time go by. I think they would have had
9 some spiritual kinship.

10 Admiral Greenert, the Arctic is an important area of
11 policy, and I know you have been looking at it. The Navy
12 has developed a strategy. Just briefly, do you see the
13 Arctic as an emerging area of important -- of strategic
14 importance, national security importance to this country?

15 Admiral Greenert: Senator, I do. I think we need to
16 look at it deliberately and understand it. Therefore,
17 things like ICEX, where we were together almost a year ago,
18 we need to do it more frequently, get industry up there and
19 study the place, find out when is it going to melt, what are
20 the sea lines of communication that will open, are there
21 territorial disputes? Who has them? Are there threats?
22 Russia is increasing their military presence. It sorts of
23 makes sense, and if that is where a sea line of
24 communication is. But also, how do we survive up there, our
25 ships, our aircraft, and our people?

1 Senator King: I think just a simple example about
2 infrastructure, icebreakers, we have one heavy duty, one
3 medium duty Coast Guard. The Russians have 17 icebreakers
4 in the Arctic. And if we are talking about innocent passage,
5 trade, icebreakers are the highway builders, if you will,
6 and that is an area. I know it is not a naval question,
7 but, I mean, that is an example of how we are really not
8 adequately, I believe, focusing on our strategic interests
9 in that region.

10 Again, for Secretary Mabus and Admiral Greenert, it
11 strikes me that one of the issues that really is not talked
12 about -- we talked a lot about sequestration, and I do not
13 have to pile on on that subject. We all agree that it is a
14 serious risk to the national security of this country. But
15 the industrial base, you cannot turn off and on a shipyard.
16 And one of the things that worries me as I look at charts
17 from Bath Iron Works, for example, in Maine that if we do
18 not have the workload, the employment drops down. If a
19 skilled ship builder leaves to go to some other area of the
20 country or some other profession, they are gone and you
21 cannot just turn that back on. Secretary Mabus, is that
22 something that concerns you?

23 Secretary Mabus: It concerns me every day, Senator,
24 and it is one of the reasons that I said in my opening
25 statement -- the larger statement of the committee, that I

1 will protect shipbuilding to the maximum extent possible
2 because it not reversible. If you do not build a navy ship
3 one year, you never build it. It is not something that
4 money the next year can make up, and it is primarily because
5 of that industrial base. If you lose those highly skilled
6 workers and their unique skills, they are not easily
7 learned. In fact, I was -- as Senator Reed said, I was at
8 Quonset Point with keel laying for the USS Colorado. They
9 recognized more than 10 people who were celebrating their
10 40th anniversary at that shipyard that had worked there for
11 more than 40 years.

12 So the industrial base if you lose it, if you lose
13 these high quality, high-skilled shipbuilders, you do not
14 get them back. And you see the effects today in terms of
15 Bath or some of our shipyards. What you see is the effects
16 on our fleet 10 years from now, 15 years from now, 20 years
17 from now. And it is something that I have said -- evidently
18 I used a term that nobody else had used much, but I am going
19 to protect shipbuilding until the last dog dies. We are
20 going to try to stay there partly for the industrial base,
21 but also for our Navy.

22 Senator King: And one of the problems is the long lead
23 time means that the shortchanging we are doing now is going
24 to have the effect five, 10 years from now -- I remember
25 learning in driver's ed that if you are going above a

1 certain speed, your headlights will not illuminate the wall
2 in time for you to stop. And in effect, there is a wall out
3 there we are very close to hitting. We just will not know
4 it for about 10 years because of the decisions we are making
5 now in terms of the shortsightedness of this sequester
6 policy.

7 Secretary Mabus: We are living today with decisions
8 that were made 10, 15 years ago in terms of the size of our
9 fleet. The people sitting in all these chairs 15, 20 years
10 from now will be living with the decisions we make today.
11 And as I said, in shipbuilding, they are not reversible.

12 Senator King: Well, you ended your prepared testimony
13 with a quote from Theodore Roosevelt about the Navy as an
14 instrument of peace. From that same speech, Roosevelt said
15 something that is extraordinarily applicable to the
16 discussion we have been having today about readiness. He
17 said, "The veteran seamen of our warships are as of high a
18 type as can be found in any Navy which rides the waters of
19 the world. They are unsurpassed in daring and resolution,
20 in readiness and thorough knowledge of their profession."
21 This is Teddy Roosevelt 100 years ago. "To build the finest
22 ship with the deadliest battery and to send it afloat with a
23 raw crew, no matter how brave they are individually would be
24 ensure disaster if a foe of average capacity were
25 encountered." This the payoff line. "Neither ships nor men

1 can be improvised when the war has begun."

2 General Dunford, I would assume you -- this is all
3 about readiness and training and the irresponsibility of our
4 not solving this funding problems so that you can have your
5 men and women ready.

