

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 2019 AND THE FUTURE YEARS  
DEFENSE PROGRAM

Thursday, April 19, 2018

Washington, D.C.

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U.S. Senate

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Committee on Armed Services

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Washington, D.C.

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12 The committee met, pursuant to notice, at 9:31 a.m. in  
13 Room SD-G50, Dirksen Senate Office Building, Hon. James M.  
14 Inhofe, presiding.

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Committee Members Present: Senators Inhofe

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[presiding], Wicker, Fischer, Cotton, Ernst, Tillis,

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Sullivan, Perdue, Graham, Scott, Reed, Nelson, McCaskill,

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Shaheen, Gillibrand, Blumenthal, Donnelly, Hirono, Kaine,

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King, Warren, and Peters.

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1           OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S.  
2   SENATOR FROM OKLAHOMA

3           Senator Inhofe: Our meeting will come to order.

4           The committee meets today to receive testimony on the  
5   posture of the U.S. Navy and its fiscal year 2019 budget  
6   request.

7           We welcome our witnesses, The Honorable Richard  
8   Spencer, Secretary of the Navy -- welcome; Admiral  
9   Richardson, the Chief of the Naval Operations; and General  
10   Neller, Commandant of the Marines. Welcome, all three of  
11   you. We thank you for your dedicated service.

12          The National Defense Strategy aims to build a more  
13   lethal and ready force and reform the Department of Defense  
14   for greater performance affordability. We look forward to  
15   hearing from each of you as to how the Navy and the Marine  
16   Corps plan to support these objectives.

17          I was pleased to see requested procurement increases  
18   that align with the new strategy, including 11 more ships,  
19   dozens of aircraft, and expanded investment in long-range  
20   precision fires, air defense, electronic warfare, and other  
21   critical capabilities over the next 5 years. I continue to  
22   be concerned about the readiness, with the number of recent  
23   air and sea mishaps and the tragic loss of life in results.  
24   And I hope you have the chance to talk about that. You  
25   know, when we have this accelerated mishaps that we have

1 had, obviously it has something to do with OPTEMPO, with  
2 maintenance, with training. And it's -- but, it's difficult  
3 to identify just where that is. However, I think it's  
4 something that we need to be talking about.

5 I'm encouraged to see the Navy and the Marine Corps  
6 prioritizing manning challenges during a time when our  
7 sailors and marines have been asked to maintain a high  
8 operational tempo. We look forward to hearing where you  
9 would use additional end strength to fill in gaps at sea and  
10 support priorities outlined in our National Defense  
11 Strategy.

12 Finally, recognizing service in the military is  
13 inherently difficult, I'd like to ensure we're doing all the  
14 things that we can do to relieve stress on our sailors,  
15 marines, and families, and prioritize the readiness of the  
16 force.

17 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           I -- and let me welcome Secretary Spencer and Admiral  
5 Richardson and General Neller. Thank you, gentlemen, for  
6 your service over many, many years, and to all the men and  
7 women of the Department of the Navy and their families.  
8 We're grateful for that service, and please give them our  
9 appreciation.

10           As the leaders of the Navy and the Marine Corps, you  
11 face huge challenges as you strive to balance the need to  
12 support ongoing operations and sustained readiness with the  
13 need to modernize and keep the technological edge so  
14 critical to military success. The Department of the Navy  
15 face serious readiness problems caused by deferred  
16 maintenance, reduced steaming and flying hours, and canceled  
17 training and deployments. We are all keenly aware of the  
18 number of ship collisions, and I want to work with the Navy  
19 to implement changes that should help to prevent such  
20 incidents in future operations.

21           These challenges have been made particularly difficult  
22 by the spending caps imposed in the Budget Control Act.  
23 Fortunately, we have a budget deal under the defense top  
24 line for 2 years, but additional challenges loom on the  
25 horizon, as the Budget Control Act will be back in force for

1 fiscal year -- FY 2020. I look forward to hearing your  
2 testimony on progress you're making in correcting these  
3 readiness problems while the funding levels are increased.

4 All areas of our naval forces are maintaining extremely  
5 high operational tempo. Demand is overwhelming for attack  
6 submarines, air and missile defense cruises, destroyers, and  
7 strike fighter inventories. In addition, the Navy is now in  
8 its sixth year of operating with fewer than the required 111  
9 aircraft carriers. And, during the next decade, as a first  
10 priority, the Navy will need to buy the new Columbia-class  
11 ballistic missile submarines to replace the Ohio-class  
12 submarines. I am interested in hearing how the Navy is  
13 managing current demands on its assets, and how it plans to  
14 manage future modernization demands, particularly how it is  
15 using the additional authorities that are granted under the  
16 National Sea-Based Deterrence Fund, beginning with the  
17 Columbia-class program funding in fiscal year 2018.

18 The Marine Corps continues to make modernization of  
19 ground vehicles a priority by balancing the procurement of  
20 new systems while upgrading existing platforms to meet  
21 current operational needs. The amphibious combat vehicle  
22 will replace the aging inventory of assault amphibious  
23 vehicles in order to provide marines with increased force  
24 protection and enhanced lethality. The Marine Corps is also  
25 partnering with the Army to develop the joint light tactical

1 vehicle, the JLTV, to replace the Humvee. I would welcome  
2 an update from our witnesses on the status of these  
3 programs.

4 Last year, we were presented with a document that  
5 identified a new force-structure goal, as recommended by the  
6 Chief of Naval Operations. That was the new Force Structure  
7 Assessment, the FSA. The Navy's current high-level  
8 operations contributed, in part, to the CNO's conclusion in  
9 this assessment that calls for increasing the goal for the  
10 Navy fleet from 308 ships to the level of 355 ships. The  
11 Navy submitted a new 30-year shipbuilding plan with the  
12 fiscal year 2019 budget request. While the plan would lead  
13 to increasing the size of the fleet, it would not meet the  
14 new 355-ship goal. This 30-year plan would achieve the  
15 attack submarine force goal of 66 boats in 2048. However,  
16 in the same year, we would have a force of nine aircraft  
17 carriers, compared to a goal of 12 carriers, and 92 large  
18 service combatants versus the goal of 104. We need to  
19 understand the steps the Navy will be taking to address  
20 these shortfalls.

21 In addition, a significant factor that bears on our  
22 discussions this year is that Secretary Mattis has published  
23 a new Defense Strategy that is intended to guide force-  
24 structure development and modernization programs through  
25 increased capability. It is reasonable to speculate that

1 the implications of this new Defense Strategy under the  
2 Department of the Navy could yield increased demand for  
3 naval forces and complicate the Navy's plans to achieve its  
4 force-structure goals. I am interested in hearing how the  
5 Department is implementing these strategy decisions, and how  
6 this might affect future force-structure goals of the Navy  
7 and the Marine Corps.

8 Again, I thank the witnesses and look forward to their  
9 testimony.

10 Thank you.

11 Senator Inhofe: Thank you, Senator Reed.

12 Let's start with you, Admiral. Your entire statement  
13 will be made a part of the record, but -- so, we'll be  
14 anxious to hear your opening statement, and then get to your  
15 questions.

16 Why don't we start with you, Secretary Spencer.

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1           STATEMENT OF HON. RICHARD V. SPENCER, SECRETARY OF THE  
2 NAVY

3           Mr. Spencer: Thank you, Senator, Ranking Member Reed,  
4 distinguished members. It -- I want to thank you for the  
5 opportunity to come before you today and present to you the  
6 posture of the Department of the Navy.

7           It's an honor -- truly an honor to sit here with  
8 Admiral Richardson and General Neller, who, over the last 9  
9 months, ladies and gentlemen, have truly become my business  
10 partners in tackling the issues that are facing the  
11 Department of the Navy, specifically as they pertain to my  
12 Title 10 responsibilities.

13           On behalf of the Navy and Marine Corps team, thank you  
14 for the effort put forth by Congress in reaching a  
15 bipartisan agreement to support the President's budget  
16 request. We completely understand and appreciate that this  
17 stretched people to the farthest extent of their comfort  
18 zone, and we are very supportive of this and just want to  
19 know that we thank you all for your efforts, collectively.

20           We look forward to receiving these resources as soon as  
21 possible to enhance the readiness and lethality across the  
22 team while expending them in a focused manner in support of  
23 the National Defense Strategy. Today, 94,000 sailors and  
24 marines and 101 ships are forward deployed and stationed  
25 using the global maritime commons as a medium of maneuver,

1 ensuring the maritime lanes of commerce remain free and  
2 open, assuring access to overseas regions, defending key  
3 interests in those areas, protecting United States citizens  
4 abroad, and leveraging -- and preventing adversaries from  
5 leveraging the world's oceans against us 24 hours a day, 365  
6 days a year. Our budget request enhances readiness and  
7 continues increasing capability and capacity of the Navy-  
8 Marine Corps team. As directed in the 2018 National Defense  
9 Strategy, our budget submission supports a more lethal,  
10 resilient, agile force to deliver and defeat aggression by  
11 peer competitors and other adversaries in all domains across  
12 all spectrums.

13 My priorities for the Department center on three  
14 categories: people, capabilities, and process.

15 The ability to accomplish our mission relies on people.  
16 Eight-hundred-thousand sailors, marines, Active Duty and  
17 Reserve, and their civilian teammates and families, comprise  
18 that number. We are building a more lethal, agile,  
19 talented, and rapidly innovating workforce as we speak.

20 The ability to accomplish our mission relies on having  
21 capabilities necessary to fight tonight, challenge  
22 competitors, deter our rivals, and to win. We're investing  
23 in modernization of key capabilities and new technologies to  
24 attain this goal.