6 General Dunford: Absolutely, Senator. I mean, that is
7 what you expect from the Nation's ready force is that when
8 you call us we are there. As I mentioned earlier, when you
9 call us for today's crisis, we respond actually today, and
10 that is what it is all about.

11 Senator King: Thank you, gentlemen, for your service.
12 Thank you, Mr. Chairman.

13 Chairman McCain: Senator Kaine?

14 Senator Kaine: Thank you, Mr. Chairman, and thanks to
15 all the witnesses. Admiral Greenert, I add my comments to
16 those of my colleagues about your service, and we will miss
17 you at these hearings. I am sure Angus was joking a bit
18 when he said you are so sad to be here for the last time,
19 but you have been very, very helpful, and we all appreciate
20 that.

21 On sequester, I cannot resist, Secretary Mabus, since
22 you started talking about how cheap your dad was. I have
23 done a lot of budgets. I have done them as the managing
24 director of a, you know, law firm with lawyers in three
25 countries. I have done them as a mayor. I have done them

1 as a governor. I am the only governor in the history of my
2 State -- this is a sad accolade, not a good one. I am the
3 only one in the history of my State that left office with a
4 smaller budget than the one I started with because of being
5 governor in the worst recession in 75 years.

6 Sequester violates every principle of good budgeting
7 that any competent manager in the public or private sector
8 would follow. Period, full stop. Sequester violates every
9 principle of budgeting that any competent private or public
10 sector manager would follow. I am proud that one of my
11 first votes as a senator in February 2013 was to eliminate
12 the sequester. I know how to find budgetary savings. I
13 have done it my whole life. But non-strategic across-the-
14 board cuts can be done with the slide rule. It is not about
15 the application of human judgment, and any budgetary
16 philosophy that says we do not care about human judgment, we
17 are just going to, you know, do this kind of across-the-
18 board cutting is foolish.

19 I have watched us have very significant discussions on
20 this committee where I think we have all come to bipartisan
21 consensus about Afghanistan, and let me make an analogy,
22 that a calendar-based strategy is a bad idea, a conditions-
23 based strategy is a good idea. And I just want to analogize
24 that to our budgetary reality. We are either going to be
25 sequester-based and say, well, we are obligated to follow

1 caps that the Congress put in place in August of 2011 before
2 we saw the degree of cyber attacks from Northern Korea,
3 before we saw Vladimir Putin go into the Ukraine, before
4 ISIL was gobbling up territory in Iraq and Syria, before
5 Boko Haram was slaughtering thousands upon thousands of
6 people in Africa.

7 We are either going to be sequester-based and ignore
8 every bit of reality that has occurred since August of 2011,
9 or we are going to be conditions based in our budgeting.
10 And I would just like to ask all my colleagues, we have
11 decided on Afghanistan I think as a body, that we ought to
12 be conditions-based, not calendar-based. And I would say
13 for purposes of funding our military and other priorities,
14 let us be just as conditions-based, and let us not grab onto
15 some bizarre, incompetent budgetary theory and elevate that
16 over the security of the Nation. So that is just my
17 editorial comment, and what I intend to do as a member of
18 the Budget Committee, as a member of the Armed Services
19 Committee, and certainly in any floor activity about budget
20 or appropriations.

21 I want to offer some praise to General Dunford and
22 Admiral Greenert. In your written testimony, and you had to
23 truncate it here today, you both talked about something that
24 I think is really important, which is helping your marines
25 and sailors transition from active life to civilian life.

1 The transition of people into a civilian workforce where
2 only one percent of adults have served in the military, so
3 there is not a natural understanding for a gunnery sergeant
4 does or what an E-5 is. They care about that transition,
5 which is something that I think the DoD generally has kind
6 of woken up to more recently as we have Iraq and Afghanistan
7 war vets, especially enlisteds, with unemployment rates that
8 are unacceptably high.

9 I think you have all come a long way in the last couple
10 of years in being really intentional about this. And in
11 both of your written testimonies, you talk about efforts
12 that have been underway to help folks get credentials that
13 match civilian work skills, and to help people think in a
14 more significant way about that transition. General Dunford
15 knows I have got a son who is an officer in the Marines, and
16 about two weeks into taking his first platoon, he called me
17 up and he said, hey, Dad, my NCO, who is, you know, the guy
18 I am really relying on, has just told me he is leaving in
19 two weeks, and he does not how to find a job.

20 And if you wait until somebody is at the end of their
21 time and then try to cram it all into their head, and help
22 them figure out how to transition in the last couple of
23 weeks, it is not going to work very well. But if you start
24 on day one and make that a priority, it will work a lot
25 better, and our marines will be marines for life, and our

1 sailors will be sailors for life. And I give you all a lot
2 of credit for making that a priority, and your written
3 testimony today attributes to it.

4 One question that I want to ask may be a question for
5 the record because it may involve classified information. I
6 am concerned about the civility of the government of
7 Bahrain. The 5th Fleet is headquartered in Bahrain, and
8 that 5th Fleet is not only important for our defense, but it
9 keeps open sea lanes in an important part of the world that
10 allow shipments of oil and other shipments that affect the
11 global economy.

12 The instability of Bahrain, in my view, causes me
13 significant concern about the long-term viability of the 5th
14 Fleet there as its headquarters. Certainly the security of
15 the lives of those Americans who are serving, but also
16 whether that is -- you know, can we have a 5th Fleet
17 strategically positioned there given that instability? And
18 maybe for the record, I would like to ask if you could just
19 offer some thoughts, appropriately classified if need be,
20 about what the instability issues, what threats that poses
21 and what the Navy is doing to consider how to mitigate those
22 threats, if you could, Admiral Greenert.

23 Admiral Greenert: I will take that for the record and
24 give you a complete answer, Senator.

25 Senator Kaine: Thank you.

1 [The information referred to follows:]
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1 Senator Kaine: Thank you, Mr. Chairman.

2 Chairman McCain: Thank you, Senator Kaine. And I
3 thank you also for your eloquent dissertation on
4 sequestration, and I totally agree with it. I thank you for
5 that. Senator Cotton?

6 Senator Cotton: Mr. Secretary, Admiral, General, thank
7 you very much for your years of distinguished service to our
8 country and for all of the men and women you represent, the
9 sailors, the marines, and the civilians. I was an Army guy
10 myself. General Dunford, I have had many of your marines
11 tell me that the Army stands for "ain't ready for Marines
12 yet." That is not true, is it?

13 General Dunford: It just may be, Senator.

14 [Laughter.]

15 Senator Cotton: That is a shocking revelation. Well,
16 there is no substitute for an Army, but there is also
17 certainly no substitute for a Navy and Marine Corps that is
18 constantly on watch all around the globe, that is never in
19 peacetime phase because it always deployed somewhere. And
20 we are very grateful for what you all do.

21 Admiral Greenert, you have written and spoken at
22 greater length in other forums about the concepts of
23 payloads, not platforms. Could you give us maybe a
24 truncated simple version here of what you mean by that and
25 how it informs the procurement plan for the Navy in the

1 future?

2 Admiral Greenert: Yes, Senator. We are a capital
3 intensive service, and so when we build a ship it is there
4 for 30 years at least, and been longer. To put an
5 integrated complicated system there in there inside -- a
6 weapon system in such a vessel, when you want to change it
7 out, you have got to take the ship out of service 18 months
8 to two years. We cannot do that anymore. We cannot afford
9 to take it out of service. That is one. Two, the industry
10 and technology is moving so fast, they can put together a
11 weapon system that can come in a modular fashion.

12 So the deal today is to put together a platform, what I
13 call a platform that has enough cooling volume, persistence
14 and time at sea, and the ability to support the upgrades --
15 quick and fast upgrades. The Enterprise was our first
16 aircraft carrier built in 1961. Its first mission was the
17 Cuban Missile Crisis. Its last mission was off Afghanistan
18 in 2012, and it had the most modern systems we had, a
19 platform with several changes of payloads. And so, that is
20 what I am getting at. It applies to aircraft, and it
21 applies to ships for sure.

22 Senator Cotton: General Dunford, would you care to
23 comment on how that concept may or may not apply to a ground
24 force like the Marine Corps or, for that matter, the Army?

25 General Dunford: Senator, I would like to take that

1 for the record. I am not sure I can answer that.

2 [The information referred to follows:]

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1 Senator Cotton: Admiral Greenert, would you like to
2 comment, because obviously the Navy and the Air Force are
3 much bigger platforms, more capital intensive investments
4 than General Dunford tends to use in the Marine Corps than
5 the Army uses in its ground operations.

6 Admiral Greenert: Well, again, payloads and platforms.
7 My support for General -- I am a supporting entity for the
8 Marine Corps, so when I build an amphibious ship, it has to
9 be able to expand to bring in the Marines' systems as they
10 evolve and expand. So it is very much a part of what I
11 support for General Dunford, and, in fact, we fell behind in
12 that regard. As the marines went ashore, if you will, in
13 Afghanistan and Iraq, we did not evolve in our ships, and
14 now we are making that adjustment working together.

15 Senator Cotton: Thank you. I also would like to
16 associate myself with the comments of Senator Kaine and
17 Senator McCain about the impact of sequestration, in
18 particular the impacts on readiness. I would be curious to
19 hear from both Admiral Greenert and General Dunford about
20 the timeline that you think may be required to get back to
21 full readiness in your two services.

22 Admiral Greenert: If we have a predictable, stable
23 budget at the right level, which we believe the President's
24 budget is minimally there, we will be back where we need to
25 be in 2018 for our carrier strike groups and 2020 for my

1 amphibious readiness groups that are supporting General
2 Dunford.

3 General Dunford: Senator, our timeline is roughly the
4 same, sometime between 2018 and 2020. But, of course, that
5 very much is dependent on future budgets as well.