25 Lastly, the ability to accomplish our mission relies on

1 having efficient processes in place that will speed the  
2 value and ability to support our warfighters in more  
3 effective and efficient manners.

4 We are creating a continuous-improvement mindset in  
5 both our culture and management systems to deliver  
6 performance with affordability and speed. I deliver to you  
7 today a plan with urgency. We cannot and will not allow our  
8 competitive advantage to erode. With your guidance and  
9 help, these planned investments will provide combat-credible  
10 maritime forces for the future. We will ensure we are good  
11 stewards of the money and resources you give us. We will  
12 drive efficiency across the Department to maximize every  
13 dollar and invest smartly in order to leverage the return on  
14 our investments.

15 I look forward to your questions.

16 [The prepared statement of Mr. Spencer follows:]

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1 Senator Inhofe: Thank you, Mr. Secretary.

2 Admiral Richardson.

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1           STATEMENT OF ADMIRAL JOHN M. RICHARDSON, USN, CHIEF OF  
2 NAVAL OPERATIONS

3           Admiral Richardson: Senator Inhofe and Ranking Member  
4 Reed, and distinguished members of the committee, thank you  
5 for the opportunity to testify today to discuss our Navy.

6           And I'm honored to be here with Secretary Spencer and  
7 General Neller, two great leaders with whom I am working to  
8 increase the warfighting lethality and readiness of our  
9 Navy-Marine Corps team.

10           That Navy-Marine Corps team is the Nation's response  
11 force, and a strong and responsive Navy matters to America's  
12 security and economic prosperity now more than ever. As our  
13 National Defense Strategy makes clear, more naval power is  
14 essential in a new era of great-power competition. With a  
15 rising China and a resurgent Russia, America no longer can  
16 enjoy a monopoly on seapower or sea control. Meanwhile,  
17 regimes like North Korea and Iran threaten global stability.

18           Given these challenges, it's absolutely critical that  
19 we increase American naval power with a sense of urgency,  
20 just as Secretary Spencer said. Every day, we must earn our  
21 place as the world's best Navy. To do that, we must take a  
22 balanced approach to building the Navy the Nation needs.

23           The Navy the Nation needs requires a bigger fleet, as  
24 you said, Senator, more ships, submarines, aircraft, and  
25 special operating forces. Congress agreed with the

1 conclusions of several thoughtful studies, and a 355-ship  
2 Navy is the now the law of the land. This will increase our  
3 Navy's ability to protect our homeland and our allies, to  
4 expand our influence as America's global maneuvering force,  
5 and to support American prosperity by safeguarding access to  
6 critical waterways. And, while there will always be a  
7 debate about the eventual number of ships to build, we can  
8 all agree on one thing: the Navy must get bigger, and we  
9 must start building now.

10 The Navy the Nation needs requires a better fleet, more  
11 capability achieved through modernization, networking, and  
12 agile operating concepts. The Navy the Nation needs  
13 requires a ready fleet, more at-sea time, more flying, more  
14 maintenance, and more weapons of increased lethality that go  
15 faster and farther. All of these things demand a talented  
16 force of sailors and civilians, with officers of character  
17 and competence to lead them.

18 Thank you, to the efforts of this committee and the  
19 Congress, the readiness funds in 2017 and the enactment of  
20 the fiscal 2018 authorizations and appropriations has put us  
21 on a strong trajectory towards increasing American naval  
22 power. As we discuss the 2019 budget request today, that  
23 will help us achieve a bigger, a better, and a more ready  
24 fleet, I commit that your Navy will be a good steward of  
25 every precious taxpayer dollar.

1           Finally, on behalf of all the sailors serving around  
2 the globe, I think we all agree and wish Senator McCain a  
3 speedy recovery. And I look forward to being grilled by him  
4 in this room in the future. I am grateful for his work, and  
5 that of the entire committee, to increase our naval power.

6           We've started down a good course, and I look forward to  
7 navigating with Congress to build the Navy the Nation needs,  
8 a Navy lethal to our enemies, committed to our partners, and  
9 safe for our sailors.

10          Thank you. And I look forward to your questions.

11          [The prepared statement of Admiral Richardson follows:]

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1           Senator Inhofe: Thank you, Admiral.

2           General Neller.

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1           STATEMENT OF GENERAL ROBERT B. NELLER, USMC,  
2           COMMANDANT OF THE MARINE CORPS

3           General Neller:  Chairman Inhofe, Ranking Member Reed,  
4           I would just associate myself with the comments of the  
5           Secretary and the CNO.

6           You expect a lot of your marines, and 34,000 of them  
7           are deployed right now outside the continental United  
8           States, doing what you expect them to do:  prepare to fight  
9           and win.  We appreciate the appropriation, and we're hopeful  
10          that we'll get the same in '19 so that we have consistency  
11          and stability in our budgeting process.

12          That's -- I'll curtail the rest of my comments, because  
13          I think it's more important we get to the questions.  And I  
14          look forward to your questions.

15          [The prepared statement of General Neller follows:]

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1           Senator Inhofe: Well, you know, your last comment was  
2 significant, when you say in fiscal year '19. My concern  
3 is, fiscal year '20 and fiscal year '21. And I think that  
4 we -- maybe during the course of these questions, you'll be  
5 asked, What happens if we don't continue what we started  
6 with the 2-year budget? It could be a disaster.

7           Let's start off with China a little bit. A few of us -  
8 - four of us on this committee just got back recently from  
9 South China Seas, visiting with our allies there and just --  
10 it's -- most people don't know what really is going on with  
11 China in that part of the world. You know, they hear about  
12 the islands that are out there, and they talk about  
13 reclaiming islands. It's not reclaiming, because there's  
14 nothing to reclaim. It's building, creating. And now  
15 they're up to seven different areas, very important areas  
16 for our movement in that part of the world. Everything that  
17 we see there is as if they're preparing for World War III.  
18 Everything's military -- not offenses, it's defense. And  
19 it's really gotten the attention of our allies.

20           And one of the things that I think all of us would  
21 agree on is that, whether it's the Philippines, South Korea,  
22 Taiwan, Japan, they're all concerned and kind of covering  
23 both bases. This sounds pretty extreme. But, it's almost  
24 as if they're trying to decide whose side are they going to  
25 be on when this happens. I mean, that's the kind of

1 preparation that's taking place. And we know that China is  
2 producing at least a dozen warships a year, developing new  
3 long-range weapon systems and fifth-generations.

4 So, I'd like to have -- let's start with you, Admiral  
5 Richardson. What do you see those potential challenges in -  
6 - what are they up to in this, what they refer to as -- they  
7 were reclamation projects that they have, that now exceeds,  
8 what, 3,000 acres, I guess?

9 Admiral?

10 Admiral Richardson: Sir, I think you've characterized  
11 that exactly right, and I would say that the Chinese have  
12 been very clear about what they're up to with their  
13 discussions of the Belt and Road Initiative, which may begin  
14 in the South China Sea, but actually extends around through  
15 the Straits of Malacca into the Indian Ocean, up into the  
16 Middle East, and into Europe. And so --

17 Senator Inhofe: Yeah. No, it's all around. We  
18 understand that. We know what they're doing right now in  
19 Djibouti. This is the first foreign-based operation that  
20 they've had, I guess, in recent history. And so, it's not  
21 just there, it's in -- it's certainly in Europe, the same.  
22 But, that's a place where we recently were, and that is --  
23 it really does affect the Navy's attention more than the  
24 other areas.

25 How about you, Mr. Secretary? What's your thinking

1 about -- what are they up to over there in the South China  
2 Seas?

3 Mr. Spencer: Well, Senator, I -- we know what their  
4 activity is in the South China Seas. I'd like to actually  
5 elevate it and tell you what they're -- what we're observing  
6 they're doing across the whole spectrum.

7 Senator Inhofe: I understand that, yes.

8 Mr. Spencer: Just the other day, we were about to let  
9 a contract to one of our primes, and we found out that, in  
10 that division that we were going to contract to, Wahweh was  
11 a joint venture partner. And we turned around and said,  
12 "Whoa, stop the horses. We'd like to know what this means."  
13 Talked to the prime. The prime said, "No problem, we're not  
14 going to use any of the assets of Wahweh North Software."  
15 It was a very enjoyable call. And then all of a sudden we  
16 said, "Great. Can we see the governance documents of the  
17 joint venture?" And things got very frosty. We have now  
18 put prophylactic language in this agreement to prevent any  
19 creeping further.

20 I bring this up as an example, so it's not just the  
21 South China Sea, it's across the full spectrum that China is  
22 coming at us.

23 Senator Inhofe: Yeah. And I agree. That's why I  
24 said-- but, it's -- but, right -- this is fresh in our minds  
25 right now, and it's something very overt, and it's one that

1 is considered serious enough in that part of the world that  
2 our allies -- historically, our allies are kind of divided  
3 as to what they think, where their allegiance may be changed  
4 to. And that's very concerning.