6 Senator Cotton: Could you care to comment on the
7 status of morale for your sailors and your marines,
8 especially over the last two years, in a sequestration
9 environment?

10 Admiral Greenert: Well, when sequestration hit morale,
11 it was hard on them. It was a hit to morale. They were
12 angry. They did not understand. What is this? What did I
13 do? So now the families are angry. They have gotten over
14 that. Today they are anxious, but morale is good overall.
15 It is not very good, and it is not poor. It is good. They
16 understand that we are looking out for their basic needs,
17 and we are providing them ready forces when they deploy.
18 But there is a great anxiety out there, and if we go back to
19 that, I am not sure exactly what is going to happen. I
20 lived through this in the late 70s and the early 80s.

21 General Dunford: On balance, Senator, we have a very
22 young force. I would probably describe the reaction as
23 angst at this point. They are concerned about it. Where I
24 am mostly concerned, though, are the mid-grade staff NCOs
25 and the mid-grade officers who are looking to the future of

1 uncertainty, and would make decisions to leave the Marine
2 Corps when we want them to stay.

3 Senator Cotton: Thank you. Thank you all again for
4 your service, and thank you again for all the hard work that
5 marines and sailors you represent do as well as their
6 families since there is no peacetime Navy or Marine Corps,
7 and you are always on watch.

8 Chairman McCain: Senator Shaheen?

9 Senator Shaheen: Thank you, Mr. Chairman. Thank you
10 all very much for being here, Secretary Mabus, Admiral
11 Greenert, and General Dunford, and thank you for your
12 service to the country. Admiral Greenert, we are going to
13 miss you, but we hope you will be back in another capacity
14 at some point.

15 As we were discussing, Admiral, before the hearing
16 started, I had, as you all know, the great opportunity
17 yesterday to embark with the USS New Hampshire submarine to
18 go out for the day, to dive with the submarine. It was
19 really an experience of a lifetime, and I very much
20 appreciated that. And I was especially impressed by the
21 dedication and the professionalism of our men serving on
22 that submarine as on all of our submarines, impressed by the
23 teamwork that they experienced that, as they pointed out to
24 me, that a submarine only runs if everybody works together.
25 And the cook knew as much about the ship and how it was laid

1 out and the operations as the people in the operations room.
2 So it was very impressive.

3 And one of the things that became clear as we were
4 discussing with folks about their experience on the New
5 Hampshire was that while -- General Dunford can appreciate
6 this. A lot of the discussion during the wars in
7 Afghanistan and Iraq has been about the toll that that has
8 taken on our fighting men and women. And one of the things
9 that was clear yesterday, and not because on the New
10 Hampshire complained about it, but the toll that the
11 reduction in our ships and their capacity has on the men and
12 women who serve on those ships, because the deployments
13 increase just as our deployments during Iraq and Afghanistan
14 in a way that I think is less clear to the American public,
15 and the toll that that takes.

16 And I wonder, Admiral or Secretary Mabus, if either of
17 you would like to speak to what that shortfall in our ship
18 capacity, the impact that that has on the men and women who
19 are serving on those ships.

20 Admiral Greenert: You explained it very well, Senator.
21 There is a commitment, a covenant that we have for providing
22 ready forces forward around the world to be able, as we like
23 to say, where it matters when it matters. If you have less
24 ships distribute, those which are there will stay on the
25 watch longer. We have a phenomenon that we are trying to

1 get out of, as we were just describing how long it would
2 take to get our readiness right, and that is when we have
3 sequestration, all of our maintenance slowed down in
4 Portsmouth Naval Shipyard, Puget. All of our shipyards
5 slowed down to kind of parade rest, as we like to say. So
6 now, we are trying to get that back up, get the workforce
7 back because many left as a result of sequestration.

8 Somebody is out there standing the watch, and that is
9 that longer deployment waiting for the other folks to get
10 their maintenance and training done to come out to relieve
11 them. That hurts and takes a while.

12 Secretary Mabus: Senator, in the early 90s we had
13 about a 400-ship Navy, and we had on average 100 ships
14 forward deployed. Today we have a little bit less than a
15 300-ship Navy, and we still have 100 ships forward deployed.
16 So you explained it very well. Sailors are going out for
17 longer. They are staying for longer.

18 One of the things that we have been working on is
19 trying to make those deployments more predictable, and not
20 just the deployments, but the things the CNO was talking
21 about -- the training, the maintenance, and the surge
22 capability when they come back -- and it is called the
23 optimized fleet response plan. We are doing it for our
24 carriers first then our strike groups. We are going to do
25 it for our amphibious ready groups next. But it is trying

1 to do that.

2 And the last thing I would like to say is that it is
3 one of the reasons that I remain so committed to
4 shipbuilding, to getting the right number of those gray
5 hulls so that it will ease some of the stress on the sailors
6 who -- the men and women who sail in them.