5 Let's talk a little bit about the pilot shortage. I  
6 know -- I understand it's not quite as serious with you guys  
7 as it is with the Air Force. But, are you looking down the  
8 road, now that we've made some changes, and we're looking at  
9 2 years -- in fiscal years '18 and '19, we're going to be  
10 able to make some changes -- any -- express your concern  
11 right now. But, maybe with you, General Neller, in the  
12 Marines, or --

13 General Neller: So, we share the same concern. Our  
14 numbers are not as drastic or dramatic as the Air Force, but  
15 we have instituted a bonus that we haven't paid for many,  
16 many years. And we've extended it out to 16 years. We're  
17 looking at different ways to take advantage of people that  
18 might be leaving, to keep them in the Reserves. And we're  
19 in direct competition with the commercial airlines, because  
20 they're -- have a huge pilot shortfall around the world.  
21 It's not just pilots, it's maintainers. We just offered a  
22 reenlistment bonus to our younger maintainers, and a  
23 significant number of them took it, which will give us some  
24 stability, because that's an experience base that you --

25 Senator Inhofe: What about flying hours? It's been

1 our --

2 General Neller: Flying hours --

3 Senator Inhofe: -- concern.

4 General Neller: -- Senator, is -- they've gone up. I  
5 can show you --

6 Senator Inhofe: Okay, that's good.

7 General Neller: Probably 4 hours per model-type series  
8 across the force in the last year. I saw a story the other  
9 day that said it was really only the forward-deployed  
10 forces, so I got the data call on that. Actually, depending  
11 upon what model-type series you're talking about, some of  
12 the home-station forces are actually flying more than the  
13 forces that are forward deployed. Is it where we want to  
14 be? No. And this budget that you have given us will allow  
15 us to create a steady stream of parts and spares. Because  
16 parts and spares, or a lack of --

17 Senator Inhofe: Sure.

18 General Neller: -- is the number-one downing  
19 requirement for aircraft. Again --

20 Senator Inhofe: Well, in the Marines, specifically,  
21 the F-18 has been a problem, in terms of what's ready to  
22 fight. And I know that that's gone up from about 40 to 50  
23 percent right now. Do you project getting on up where you  
24 need to be, which I understand to be about 65 percent?

25 General Neller: We want to get it as high as we can.

1 We funded, in this budget -- this budget funds parts and  
2 spares and aviation maintenance at a higher level than we  
3 ever have before. So, is -- there's a --

4 Senator Inhofe: Yeah.

5 General Neller: -- certain flash-to-bang time on that.  
6 The Secretary has done some work with the depots to require  
7 them to provide back to us, upon completion of depot  
8 maintenance, an aircraft in a better state of condition so  
9 that it's more ready to fly at a sooner time.

10 Senator Inhofe: Okay.

11 General Neller: We're resetting the 53s, so you are  
12 correct, it's -- the two most distressed communities in  
13 marine aviation are F-18s and CH-53s.

14 Senator Inhofe: Yeah. Well, the Secretary and I share  
15 in our backgrounds some of these things, and I think you  
16 pretty much agree with the comments that he's making.

17 Thank you.

18 Senator Reed.

19 Senator Reed: Well, thank you, Mr. Chairman.

20 Mr. Secretary and Admiral Richardson, I mentioned, in  
21 my comments, the National Sea-Based Deterrence Fund. Could  
22 you tell us how you're using that to provide for the  
23 efficient acquisition of Columbia, which is a -- not only a  
24 big-ticket item, but actually essential to the national  
25 security? Whoever wants to go first.

1           Mr. Spencer:  Senator, I'll go first on that.

2           Yes, that vehicle does provide us authorities that do  
3 provide us the flexibility to address Columbia specifically,  
4 which is going to be, as you know, the biggest modernization  
5 leg of the nuclear triad.  And it is our number-one priority  
6 in the Navy.  That -- like I said, that vehicle has been  
7 very helpful in providing us authorities for future buy,  
8 long-lead buy to keep Columbia on track.  We will continue  
9 to use it, the authorities in there, primarily.  And I'll  
10 tell you that we now have no margin -- no time margin at all  
11 involved in Columbia.  And we are marking this program with  
12 great sight, going forward, because we can't have any  
13 slippage.

14          Senator Reed:  Right.

15          Admiral Richardson:  I would just --

16          Senator Reed:  Admiral.

17          Admiral Richardson:  -- pile onto that, sir.  As I see  
18 the combination of appropriations and authorities that are  
19 going to be required to get this major acquisition program  
20 delivered on time, I see that the flexibility of the  
21 National Sea-Based Deterrent Fund both lowers cost and  
22 lowers risk, at the end of the day.  You can buy material at  
23 its optimum time rather than the last time, and it allows  
24 you to move things to the left as much as possible to buy  
25 margin back into the schedule.



1           Senator Reed: I only would ask, if there are  
2 additional authorities or additional techniques that you  
3 want to apply because of the importance of this program,  
4 please let us know as we go forward.

5           Commandant -- General Neller, the Marine Corps has a  
6 series of accusations and cases of sexual misconduct.  
7 You're not the only service that's facing this. But, some  
8 of them have been quite notorious -- Marines United, a  
9 recent incident involving a colonel who had a record of  
10 misbehavior and -- but was only discovered when he abused a  
11 young child; and then you have, also, a marine brigadier  
12 general whose responsibility included sexual assault  
13 prevention, and he made some comments that are -- I think,  
14 have drawn appropriate criticism. Can I ask you very  
15 seriously -- and with the difficult challenge that you face,  
16 is -- how are you addressing a culture that might be  
17 contributing to this issue?

18           General Neller: Senator Reed you and I have talked  
19 about this, and I appreciate the question.

20           Aside from those events, as disturbing as they are, I  
21 think today you look at our Marine Corps -- your Marine  
22 Corps, we're as diverse, as integrated and inclusive as  
23 we've ever been. And I would give credit to members of this  
24 committee for holding the mirror up and making us look at  
25 ourselves and ask ourselves some hard questions.

1           So, since the Marines United, we've clarified policies  
2 and rules and regulations, so all marines know what's  
3 expected of them. We had to clarify commanders, what they  
4 could do to hold people accountable. That doesn't mean  
5 we're perfect. I've had a couple of my senior officers --  
6 one was an allegation and one was investigated by ourselves,  
7 and was substantiated, where I had to say that I didn't have  
8 confidence in them to lead their organization. They are not  
9 the majority. They're not even close to the majority. And  
10 yes, you should expect more from a more senior officer.

11           So, are we where we want to be? Are we where you want  
12 us to be? No. Are we in a better place than we were a year  
13 ago? I believe we are. That's on me. And I'd just remind  
14 everybody that, in my heart of hearts, I've gone out and  
15 talked to thousands and thousands and thousands of marines.  
16 And I'm not going to use as an excuse that 62 percent of the  
17 Marine Corps is 25 years old or less. That's no excuse.  
18 But, it's going to take us some time, and I assure you --  
19 give you my word that anyone who does violate the rules,  
20 regardless of whether they're a general or a private,  
21 they're going to be held accountable. And, with the help of  
22 this committee, we'll continue to work to make ourselves  
23 even more inclusive than we are today.

24           Senator Reed: General, are you concentrating on senior  
25 leadership? I know you're addressing the entire Corps, but

1 making a special effort to ensure that senior leadership is  
2 fully attuned with your views?

3 General Neller: Yes, Senator.

4 Senator Reed: Thank you.

5 One other issue, too, is, Do you reflect adherence to  
6 these standards specifically in the efficiency reports for  
7 marines? Is there some -- something in the efficiency  
8 report that the rater would have to indicate yea or nay,  
9 follows Marine Corps policy regarding sexual harassment,  
10 sexual conduct?

11 General Neller: If someone -- obviously, if someone  
12 were to do something which would cause them to -- the  
13 commander, their senior. to lose confidence, then they would  
14 receive an adverse report. But, in the actual report,  
15 itself, that was something that would have to be in the  
16 narrative. We are in the process of reviewing our, what we  
17 call, fitness reports or OERs. And one of the categories  
18 we're going to put in there is something to do with  
19 diversity or something like that. Because I believe that we  
20 need a command climate. You know, we're in a tough  
21 business, and it's taken some people some adjustments. And  
22 those that can't adjust are going to have to either get  
23 onboard or get out. But, to answer your question, right now  
24 our fitness report does not reflect that unless the  
25 reporting senior chose to write it in. But, in the future,

1 it will.

2 Senator Reed: Well, I think that is a -- an important  
3 step.

4 My time is expired. Thank you, Mr. Chairman.

5 Senator Inhofe: Thank you, Senator Reed.

6 Senator Cotton.

7 Senator Cotton: Thank you, Mr. Chairman.

8 And thank you, gentlemen.

9 Admiral Richardson, I want to discuss the littoral  
10 combat ship. In my view, it's some concerning news.  
11 According to a U.S. Naval Institute story published this  
12 week, the Navy will not deploy an LCS in 2018, 11 LCS ships  
13 have been delivered to the Navy as today, but we'll have  
14 none deploy. Two days ago, at a Seapower hearing, Admiral  
15 Mertz testified, quote, "The typical deployment model is  
16 three to five ships to one, to keep one deployed. So, this  
17 is really just math. There's going to be gaps that'll fill  
18 in over time. We're not concerned about that," end quote.

19 However, in September, just 8 months ago, the Commander  
20 of Naval Surface Forces in the Pacific Fleet said that you  
21 can maintain three to four littoral combat ships deployed  
22 when you take on the Blue/Gold crew system. What is the  
23 answer, here, to the actual deployment ratio?

24 Admiral Richardson: Senator, I'll tell you. As you  
25 know, the littoral combat ship has been a program that has

1    been through some troubled times.  And I would say that, in  
2    the past, we probably pushed that ship out forward deployed  
3    a little bit ahead of its time, before the system -- the  
4    program had stabilized and we'd done the appropriate testing  
5    and gained the confidence.  As soon as I got in as the Chief  
6    of Naval Operations, I directed the Commander, Naval Surface  
7    Forces, to take a look at that program, rationalize it, and  
8    make it look a lot more like a normal shipbuilding program  
9    and a ship-operating program.  So, this is what led to  
10   changes in the maintenance approach, changes in the  
11   Blue/Gold crewing, the way that we are going to home port  
12   these squadrons, and forward deploy them.