7 Senator Shaheen: Thank you. Well, one of the things I
8 neglected to say that you all know is that the USS New
9 Hampshire is a Virginia Class sub, and one of the things
10 that was very exciting to hear from folks on the ship was
11 that they always feel very good when it is the Portsmouth
12 Naval Shipyard who has done the work because they do such a
13 great job at the shipyard. So I had to put that plug in for
14 the Portsmouth Shipyard because they do such great work.

15 I am really out of time, but, Mr. Chairman, if I could
16 ask one more question?

17 Chairman McCain: Other than a commercial? Yes.

18 Senator Shaheen: Thank you. Secretary Mabus, last
19 September the Departments of Energy, Navy, and Agriculture
20 awarded contracts to three companies to construct and
21 commission bio refineries to produce drop-in fuels to help
22 meet our transportation needs, drop-in bio fuels. Can you
23 speak to why you think this is so important for the Navy?

24 Secretary Mabus: It is important because it makes us
25 better war fighters. It is important because it takes fuel

1 away as a weapon to be used against us. All you have to do
2 is look at the headlines about Crimea, the Ukraine, Europe
3 today, and Russia using fuel as a weapon, and we are trying
4 to avoid that. It will also help us smooth out some of
5 these price swings in the oil and gas market.

6 And finally, I am a big believer in the free market. I
7 think you need competition in things like fuels. Now, we
8 are -- we will not buy any alternative fuel unless it is
9 absolutely priced competitive with traditional fuels. The
10 other two requirements that we have, one is that it be drop-
11 in as you said. We are not changing engines or settings.
12 And third, that it take no land out of food production. So
13 we are looking at second generation, third generation
14 biofuel production.

15 Senator Shaheen: Thank you very much. Thank you, Mr.
16 Chairman.

17 Chairman McCain: Senator Graham?

18 Senator Graham: Thank you all for your service. What
19 is the morale in the Marine Corps like, General?

20 General Dunford: Senator, it is high.

21 Senator Graham: Yes, well, it should be high because
22 you are the finest fighting force on earth. And I want to
23 tell the Marines and the Navy better days are coming to the
24 families. We are going to get our act together in Congress.
25 I do not know exactly how yet, but we will. We are not

1 going to leave you hanging. We are not going to take
2 modernization off the table so you cannot fight the next war
3 effectively, and we are going to somehow solve the problem
4 we have created, so just hang in there. Keep your chin up
5 and focused on the mission.

6 General, do you agree it would be smart to leave a
7 residual force behind in Afghanistan if conditions require
8 it?

9 General Dunford: I do, Senator.

10 Senator Graham: From a Navy perspective, Admiral, do
11 you believe that the threats we face are growing as I speak?

12 Admiral Greenert: I do, absolutely.

13 Senator Graham: Do both of you agree that there are
14 more terrorist organizations with more capability, with more
15 safe havens, with more weapons, with more desire to attack
16 the homeland than any time since 9/11?

17 Admiral Greenert: I do.

18 General Dunford: I do, Senator.

19 Senator Graham: When it comes to Iraq and Syria, do
20 you agree with me that if we take ISIL on, and when I say
21 "we, the United States and the region, that we must win?

22 General Dunford: Yes, Senator.

23 Senator Graham: How many marines were involved in the
24 first battle and second battle of Fallujah?

25 General Dunford: The first battle, Senator, was about

1 two regimental combat teams of -- in the order of 6,000.
2 The second battle, and, of course, there were soldiers as
3 well. And the second battle was about 14,000 U.S. forces.
4 That is marines and soldiers.

5 Senator Graham: So do you agree with me without that
6 capacity, it would have been very difficult for the Sunni
7 tribes to prevail over al-Qaeda in Iraq at the time?

8 General Dunford: Without, absolutely, Senator.

9 Senator Graham: Okay. So we are about to fight a
10 bigger force, and how many members of our military do we
11 have in Iraq today?

12 General Dunford: Senator, I do not know the exact
13 numbers, but I think on the order of 3,000.

14 Senator Graham: How many of those are marines?

15 General Dunford: We have got about 500 marines,
16 Senator. They are actually on the ground in Iraq.

17 Senator Graham: Do you agree with me, both of you,
18 that ISIL represents a threat to us, not just the region?

19 General Dunford: I do, Senator.

20 Senator Graham: Do you agree with that, Admiral?

21 Admiral Greenert: Yes, I do, Senator.

22 Senator Graham: So anybody who thinks that defeating
23 or destroying ISIL is their problem, not ours, is making a
24 huge mistake?

25 General Dunford: I agree with that, Senator.

1 Admiral Greenert: We have to prevail, yes, Senator.

2 Senator Graham: Do you agree that it is in our
3 national security interests to make sure that not only are
4 they are degraded and destroyed, but they do not come back?

5 General Dunford: I agree with that, Senator.

6 Senator Graham: Do you agree with me that the best way
7 to ensure that you degrade and destroy ISIL is having some
8 American ground forces to help the regional forces?

9 General Dunford: Senator, right now I think it is
10 critical that we provide U.S. support, and I think, as you
11 know, we are waiting for General Austin to make a
12 recommendation as to exactly what that support would be.

13 Senator Graham: Does that not guarantee the highest
14 chance of success is to have some American capability on the
15 ground enhancing our regional partners?

16 General Dunford: Certainly my perspective would be as
17 a link to our supporting capability.

18 Senator Graham: Do you agree with me that any marine,
19 or soldier, or sailor, or airman who participate in these
20 operations would be protecting the homeland?

21 General Dunford: I believe that, Senator.

22 Senator Graham: If somebody died trying to deal with
23 ISIL in Iraq or Syria, they would have died on behalf of
24 protecting their Nation?

25 General Dunford: They would have died in protecting

1 our national interests is clear, Senator.

2 Senator Graham: Do you agree with me that if we do not
3 stop ISIL sooner rather than later, the likelihood of
4 another attack against this country grows?

5 General Dunford: I think it grows, but also I think if
6 we do not stop them, there will be destabilization in the
7 region as well. It is inimical to our national interests.

8 Senator Graham: Do you worry about the king of Jordan
9 if they do not at least get slowed down or degraded pretty
10 quickly?

11 General Dunford: I do, Senator.

12 Senator Graham: Do you, Admiral?

13 Admiral Greenert: I do, Senator, yes, I do.

14 Senator Graham: So to both of you and to those who
15 serve under you, I am sorry that some of you may have to go
16 back. I regret it more than you will ever know. But I
17 think you know better than anyone else why you may have to
18 go back. And the only commitment I will make as a senator
19 from South Carolina is that if you go back, you go back to
20 win, and that we get this right this time. Thank you all
21 for your service.

22 Senator Reed: [presiding] Senator McCaskill?

23 Senator McCaskill: Thank you. Thank you all for being
24 here. I sometimes neglect to say how much respect I have
25 for all of you. I am so busy getting after something that I

1 forget to tell you, so let me do that before I get after
2 something.

3 Admiral Greenert, I am dismayed about the Fat Leonard
4 scandal. I am dismayed because it rips at the fabric of
5 honor and integrity that defines our military. And one of
6 the things that I have tried to do since I was allowed to
7 join this important committee is make sure when we have
8 those moments that consequences go to the very top instead
9 of hanging out at the middle or the bottom, which has
10 sometimes occurred when there is a scandal like this. So I
11 would like you or Secretary Mabus to speak to the
12 accountability of those at the top of the chain of command
13 for this conduct that occurred on their watch.

14 Secretary Mabus: The Leonard Francis scandal --

15 Senator McCaskill: Correct.

16 Secretary Mabus: Well, Senator, we are going to hold
17 people accountable that violated either the law or Navy
18 ethics, and I have already issued letters of censure to
19 three admirals, one three-star, two two-star admirals. The
20 two two-stars elected to retire. The three-star had already
21 decided to retire.

22 One thing, though, that I think is important about this
23 situation is that the reason this was uncovered is that we
24 set up financial trip wires that Glenn Defense Marine Asia,
25 GDMA, went across, and so, red flags were raised. NCIS

1 investigated this for three years with no leaks. We during
2 that investigation found that an NCIS agent was furnishing
3 Mr. Francis with information, that set up some false
4 information to him, and it led to Mr. Francis believing that
5 the investigation had been shut up down, and allowed us to
6 arrest him on American soil. He has implicated a number of
7 naval personnel.

8 We are at the -- on the timetable of the U.S.
9 Attorney's Office in San Diego in terms of how quickly we
10 get to these things, and that has been a frustration because
11 we have -- it has taken a long, long time. But I have set
12 up a consolidated disposition authority, so if somebody was
13 found not to be criminally liable, we are taking a look at
14 them to see if they violated Navy ethics. We are stepping
15 up ethics training for COs, XO's, people in areas of
16 responsibility. We have completely overhauled our
17 procurement requirements and regulations in terms of
18 husbanding these services that GDMA provided. We are
19 auditing that on a routine basis.

20 And one thing I do want to say, though, is that you
21 could have all the ethics training in the world. If
22 somebody does not know it is wrong to steal, if somebody
23 does not know it is wrong to take a bribe, they miss
24 something at home.

25 Senator McCaskill: Right.

1 Secretary Mabus: And what we have to do is set up a
2 system that will catch them and will hold them accountable.
3 And you are right, it is up and down the chain. And I think
4 that by the first actions -- I not only took the actions to
5 censure three admirals. I have taken two more from access
6 to classified information based on allegations. I do not
7 know if those allegations are correct yet, but in order to
8 protect the integrity of the service.

9 Finally, Senator, unique among the services, when we
10 make a change in command, when we do something to a senior
11 officer, a CO or a flag officer, we announce it. We try to
12 be completely transparent about this. Partly it is because
13 of what we can -- the learning effect that it will have on
14 other people, but partly because people need to know what is
15 happening in the service. We have not seen the numbers go
16 up, but because we announce it we tend to get more scrutiny.