13           2018 is really a reflection of that shift.  And so, it  
14   is -- starting in 2019, we're going to start forward  
15   deploying those.  They'll be sustainable, they'll be more  
16   lethal by virtue of the enhancements we're putting on those  
17   littoral combat ships.  We have 24 deployments planned  
18   between '19 and '24.  And so, you know, it really -- '18 is  
19   a reset year to get maintenance and manning in place so that  
20   we can deploy this in a sustainable fashion.

21           Senator Cotton:  So, starting in 2019, then, which of  
22   those ratios will be correct?  Will we be able to keep three  
23   out of four ships deployed, or one-fifth to one-third of  
24   those ships deployed?

25           Admiral Richardson:  Senator, I'll tell you what.

1 There's a little bit more to the math. If I could get back  
2 to you for the record on exactly how that ratio works out,  
3 I'll be happy to show you the way this all --

4 Senator Cotton: I would appreciate that --

5 Admiral Richardson: Yes, sir.

6 Senator Cotton: -- for the record.

7 [The information referred to follows:]

8 [COMMITTEE INSERT]

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1           Senator Cotton: There's a second question I want to  
2 ask, as well. Even by Admiral Mertz's statement of one-  
3 fifth to one-third of ships deployed, we should still have  
4 two or three LCS ships deployed this year. I think you may  
5 have just answered that question, though, by saying that  
6 this is a reset year to try to get --

7           Admiral Richardson: Yes, sir.

8           Senator Cotton: -- to your future model.

9           Admiral Richardson: This is part of that plan that  
10 Surface Forces put together.

11          Senator Cotton: We've spent \$6 million now on these  
12 ships. I think the taxpayer deserves to have them out,  
13 performing their job.

14          Admiral Richardson: Could not agree more.

15          Senator Cotton: I hope that's the case, starting next  
16 year.

17          General Neller, I want to speak to you about some  
18 changes in foot-march standards at the infantry officer  
19 course. It was recently changed from requiring infantry  
20 officers to pass five out of six evaluated foot marches to  
21 only three evaluated foot marches. I find that a little  
22 worrisome, given that the overall physical fitness testing  
23 standards have increased for everyone, to include enlisted  
24 marines, which means we may be lowering standards for our  
25 infantry leaders compared to our enlisted marines on

1 something that is, I would say, a pretty core competency for  
2 an infantry leader. I assume you would agree with that?

3 General Neller: Senator, there was a change, because  
4 we looked back at the -- at what was going on at infantry  
5 officer course. There's nine foot moves during the course  
6 of that curriculum. At one time, there was -- you had to  
7 pass five of six to graduate. A couple of those six, we  
8 could not relate them to events in the training and  
9 requirements manual for infantry. So, I got a group of my  
10 senior infantry leaders together and I said, "Okay, you  
11 know, why are we doing what we're doing?" A couple of them--  
12 - one, in particular, a -- an event, "I thought that the  
13 load was -- I mean, I wouldn't think I would ever have  
14 anybody do that." So, they came back to me and they said,  
15 "Look, these are three that equate. We're still doing all  
16 of them. They're still all done. They are all still a part  
17 of the overall" --

18 Senator Cotton: But, the -- but fewer are being  
19 evaluated.

20 General Neller: They're all evaluated.

21 Senator Cotton: Evaluated is a --

22 General Neller: They're all evaluated, and overall is  
23 the performance of that officer to graduate from that  
24 course. But, three of three, now, to include the one with  
25 the heaviest load and the time and duration, those three all



1 have to be passed in order for an officer to graduate from  
2 that course.

3 Senator Cotton: Let me just read you a statement from  
4 General Bohn, the commanding officer of the Marine Corps  
5 Training Command. He said, quote, "The principal driver  
6 behind us making modification to the course, it was not  
7 about lowering attrition, it was about making students more  
8 successful to compete -- complete the course." I don't  
9 really understand the difference between lowering attrition  
10 and making students more successful to complete the course.  
11 Both of those sound like you're tailoring the standards not  
12 to the mission, but to the graduation rates that you have at  
13 the course.

14 General Neller: I'm not going to speak for General  
15 Bohn, but my view is, when I was approached with this, says,  
16 "This is what we can equate to training in our requirements  
17 manual for the infantry. These are the three that we should  
18 evaluate as go or no-go for graduating from the course."  
19 And that's what we did.

20 Senator Cotton: Thank you.

21 My time is expired.

22 Senator Inhofe: Thank you, Senator Cotton.

23 Senator Nelson.

24 Senator Nelson: Admiral, long ago we learned a lesson  
25 from having too many assets in one place at Pearl Harbor.

1 And today we have six aircraft carriers at Norfolk. But,  
2 it's not only an aircraft carrier problem. I understand we  
3 face a dispersal problem with other ships, as well,  
4 including those that make up the amphibious readiness  
5 groups.

6 I know you'll be releasing a strategic laydown and  
7 dispersal plan shortly, so I don't want us to get ahead of  
8 that, but what are some of the viable options, as far as  
9 home ports, for helping to achieve dispersal objectives when  
10 it comes to these ships? And knowing that different  
11 infrastructure exist at these ports, once you decide to move  
12 ships or to place new ships at a port, typically how long  
13 does it take to get that specific base ready for having  
14 those ships? And how critical is it that we begin the  
15 planning and design now in order to support these ships that  
16 will be moving in the future?

17 Admiral Richardson: Senator, I thank you for that  
18 question. And we've had a number of conversations about  
19 this critical strategic issue of laydown and dispersal,  
20 particularly on the East Coast. And, as you mentioned,  
21 we're in the final phases of putting together the strategic  
22 laydown and dispersal plan. And I look forward to coming  
23 with -- to you with that final plan.

24 As part of the considerations in that plan, there is  
25 not only the warfighting strategic dispersal that we have to

1 take into consideration, but also the infrastructure in each  
2 of those ports. And so, as we consider Norfolk, Little  
3 Creek, Mayport, for -- primarily for our surface ships on  
4 the East Coast, our submarines there at Norfolk, King's Bay,  
5 and Groton, there is the geographic dispersal from a force-  
6 protection standpoint, there is the infrastructure of the  
7 port itself to be able to accommodate those ships pierside,  
8 particularly under heavy-weather conditions if we're talking  
9 a port like Mayport, and then there's the maintenance  
10 capacity of those ports so that we can keep them repaired  
11 and ready to go to sea.

12 So, as we -- in terms of how long it takes to get a  
13 port ready, it really sort of depends on where you're  
14 starting and what your goal is. But, 3 to 4 years is not an  
15 unreasonable number to start to consider these sorts of  
16 plans. And as -- you know, the sooner you get started, the  
17 more prepared you are.

18 Senator Nelson: Okay, thank you, Admiral.

19 Mr. Secretary, it's good to see you. Thank you for the  
20 good job that you're doing.

21 We have the E-2D Hawkeye. It's manufactured in  
22 Florida. Knowing that these planes are vital to the Navy  
23 mission in combatant commander requirements, we have an  
24 opportunity to block buy these planes at a significant  
25 savings to the taxpayer. Have you got any comments that we

1 might have been able to see cost savings when negotiating  
2 the next multiyear contract? And, if so, is it in line with  
3 industry standards?

4 Mr. Spencer: Senator, it -- underway and more to come,  
5 I think is the best explanation that I can give you. We  
6 will share with you what we see as we come to closure with  
7 the options available to us. But, you're exactly right,  
8 that is one path that we can extract savings and  
9 efficiencies. As you've heard, we've -- we've said it since  
10 my feet were on the ground -- we're looking to industry to  
11 be our partner now, not simply just a transaction  
12 orientation. And, in that light, we hope that we can work  
13 together to get the best goal; i.e., What do we both need to  
14 succeed? And that's the conversations that are having now.

15 Senator Nelson: Thank you.

16 Thank you, Mr. Chairman.

17 Senator Inhofe: Thank you, Senator.

18 Senator Perdue.

19 Senator Perdue: Thank you, Mr. Chair.

20 And thank you guys for being here today, and for your  
21 service. No kidding.

22 Secretary Spencer and Admiral Richardson, Admiral  
23 Harris, in repeated visits to the Hill in the last couple of  
24 years, has previously stated that approximately 230 of the  
25 400 foreign national submarines worldwide are located in the

1 Indo-Pacific region. And, of those, 160 belong to China,  
2 Russia, and North Korea. We've got about 74 submarine  
3 capabilities around the world. Without asking how many are  
4 in the Pacific, the question I have is, As the NDS focuses  
5 more pressure on naval marine capabilities, particularly  
6 with regard to the near competitors of Russia and China, how  
7 does this bode -- what -- how does it -- what does this --  
8 how does this impact the shortfall in undersea capability?  
9 Talk to us a little bit about unmanned capabilities, in  
10 terms of development. I know Admiral Moran has talked to us  
11 a good about it. In this setting, can you talk to us about  
12 how you're going to mitigate the potential attack submarine  
13 shortfalls in the 2020s?

14 Admiral Richardson: Sir, I'll tell you. We're looking  
15 at this from a very integrated approach. And I'll just  
16 speak to the U.S. Navy approach, and the Secretary will  
17 speak to his efforts with our allies.

18 The -- maintaining our superiority in the undersea  
19 domain is going to rely -- is going to need an integrated  
20 approach between manned and unmanned technologies. And so,  
21 we're working very closely with the undersea -- the  
22 submarine industrial base to make sure that, as we move  
23 through the Columbia-class program, as we move through  
24 enhancing the Virginia-class submarine with the Virginia  
25 payload module and look forward to all those manned types of

1 approaches, that we are doing so in a way that really  
2 maximizes the capacity of the industrial base to deliver  
3 those submarines at the best possible --

4 Senator Perdue: Do we have the supply chain now? And,  
5 if not, how long will it take to develop that supply chain  
6 to meet those needs?

7 Admiral Richardson: The supply chain, particularly the  
8 second- and third-tier vendors, have really -- has really  
9 been leaned out over the past years. And so, the signal  
10 that has started in '18 and hopefully will continue in '19 -  
11 - they had the 18 months of uninterrupted, stable, and  
12 sufficient funding -- will be a tremendous bolster of  
13 confidence to those second- and third-tier suppliers, will  
14 allow them to make some investments to bring that system  
15 back to health.

16 But, even if we do all that, sir, I don't think that an  
17 only-manned approach is going to get us where we need to go.  
18 That's why I've made a family of undersea -- unmanned  
19 undersea vehicles an acquisition priority. It's in the  
20 accelerated acquisition program for the Navy. And so, you  
21 can start to see this combination of manned enhanced by  
22 unmanned vehicles as being the key to maintaining our  
23 superiority undersea.

24 Senator Perdue: Mr. Secretary?

25 Mr. Spencer: Senator, coupled with that, the second

1 pillar of the National Defense Strategy is a robust  
2 constellation of partners and allies.

3 Senator Perdue: Sure.

4 Mr. Spencer: And I will tell you that we are spending  
5 a good amount of time out there hugging our allies and  
6 partners, to include Australia, Japan, Singapore, Korea,  
7 and, more recently coming into the fold, India and even  
8 Vietnam. And it's going to be a collective effort that's  
9 going to make up any gapping that we have there. They are  
10 committed. They are buying the right equipment. They are  
11 working with us. I invite everyone on the Senate Armed  
12 Service Committee -- this is a formal invitation to join us  
13 in RIMPAC, where you're going to see a complete coordination  
14 of faces and partners.

15 Senator Perdue: Will China -- I'm sorry to interrupt -  
16 - will China be a part of that this year?

17 Mr. Spencer: China has been invited.

18 Senator Perdue: Will they be a part of it?

19 Mr. Spencer: I don't know what the response was from  
20 the invitation, but they have been invited --

21 Senator Perdue: Thank you, sir.

22 Mr. Spencer: -- to select series.

23 Senator Perdue: With my time remaining, I'd like all  
24 three of you, or certainly Admiral Richardson and General  
25 Neller, to comment on the risk we have with regard to space

1 and cyber domains. These are the two new domains that you  
2 guys are having to deal with. Particularly with our  
3 precision munitions and our communication capability, on the  
4 ground and on the sea, what are we doing right now to  
5 mitigate the risk that we now are realizing we have in the  
6 space domain and in the cyber domain?

7 General Neller: Well, Senator, I think you  
8 characterize it correctly. We recognize that we've built a  
9 way of war which is not totally, but significantly,  
10 dependent upon --

11 Senator Perdue: Yes, sir.

12 General Neller: -- on space and the network. And so,  
13 we realize that we have to keep our network up, it has to be  
14 resilient, and we have to be able to operate with a minimum  
15 of bandwidth, and we've got to make, in the requirements for  
16 anything else that we buy, that it has more than one way to  
17 find its way to its destination.

18 Senator Perdue: Yes, sir.

19 General Neller: So, the cyber piece is first defend,  
20 protect yours and deny the adversary theirs, and then make  
21 sure that the munitions you have are going to operate, even  
22 if that network is degraded or the constellation is  
23 degraded. So, space is a place where we're going to operate  
24 in a different kind of way. If General Hyten were here, he  
25 would tell you that, you know, when -- there is maneuver in



1 space and there is shaping operations in space, and, other  
2 than that, we'd probably get into a classified --

3 Senator Perdue: Yes, sir.

4 General Neller: -- domain beyond -- and beyond my  
5 capacity to explain it to you.

6 But, clearly it's something that's on everybody's mind.  
7 It's -- the number -- and, for us, in the Marine Corps, and  
8 with the Navy, through the Secretary's leadership, we  
9 realize we've got to have integrated network, we've got to  
10 have a naval grid so that all ships can communicate, and  
11 airplanes can communicate with the ships and ground forces.  
12 And so, that's a big effort, and that's part of the  
13 modernization, and that's partly what the appropriation that  
14 we have is going to help us figure out a way to do.

15 Admiral Richardson: Sir, I'll just pile on quickly,  
16 because I know we're getting out of time.

17 Senator Perdue: Yes, sir.

18 Admiral Richardson: But, I will tell you that, in  
19 addition, the command and control of the entire battlespace,  
20 including those two new domains that you mentioned, has got  
21 to be something that is completely integrated, as well. And  
22 so, we've -- are starting to wargame more and more robustly  
23 how you would command and control those two domains, really  
24 down to nanosecond timing to be effective there.

25 Finally, just to address your comments on GPS, we're

1 accelerating our efforts to get precision navigation and  
2 timing techniques that will allow us to continue to operate  
3 in the absence of GPS, if that's the way it goes.

4 Senator Perdue: Yes, sir.

5 Thank you.

6 Senator Inhofe: Thank you, Senator Perdue.

7 Senator Shaheen.

8 Senator Shaheen: Thank you, Mr. Chairman.

9 And thank you all for your service and for being here  
10 today.

11 Secretary Spencer, I was really pleased to hear your  
12 anecdote about the contract with Wahweh, and how the Navy  
13 handled that. I think, just as we saw with Kaspersky  
14 Software, the threat from our adversaries is not just  
15 external, based on weapon systems and firepower, but it's  
16 also internal, based on information -- disinformation  
17 campaigns and cyber. According to a February 2018 article  
18 in Breaking Defense, the commander of Naval Information  
19 Forces, Rear Admiral Matthew Kohler, said that -- well, he  
20 actually likened the Navy's IT workforce situation to that  
21 of recent ship collisions in the Pacific. He's concerned  
22 about the assumption that if IT professionals are operating  
23 all the time, they're getting all the practice they need,  
24 and they don't need training. So, can you talk about the  
25 extent to which the Navy is looking at training that our IT

1 professionals need and what you might need also in the way  
2 of equipment?

3 Mr. Spencer: Yes, Senator. We've brought this up --  
4 not only IT, but collectively in the cyber community. We  
5 look at the work that N-1 has done with Admiral Burke on our  
6 future force needs. We are tailoring. We are looking at  
7 new ways to get at this. We're going to be coming in front  
8 of you all possibly to nibble on the sides of DOPMA. As an  
9 example, the ability to have people come in and out of the  
10 service to remain current, this would specifically pertain  
11 to our cyber community, and probably also to parts of our IT  
12 community. We have to -- and I underscore this heavily --  
13 we have to start thinking outside the box in order to  
14 accommodate, access, and retain the talent that we need in  
15 these areas.

16 Turn it over to the CNO, if he had any further --

17 Admiral Richardson: Thank you, Mr. Secretary.

18 I'll just pile onto that, ma'am, is -- I would highly  
19 encourage you to take a quick visit down to Suffolk,  
20 Virginia, where we -- Admiral Kohler has his command, and  
21 you get to see the stunning talent that the Secretary  
22 alluded to in our sailors and civilians that are actually  
23 prosecuting this fight in the cyber domain. Right now, our  
24 recruiting and our retention is good there, which is a  
25 tribute to the values and ideals and dedication of that

1 team. But, I do take the point that you cannot assume that,  
2 just because you're doing operations, that you're doing the  
3 sets and reps that are necessary for full readiness. And  
4 so, Admiral Kohler and I, Admiral Tighe and the rest of the  
5 information warfare community are looking at that very  
6 closely.

7 Senator Shaheen: Well, thank you. I'm pleased to hear  
8 that, and I'm sure this committee is interested in  
9 supporting those efforts.

10 There is a report to Congress on extending the service  
11 life of the Los Angeles-class sub. I support this effort.  
12 I think it is important to span the gap between 2021 and  
13 2031, where we will need those submarines to address the  
14 threat that we face. I was pleased to see that the report  
15 proposes that most of the work be done at the Portsmouth  
16 Naval Shipyard, which obviously I'm very interested in, and  
17 that it includes the need for investments in infrastructure  
18 in order to support that effort. But, it doesn't really  
19 speak to the workforce that's going to be needed. And,  
20 given what we're seeing already at the shipyard, in terms of  
21 the challenge of getting the STEM workers that we need for  
22 those jobs, can you speak to what your thinking is about how  
23 we make sure the workforce is there to do this work on the  
24 Los Angeles-class subs?

25 Admiral Richardson: Yes, ma'am, thank you. And just

1 a-- kudos to the team at Portsmouth Naval Shipyard. They  
2 really do terrific work on our nuclear powered submarine  
3 force. And --

4 Senator Shaheen: Absolutely. I'm going to be meeting  
5 with some of the superintendents later. I will share that  
6 with them.

7 Admiral Richardson: Thank you, ma'am.

8 But, I'll tell you that the workforce is, I think, the  
9 central challenge when we talk about expanding capabilities,  
10 whether it's in acquisition or in maintenance, repair.  
11 Finding those talented people is the principal challenge.  
12 We are on a plan to increase our shipyard workforce up north  
13 of 36,000 nationwide. We think that that will be the proper  
14 number to get our arms around the workload, which includes  
15 the potential life extension of Los Angeles-class  
16 submarines. One is in the budget, and we're looking at the  
17 engineering basis for more.

18 We address this through, one, you know, heavy-duty  
19 recruiting, but also successful intern programs and all of  
20 those -- the word escapes me right now, but the schools that  
21 really go out to the community and bring these people in and  
22 give them the essential training that they need to be  
23 effective shipyard workers.