17 Senator McCaskill: Well, I appreciate that, and I
18 appreciate that you all have done this. I wanted you to
19 know I am very interested in how all of this shakes out, and
20 if there is anything I can do to prod the U.S. attorney into
21 doing justice in the most efficient, and effective, and time
22 sensitive way let me know.

23 I do not have much time left. I do want to ask a
24 couple of questions that you all can respond on the record
25 for me at a later date because I do not want to hold up the

1 Senator from Alaska. But one is obviously the electronic
2 capability platform as it relates to the growlers. I know
3 you testified last week, Admiral, about a shortage of two to
4 three squadrons. I am very concerned about that. I would
5 be concerned about that if these amazing aircraft were not
6 built in St. Louis because the capability of the electronic
7 battlefield that we face now, and I would like you to
8 respond to what -- I am worried that this joint study that
9 is going on now will not be completed in time for us to
10 really evaluate whether the needs jointly even exceed what
11 you have said, which is two to three squadrons in terms of a
12 shortfall. So that I need on the record.

13 And for you, General Dunford, I would like an updating
14 on the how the realigning of Guam is going. You know, this
15 is something that we have worked on in this committee, and
16 when I used to chair Readiness, this was something we talked
17 about a lot. If you would get to the committee and
18 specifically to my office where we are with the realignment
19 with Guam and what the situation is on that, I would be very
20 appreciative.

21 General Dunford: We will get that information to you,
22 Senator, thank you.

23 [The information referred to follows:]

24 [COMMITTEE INSERT]

25

1 Senator McCaskill: I know everybody has covered
2 sequestration before I got here, but for whatever every
3 other senator said about sequestration, me, too. Thank you.

4 Senator Reed: Senator Sullivan?

5 Senator Sullivan: Thank you, Mr. Chairman. And,
6 Senator McCaskill, I might get a highlight of your final
7 question is actually one of my first questions. So,
8 gentlemen, I appreciate your service and your frank
9 testimony. General Dunford, I also appreciate your
10 highlighting the bang for the buck component of the Marine
11 Corps' spending and warfighting capability, six percent of
12 the budget, 21 percent of the infantry battalions. I think
13 that is important for the American people to understand and
14 recognize.

15 I do want to follow on a number of the general
16 questions from Senators Wicker, Hironi, McCaskill on the
17 redeployment, the pivot to Asia in particular with regard to
18 some of our ground forces. And as part of this committee's
19 oversight responsibility, I will be heading to the region
20 relatively soon to look at some of the issues in terms of
21 what cost, training, readiness, deployment capabilities, as
22 it relates to the Guam redeployment, but also some other
23 issues.

24 I would just like, General Dunford, from your
25 perspective, what are the issues we should be thinking of

1 when we are looking at that, and are you satisfied with how
2 that redeployment is going? As you probably know, there are
3 some concerns about that, and I think they have been
4 consistent concerns over the years.

5 General Dunford: Senator, thanks, and that clearly is
6 one of the more important issues we are grappling with now
7 is the Pacific. I think maybe break it down into three
8 pieces. The first would be capacity, and for the United
9 States Marine Corps what the rebalance means is 22,500
10 marines west of the Date Line, and we are there now. So as
11 we have drawn down the force in Iraq and Afghanistan, we
12 have reconstituted our unit deployment program and got those
13 numbers back for our 3rd Marine Expeditionary Force, back to
14 what they ought to be.

15 The second piece is the re-posture of forces, relieving
16 some of the pressure in Okinawa, building up forces in Guam,
17 and then as the Secretary talked about, forces in Australia
18 as well. So there are several pieces. It is the Guam
19 piece, it is the Australia piece, and then forces will go to
20 Japan, and then some forces will eventually go to Hawaii as
21 well. We are just getting started with that this year. In
22 the President's budget '16, there is a training range in
23 Guam. That is one of the pre-conditions for us to bring
24 forces down to Guam. We will bring a total of 5,000 forces
25 to Guam eventually. We are rotating this spring another

1 force of 1,000 marines into Australia with an eventual plan
2 to bring that number up to 2,500.

3 But I think in terms of the issues that you should be
4 concerned about, one clearly is the progress for the Futenma
5 Replacement Facility and how that progress in Japan because
6 that is going to be critical. We have to have the Futenma
7 Replacement Facility in order for us to leave our current
8 Futenma Air Station, and then make the deployment -- make
9 the re-deployment to Guam as well and properly support the
10 marines that are in the area.

11 The other piece is lift in the area. We are going to
12 better support the combatant commanders' day-to-day
13 requirements by disaggregating out there. So in other
14 words, by moving to Guam and moving to Australia, we get
15 better coverage in the Pacific on a day-to-day basis. But
16 then in a contingency, we have got to aggregate those
17 forces, for example, in a conflict on the Korean peninsula.