24 Mr. Spencer: I want to just put a footnote on there,  
25 Senator, which is addressing workforce. One of the -- I

1 find one of the beauties of this job is to go incognito and  
2 wander around the assets. And, two weekends ago, with my  
3 bluejeans on and a hat, I wandered into the STEM festival,  
4 which was going on at the Walter Washington Convention  
5 Conference. And, first of all, I was wildly invigorated  
6 seeing the number of kids that were there. But, on the  
7 first floor, front and center, is Lincoln Welding, with its  
8 welding exhibition. And had to them -- and I went up to  
9 them, and I said, "Bravo. This is exactly what we need to  
10 get people interested in science, technology, engineering,  
11 mathematics, and manufacturing." So, it's happening.

12 Senator Shaheen: Absolutely. And I applaud the Navy's  
13 work to support those kinds of programs, like the CPARS  
14 challenge that Admiral Richardson and I were talking about.

15 Mr. Spencer: Yes, ma'am.

16 Senator Shaheen: Thank you.

17 Thank you, Mr. Chairman.

18 Admiral Richardson: These apprentice programs is the  
19 thing that --

20 Senator Shaheen: Yes, absolutely. That's critical if  
21 we're going to get the workforce we need for the future.

22 Senator Inhofe: Thank you, Senator Shaheen.

23 Senator Wicker.

24 Senator Wicker: Thank you.

25 Secretary Spencer, how often do you go around

1 incognito?

2 [Laughter.]

3 Senator Wicker: And do you feel safe?

4 [Laughter.]

5 Mr. Spencer: I do. I do, Senator.

6 Admiral Richardson: I don't when he does that.

7 [Laughter.]

8 Senator Wicker: Okay.

9 Well, let me ask both of you. The Navy is at 324,000  
10 Active Duty sailors. I'm told that is the lowest in almost  
11 a decade. The Navy reportedly is 11,000 sailors short of  
12 the required manpower levels in the near term, and 50,000  
13 short of the estimated force needed to crew a 355-ship Navy,  
14 which is the requirement that was set by the admirals and  
15 generals. The -- Senator McCain and I have introduced the  
16 Surface Warfare Enhancement Act. And, Secretary Spencer,  
17 you and I have discussed this previously. The legislation,  
18 among other things, includes provisions to help the Navy  
19 retain critical personnel by offering some relief from DOPMA  
20 and Goldwater-Nichols. What steps do each of you recommend  
21 that we take in Congress to help the Navy attract and retain  
22 the personnel required to operate a 355-ship fleet?

23 And I might mention, thank you for the decision to  
24 extent the service lives of destroyers. Of course, this  
25 will give us 355 ships much earlier, but we must also

1 accelerate the end strength of the force. So, if you would  
2 discuss that. And I guess we'll begin with you, Mr.  
3 Secretary.

4 Mr. Spencer: Thank you, Senator.

5 I think starting with 355 and working down, you know,  
6 we will get there. We've told you we'll get there, and I  
7 think, when -- in October, when we came to a coalescion on  
8 this, we said there were a couple of plans underway. You  
9 see the extension of the DDG-51s for 45 years, Los Angeles-  
10 class. We also have some other plans we're working on. So,  
11 stand by. And we also realize that we have to drive the  
12 anvil and build new, also, and we're going to work every way  
13 we can to find the resources necessary to do that.

14 When, in fact, we do sign up for new platforms -- i.e.,  
15 ships -- just putting my business hat on, that's just one  
16 tube, that's just one column of the resources needed. We  
17 also need the maintenance column, and we also need to have  
18 on the graph the personnel column, so -- to really have the  
19 full lifecycle cost of the weapons platform, itself. If you  
20 see --

21 Senator Wicker: But, let's talk about the sailors --

22 Mr. Spencer: Yeah.

23 Senator Wicker: -- aspect.

24 Mr. Spencer: As we see -- I'm working into that -- as  
25 we see 7500 that we're asking for, going forward, we are



1 going to have to work in -- at tooth and nail, because we're  
2 fishing in the same pool as the Air Force and the Army. We  
3 believe we have a very compelling story. We believe we have  
4 the ability right now to attract those necessary. We're not  
5 seeing a tremendous stress yet, although we are going to  
6 prepare for it. "Forged from the sea" is the message going  
7 out there. And right now, we believe that the 7500 we're  
8 looking for is within reach and not threatened by any  
9 targets to date.

10 Admiral Richardson: Senator, I'll just pile onto what  
11 the Secretary said.

12 As you know, the budget does request 7,500 new sailors  
13 this year, which is really more -- you know, more than -- an  
14 increase in the end strength, which really is regulated by  
15 about the maximum capacity that we can bring them through  
16 the training program and get them to be useful sailors.

17 With respect to DOPMA reforms, I can't thank this  
18 committee enough for their support in our proposals to  
19 allow-- I would say, sort of, three things would provide  
20 some tremendous flexibility. One is sort of merit  
21 reordering so that we can get our talent to go to the top,  
22 and accelerate that talent. One is the opportunity to maybe  
23 postpone your board for promotions so that you can make sure  
24 that you've got all of the wickets met before you go before  
25 the promotion board. And then, finally, the opportunity, as

1 we've hinted at earlier, to bring in talent horizontally,  
2 particularly in areas like cyber and those niche skills that  
3 would allow us to inject, you know, those highly skilled  
4 people at the appropriate level.

5       Again, you know, the committee's been very supportive  
6 in these efforts, and I -- you know, I thank you for that.

7       Senator Wicker: Thank you.

8       General Neller, the -- let's talk about lethality and  
9 the tag line, "If it floats, it fights." Do you have any  
10 thoughts for us on increasing the lethality of our  
11 amphibious ships?

12       General Neller: Well, Senator, I think every surface  
13 combatant is exactly that, as -- it's a warship, and there's  
14 capabilities that we could leverage on -- LPD hull form, for  
15 example.

16       Senator Wicker: What if we put the vertical launch  
17 system on the Flight II LPDs?

18       General Neller: I think that's a great idea.

19       Senator Wicker: Do you agree, Secretary Spencer?

20       Mr. Spencer: Most definitely.

21       Senator Wicker: All right.

22       Thank you very much, gentlemen.

23       Senator Inhofe: Thank you, Senator Wicker.

24       Senator King.

25       Senator King: Thank you, Mr. Chairman.

1 I just want to be clear, for the record, that the  
2 Portsmouth Naval Shipyard is in Kittery, Maine. We just  
3 want to clarify that.

4 [Laughter.]

5 Senator King: Senator Shaheen is -- have some -- she  
6 and I sued each other over that, 20 years ago.

7 [Laughter.]

8 Senator King: United States Supreme Court solved that  
9 question.

10 [Laughter.]

11 Senator Inhofe: How many years ago?

12 Senator King: It was about 25.

13 Senator Inhofe: Who won?

14 Senator King: The answer is contained in the fact that  
15 it's Kittery, Maine.

16 [Laughter.]

17 Senator King: First, I want to compliment our naval  
18 personnel for having the foresight to hire the pilot of the  
19 Southeast Airlines who did such a marvelous job landing that  
20 plane, who, by the way, was rejected by another armed  
21 service, which we won't mention in this hearing, at the  
22 time, who did not take female pilots. The Navy did. And  
23 the training and work that she performed in the Navy saved a  
24 lot of lives this week. So, I want to acknowledge that.

25 Admiral, can you give us a quick update, given the time

1 constraints, on the collision review, what happened, root  
2 causes, and what's -- what we're doing to prevent that kind  
3 of tragedy in the future?

4 Admiral Richardson: Yes, sir. Thank you, Senator.

5 I'll tell you, I'd just echo the impressive performance  
6 of the pilot, and representative of the professionals in --  
7 naval aviators, men and women, in all parts of our naval  
8 aviation force right now.

9 With respect to the collisions, you know, we are moving  
10 out briskly on the plan that addresses, to our very best  
11 ability, the root causes of those collisions. Those root  
12 causes being, you know, the fact that, as we discussed  
13 earlier, you must spend some time on just -- first of all,  
14 completing the maintenance completely, and then, once out of  
15 maintenance, doing the training required to get those  
16 skillsets up to where they need to -- to do the combat  
17 missions and just the basic operations, and then certifying  
18 that that training has met all of the requirements before  
19 you go on out and do that. And so, we've taken a number of  
20 steps, from examining the career path of surface warfare  
21 officers to make sure that they are getting the requisite  
22 time at sea as they execute their career and go on up to  
23 becoming competent and confident commanding officers. Along  
24 that career path is not only at-sea experience, but also  
25 education and certification. We've adjusted the command-

1 and-control structure to make sure that we've got firm  
2 advocates for training and certification in each of our home  
3 ports.

4 Senator King: Let me interrupt, because of the time  
5 constraints.

6 Admiral Richardson: Yes, sir.

7 Senator King: Could you supply, for the record, a --  
8 an outline of where you are?

9 Admiral Richardson: I'd be happy to, yes, Senator.

10 Senator King: And next steps -- root causes, next  
11 steps.

12 Admiral Richardson: Yes, sir.

13 [The information referred to follows:]

14 [COMMITTEE INSERT]

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1           Admiral Richardson:  And, as you know, we've committed  
2   to come over and briefing both the staff and the members  
3   quarterly on our execution of that plan.  The Vice Chief of  
4   Naval Operations and the Under Secretary have already  
5   provided the first of those updates.  And we look forward to  
6   continuing those.

7           Senator King:  Thank you.

8           Mr. Secretary, the Navy and the Marine Corps are  
9   undergoing their first full audit.  Can you give me a quick  
10  update on where that process is and any lessons learned,  
11  thus far?

12          Mr. Spencer:  Yes, Senator.  You'll find out here, if  
13  not today, that we, at the Navy side, will have a  
14  qualification announced by the auditors.  And I want to  
15  manage everyone's expectations as to what that means.  As we  
16  said originally, the audit process is not only creating a  
17  tool for us to manage by, but it's also an educational  
18  process.  As the auditors get in there and start drilling  
19  down, we are already started learning.

20          The qualification comes from the fact that -- the  
21  number of transactions the Navy has, the dissimilar systems  
22  that we're using to actually collate this information.  And  
23  it's -- I believe this is actually a benefit, because what  
24  the auditors must stop doing is sample testing and actually  
25  get down to rolling up the sleeves and doing individual

1 education on systems to understand how the buildup comes.

2 Senator King: When can I tell the people of Maine  
3 we're going to have a final audit?

4 Mr. Spencer: A clean audit?

5 Senator King: Yes, sir.

6 Mr. Spencer: Maybe 5 to 7 years.

7 Senator King: But, you're in the process now of --

8 Mr. Spencer: We are clearly in the hunt.

9 Senator King: Thank you.

10 I spent some time earlier this week with the joint  
11 force in Florida that does drug interdiction. And this is  
12 just a request. We are only able to interdict 25 percent of  
13 drug shipments by sea that we know of. In other words, we  
14 have intelligence to tell us there are 100 units out there;  
15 we can only stop 25 of them. The problem is assets,  
16 particularly in the Coast Guard. My request is simply that  
17 you think creatively, cooperatively with the Coast Guard to  
18 see if there's a way to improve that miserable record.

19 Mr. Spencer: Senator, timely observation requests, the  
20 CNO and I have been working on this now for a couple of  
21 months to see what we can put down there as usable  
22 resources, because we're painfully aware of the situation.  
23 It's not a quick and easy fix, in that we -- you have the  
24 difference between our titled responsibilities, and we will  
25 have to cooperate, and gladly cooperate, with not only the

1 Coast Guard, but with the Department of Homeland Security.

2 Senator King: Well, I understand the limitations, but  
3 in the -- since we've been talking for the last hour, four  
4 people in America have died from drug overdoses. And we're  
5 under attack. And this is a place where we should be able  
6 to shore up our defenses. So, thank you for taking that  
7 initiative, and I'll look forward to updates.

8 Mr. Spencer: Yes, sir.

9 Senator King: Thank you, Mr. Chairman.

10 Senator Inhofe: Thank you, Senator King.

11 Senator Ernst.

12 Senator Ernst: Thank you, Mr. Chair.

13 And, Secretary Spencer, Senator King brought up some  
14 great questions about incidents and collisions at sea. And  
15 I'm going to move that up a little bit. Let's go to the  
16 air. I've been closely following the physiological  
17 episodes, those incidents that have plagued the Air Force  
18 and the Navy aviation platforms. And just yesterday, it was  
19 reported that the T-6 Texan II trainer aircraft pilots have  
20 experienced 12 PEs since the 1st of March. I know that  
21 you're working with the Air Force to solve the problem, but,  
22 going back to Senator King's point earlier, is -- what is  
23 that root cause? We still don't have a root cause for those  
24 physiological episodes. And so, can you please update our  
25 committee on the efforts to identify and remedy the Navy's



1 physiological episodes?

2           Mr. Spencer: Senator, I'd be more than happy to, for  
3 the record, put our latest update, which has -- it's quite  
4 voluminous, as far as efforts. I will provide a topical  
5 overview, though, which is fascinating when you come to a  
6 numbers analysis.

7           [The information referred to follows:]

8           [COMMITTEE INSERT]

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1           Mr. Spencer: We are not -- the Navy is not witnessing  
2 the same failures that the Air Force is witnessing in the  
3 same type aircraft. And I'm not saying that one's better  
4 than the other. We -- we're doing the same type maintenance  
5 and analysis, and we're -- this is kind of a confounding  
6 issue. We are working the root causes. We are replacing  
7 parts -- OBOGs. We are replumbing. We are resoftwaring.  
8 When it comes to the F-18, as you know, some of those  
9 depressurizations were just due to age of aircraft. But, it  
10 still means we have to come to solutions. We are at it. We  
11 are tooth and nail. And we are also reaching across to the  
12 Air Force to work hand in hand with them.

13           Senator Ernst: And I appreciate the collaboration on  
14 that.

15           Is there a way that Congress can provide additional  
16 supports in that effort?

17           Mr. Spencer: We will definitely let you know when we -  
18 -

19           Senator Ernst: I'm sure you will.

20           Mr. Spencer: -- find more, yes.

21           Senator Ernst: I expect it. Okay. Thank you, Mr.  
22 Secretary.

23           General Neller, through my work as chairman of the  
24 Emerging Threats and Capabilities Subcommittee, which has  
25 jurisdiction over SOCOM, I've really learned a lot about the

1 care and the treatment programs that our special operators  
2 have, as well as their families. And one of the programs  
3 that I feel that has been very, very helpful in this regard  
4 is the Preservation of the Force and Family, which is also  
5 known as POTFF. Senator Heinrich and I recently held a  
6 hearing with our SOCOM and -- with the SOCOM and its  
7 component commanders, and they all agreed that this  
8 particular program of POTFF has been very, very successful  
9 in getting our warfighters back into the fight.

10           Would you be able to speak to the value that POTFF  
11 provides for MARSOC? And then, as well, is this a program  
12 that you think could be expanded to the rest of the Marine  
13 Corps?

14           General Neller: Well, clearly the Preservation of  
15 Force are in the efforts that SOCOM is able to deliver, as  
16 far as mental health and fitness to their family, because  
17 their smaller numbers is a big deal, and because of the  
18 frequency of their appointments, albeit shorter, and the  
19 type of actions that they take when they deploy, it's very  
20 critical for them to keep those soldiers, sailors, airmen,  
21 and marines in the fight.

22           So, we fully support that. I'm in -- I was talking to  
23 General Mundy, our MARSOC Commander, about what they're  
24 doing, as far as health of the force. Several years ago,  
25 the Marine Corps, from our aviation community, used that.

1 We adopted almost -- every unit has a -- what's called a  
2 Force Preservation Council, where they sit down with -- the  
3 leadership sits down -- when a new marine checks in, they go  
4 over, they review their record, any stressors in their life.  
5 When people have an issue or something happens that would  
6 elevate -- whether it's a discipline or something like that--  
7 - then they become reviewed by the Force Preservation  
8 Council to see, "Okay, what do we have to do to help this  
9 individual marine?" We have the Marine Life Intercept  
10 Counselors that go. And we do this -- we're still -- the  
11 mental health capacity of the force is much better than it  
12 was 15 years ago, but it's probably never going to be what  
13 we want it to be. So, I think that that type of activity  
14 has transitioned itself into the Active Duty or the  
15 conventional force.

16 Senator Ernst: Okay.

17 General Neller: And -- but, we work with it, but we're  
18 never going to get the results we want, which is everybody's  
19 healthy and nobody -- everybody's successful as they can be.

20 Senator Ernst: I think the point is that we try to do  
21 the absolute best we can for our warriors. So, if there are  
22 best practices that we can take from Preservation of the  
23 Force and the Family, we certainly would like to make sure  
24 that those are extended into the Marine Corps and then, as  
25 well, of course, across the Navy, as well.

1           Admiral Richardson: Working with Naval Special  
2 Warfare, they also have a very vigorous --

3           Senator Ernst: Yes, they do.

4           Admiral Richardson: -- Preservation of the Force and  
5 Family, and ask that exact question, What can we do across  
6 the entire Navy to adopt best practices?

7           Senator Ernst: Absolutely. And if there are ways that  
8 we can support it, we certainly want to do that.

9           Thank you, gentlemen, very much for being here today.

10          Senator Inhofe: Thank you, Senator Ernst.

11          Senator Warren.

12          Senator Warren: Thank you, Mr. Chairman.

13          And thank you, to our witnesses, for being here today.

14          So, the Defense Department spends hundreds of billions  
15 of taxpayer dollars every year on goods and services  
16 provided by contractors. Federal workplace safety  
17 inspectors have found that some companies, including Navy  
18 shipbuilding contractors, have endangered their workers,  
19 resulting in deaths, extensive burns, and other serious  
20 injuries, and they keep right on getting massive government  
21 contracts. We have plenty of laws requiring these Federal  
22 contractors to operate more safely, but all the laws on the  
23 books won't do any good unless there's serious enforcement.

24          So, Secretary Spencer, I appreciate your willingness to  
25 work with me to ensure that American workers employed by the

1 Navy can work in safe conditions. Can you briefly describe  
2 the efforts that you've directed the Navy to undertake to  
3 improve contractors' compliance with worker protection laws?

4 Mr. Spencer: Thank you, Senator. When I first  
5 testified to take this position, I think you and I had this  
6 conversation.

7 Senator Warren: Yes, we did.

8 Mr. Spencer: And I promised you that we would take  
9 action. What we have done -- this really is a whole-of-  
10 government solution, and I'm certainly not taking the  
11 responsibility off the back of the Navy whatsoever, but OSHA  
12 is in here, front and center. And they, like many  
13 organizations, have their constraints, both fiscally and  
14 manpower -- does not alleviate the fact the situation is  
15 being focused upon. We have spoken to those that we are  
16 contracting with that have violations and said, one, we will  
17 not tolerate this on our next -- if, in fact, there is a  
18 breach from normal safety manners to cause accident and/or a  
19 detriment to the workers, we have the ability, through  
20 funds, to correct behavior.

21 Senator Warren: Okay. So, I'm glad you've started  
22 with them in a conversation, but I think we're going to have  
23 to be systematic about this in order to make sure that they  
24 keep everyone safe.