18 And so, one of the real critical things we are working on
19 within the Department of the Navy with the Secretary and the
20 CNO's help is the additional lift that would be required to
21 move marines around.

22 So there is enabling capability, and the first is lift,
23 amphibious lift and other forms of lift, to move marines
24 around both for training and for contingency purposes. And
25 then as well the training facilities and the quality of life

1 support that will be on Guam over time. But all this is --
2 we are a lot further -- I have touched on this probably off
3 and on for the last 10 years, Senator, and we are finally
4 now starting to pour concrete. We are starting to actually
5 move forward with the plan. So I feel much better about it
6 than I have in recent years.

7 Senator Sullivan: Great, thank you. I want to switch
8 and follow on to the question that Senator King had talked
9 about in terms of the Arctic, and I will be a little more
10 blunt. You know, we have a DoD 13-page Arctic strategy, and
11 yet when you look at what the Russians are doing in the
12 Arctic, it is actually quite impressive. Impressive, but
13 disturbing. So I am sure you gentlemen are somewhat
14 familiar, but General Dempsey mentioned in testimony with
15 the Secretary of Defense last week that the Russians are
16 looking at four new Arctic combat brigades as our U.S. Army
17 is thinking about pulling them out of the Arctic. I think
18 that would give Vladimir Putin a lot of joy.

19 They are building new airfields, 13 new airfields.
20 They are conducting long-range air patrols with their barrel
21 bombers off the coast of Alaska again. They have incredibly
22 six new icebreakers coming, five more planned to add to
23 their fleet of 40. Meanwhile, the United States is thinking
24 about an additional one to our fleet of five.

25 Does it concern you, particularly when we talk about

1 keeping sea lanes open, there is going to be a very, very
2 important sea lane that is developing in the Northwest
3 Arctic Passage there? And has the Navy given any thought to
4 this in terms of particularly adding icebreakers to the
5 Navy's shipping fleet if we are going to be remotely
6 competitive with the Russians in the Arctic that they have
7 stood up a new Arctic command? And they are all in in the
8 Arctic, and it is not 13 pages of paper. It is concrete.
9 It is ships. It is airfields. And we are thinking about
10 removing forces from Alaska, and we do not have -- I think
11 we are number five or six in the world in terms of
12 icebreakers. It seems to me a ludicrous situation that the
13 Navy should be concerned about.

14 Admiral Greenert: Well, the purview of the icebreakers
15 is the Department of Homeland Security, the Coast Guard. So
16 if we split that, then we will be clobbering our strategy.
17 And although it sounds like a petty answer, you know,
18 somebody has to be in charge right here, and right now it
19 resides with the Department of Homeland Security.

20 Am I concerned? Yes, Senator, I am concerned because
21 for us to take our combat ships up there, we have to work in
22 conjunction with that and make sure that we can get up there
23 as well. So we have to look at the hardening of our hulls,
24 and we look toward that, and also it is not just surface
25 ships which we tend to focus on. It is the aircraft in the

1 undersea domain.

2 So as I mentioned earlier, we have increased -- I have
3 directed the increase in our exercise capacity up there and
4 our activity up there. And we are spending a little bit
5 more -- it is modest right now, exercising with the
6 Norwegians, with the Scandinavian countries, and with Canada
7 in that arena to get used to operating up there.

8 Senator Sullivan: Mr. Secretary, any thoughts?

9 Secretary Mabus: As the ice melts in the Arctic, our
10 responsibilities clearly are going up. We just -- the CNO
11 and I just issued the new Navy road map for the Arctic. We
12 updated it. I stopped through the university at Fairbanks,
13 the University of Alaska at Fairbanks. In terms of it is
14 not just platforms, and it is not just capability. It is
15 what we are facing up there. We not only have less ice, but
16 it is freezing in different ways. And so, as we send our
17 submarines up there, they do not have a whole lot of
18 clearance both above or below, and the ice is forming in
19 different ways that are beginning to be a hazard to
20 navigation.

21 But as CNO said, we are upping our exercises. We are
22 upping our research into the area. We are moving in terms
23 of hardening hulls, in terms of warfighting capabilities.
24 As you know, we have a SEAL training unit on Kodiak
25 specifically focused on cold weather combat. In fact, every

1 SEAL goes through it right after they come out of BUD/S. So
2 we are concerned about it. We are trying to move on it.
3 But it, again, is one of these things that in this budget
4 situation you have to make some very, very hard choices, and
5 we do not have the capability that we would like to have in
6 the Arctic.

7 Senator Sullivan: Thank you. Thank you, Mr. Chairman.

8 Senator Reed: On behalf of Chairman McCain, let me
9 thank the witnesses for their excellent testimony and for
10 their service to the Nation, and the Navy, and the Marine
11 Corps, and adjourn the hearing. The hearing is adjourned.

12 [Whereupon, at 11:54 a.m., the hearing was adjourned.]

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