25 Let me ask you about some examples. To comply with

1 Federal rules, Navy contractors must have a safety officer  
2 onsite to identify dangerous conditions and enforce  
3 occupational safety standards. But, the person could be  
4 anyone, from a trained and certified professional to the  
5 most junior person hanging out at the site. So, when the  
6 Navy signs a contract, the contracting officer can designate  
7 a list of key personnel. These are specific skilled or  
8 technical individuals who are identified as being critical  
9 to the success of the work.

10 Secretary Spencer, for contracts that meet a threshold  
11 of cost or complexity, do you think that the Navy should  
12 consider designating the safety officer as key personnel?

13 Mr. Spencer: Yes.

14 Senator Warren: Good. I like that. And are -- the  
15 contractors need to know that the Navy expects them to  
16 protect their workers if they're going to get taxpayer  
17 dollars. Last year, the NDAA required the Government  
18 Accountability Office to study DOD's procedures for  
19 evaluating workplace safety records for the contractors.  
20 But, we don't have to wait for a GAO report. We can start  
21 now. And I appreciate your help on this.

22 Mr. Spencer: Most definitely.

23 Senator Warren: Good. So, let me ask about another  
24 area.

25 The Trump administration recently released National

1 Defense Strategy says that, quote, "Long-term strategic  
2 competitions with China and Russia are the principal  
3 priorities for the Department of Defense." The strategy  
4 stresses the need to invest in advanced capabilities for a  
5 high-end fight. The Navy has a number of ambitious  
6 technological goals in the coming years, from unmanned  
7 autonomous systems to electronic warfare to nanotechnology.  
8 Today, a lot of this cutting-edge technology is not  
9 developed within the Pentagon, it comes from the commercial  
10 sector or laboratories at our colleges and universities.

11 So, Secretary Spencer, how does the Navy intend to  
12 capitalize on commercial and academic developments in  
13 advanced technology? And can you just say a brief word  
14 about what steps you're taking to make sure that the Navy is  
15 closely tied to outside innovators?

16 Mr. Spencer: Senator, it's a -- it warms my heart to  
17 answer this question, because we do have --

18 Senator Warren: Good.

19 Mr. Spencer: -- a tall task in front of us. One of  
20 the things we're doing right now, just to start at the top,  
21 is, we are binning our science and technology investments to  
22 align with the National Defense Strategy, the ten buckets  
23 that Mike Griffin is helping us identify and bin. It is  
24 imperative that we do not only our work internally within  
25 the Office of Naval Research, but it is imperative that we



1 reach out into the -- our private-sector community. As you  
2 know up in Massachusetts, between Lincoln Labs and other  
3 efforts we have up there, Woods Hole, we have some amazing  
4 research going on outside the organization.

5 One of the things that I have taken on at the turn of  
6 the year was a crown jewel, Senators, that we have in the  
7 Navy, which is the Naval Postgraduate School. It is a  
8 research-oriented educational institutional. We are now  
9 supercharging it to put it into its next orbit. We had  
10 conversations with the likes of Eric Schmidt and some others  
11 from the Innovation Board and said, "We continue to try to  
12 have a relationship with you and drive up and say, What can  
13 we buy? What we can we do together?" And the thesis that I  
14 had was, What better way to create a relationship than to  
15 research -- basic, relevant research, where we can get two  
16 organizations working together on a solution? If, in fact,  
17 they commercialize that solution, we'll take a licensing  
18 agreement and provide some value to us and value to them,  
19 and then we can take that intellectual property and apply it  
20 within the DOD. The Naval Postgraduate School will be the  
21 center of excellence for this for, not only the Navy and the  
22 DOD, but, we hope, all of government.

23 Senator Warren: Good. I'm very glad to hear this,  
24 Secretary Spencer. You know, the Navy needs to stay closely  
25 integrated with our innovators, whether they're in

1 government or out of government. I'm glad to see you take  
2 this approach.

3 Mr. Spencer: And, actually, the conversation I had  
4 just last week, Senator, was with Bob Millard at MIT, who --

5 Senator Warren: Yeah.

6 Mr. Spencer: -- welcomes this and looks forward to  
7 doing what he can do with the Naval --

8 Senator Warren: Good.

9 Mr. Spencer: -- Postgraduate School.

10 Senator Warren: Well, let us know how we can help.

11 Thank you.

12 Senator Inhofe: Thank you, Senator Warren.

13 Senator Graham.

14 Senator Graham: Thank you.

15 Thank you all for your service.

16 That was a good discussion about the high-end fight. I  
17 want to get down to the trenches on how we protect this  
18 Nation from radical Islam.

19 To the American people, you may be tired of fighting  
20 these people, but they're not tired of fighting you. You  
21 can build a wall on the southern border, but that's not  
22 going to protect you from Mid-East threats. If some of us  
23 are not over there working with our partners, they're going  
24 to come here again.

25 So, that's my general theme. If you want to be safe

1 against radical Islam, you need to be in their backyard so  
2 they're not in our backyard. Does that make sense to the  
3 Marine Corps?

4 General Neller: We don't want to play any home games,  
5 Senator.

6 Senator Graham: Great answer.

7 What about the Navy? Just say, "I agree with the  
8 Marines."

9 Admiral Richardson: I agree with the Marines, sir.

10 [Laughter.]

11 Senator Graham: Never thought I'd hear the Navy say  
12 that.

13 [Laughter.]

14 General Neller: I think that --

15 Senator Graham: Okay. So, this is a --

16 General Neller: -- goes without saying --

17 Senator Graham: -- breakthrough moment.

18 General Neller: -- doesn't it?

19 Admiral Richardson: There's no daylight between us.  
20 No daylight between us.

21 Senator Graham: He objects.

22 So, let's talk about what that means. Do you support a  
23 residual force in Iraq to make sure ISIS never comes back if  
24 the Iraqis would agree to that force?

25 General?

1           General Neller:  If the Iraqis were to ask us to stay,  
2   it would be my opinion that that would be a good decision  
3   for us.

4           Senator Graham:  Thank you.

5           Syria.  We have 2200 people in eastern Syria, working  
6   with the Syrian Democratic Forces to make sure ISIS is  
7   destroyed.  Is that correct, General?

8           General Neller:  The mission of that force is to defeat  
9   ISIS.

10          Senator Graham:  Right.  About 250 marines.  Is that  
11   correct?

12          General Neller:  I'd rather not get in the --

13          Senator Graham:  That's all right.

14          General Neller:  -- exact number of marines.

15          Senator Graham:  Some marines.

16          General Neller:  There are some marines there, yes,  
17   sir.

18          Senator Graham:  Okay.  So, here's my question.  To  
19   hold the territory, there has to be a holding force, or  
20   they'll come back.

21          General Neller:  If there's a vacuum, then they will  
22   move into it, yes.

23          Senator Graham:  I like partners helping us hold.  Do  
24   you believe it would be smart for America to be part of that  
25   holding force?

1           General Neller: In order to get to some sort of a  
2 political settlement at Geneva or elsewhere, there -- we  
3 have to have stability. And if the decision were made that  
4 our partners were to come in there, I think our present --  
5 we cannot create a vacuum, because it'll be filled by  
6 somebody that we don't want.

7           Senator Graham: Right.

8           General Neller: And so, I think that that would be  
9 part of the negotiation as to who would be in there. But, I  
10 agree with you, there has to be stability. Someone's got --

11          Senator Graham: Right.

12          General Neller: -- to be there.

13          Senator Graham: So, as to that "someone," would you  
14 agree that we have capabilities no army in the region has,  
15 and that we add some value that probably can't be replaced  
16 by somebody else?

17          General Neller: I would agree with that.

18          Senator Graham: Okay.

19          Secretary Spencer, on 12 June '17, Secretary Mattis  
20 said, "No enemy in the field has done more to harm the  
21 combat readiness of our military than sequestration." Do  
22 you agree with that?

23          Mr. Spencer: I do.

24          Senator Graham: Would you tell every member of this  
25 committee, without hesitation, "Don't put me back into

1 sequestration"?

2 Mr. Spencer: Don't put me back in sequestration.

3 Senator Graham: There you go. Y'all are really good.

4 [Laughter.]

5 Senator Graham: I think it's the single biggest  
6 mistake I've seen since I've been here. And that's saying a  
7 lot, given Congress's record for the last 20 years.

8 Navy. Do you agree that a bigger Navy provides more  
9 deterrence, Admiral?

10 Admiral Richardson: I do, sir.

11 Senator Graham: Have you ever seen a time when we need  
12 more deterrence than now?

13 Admiral Richardson: It's as complex as it's been in my  
14 career.

15 Senator Graham: So, as a matter of fact, the threats  
16 have gone up since sequestration, not down. Is that fair to  
17 say?

18 Admiral Richardson: Absolutely.

19 Senator Graham: So, as we cut our force, the threats  
20 did not reduce proportionally, did they?

21 Admiral Richardson: The assumptions of the security  
22 environment didn't pertain. It got more complex, not less.

23 Senator Graham: So, as we were trying to deal with the  
24 chemical weapons attack in Syria, I think a -- more than a  
25 handful of ships were sent to the region to provide that

1 capability and deterrence. Is that correct?

2 Admiral Richardson: Yes, sir.

3 Senator Graham: So, a bigger Navy means that you'll  
4 have more ships in more places, which will hopefully make  
5 some of our adversaries think twice. Is that a fair  
6 statement?

7 Admiral Richardson: That's a very fair statement.

8 Senator Graham: So, you think 355 ships in 2030 gets  
9 the job done?

10 Admiral Richardson: That's the best estimate we've got  
11 right now. In light of the National Defense Strategy, we're  
12 going to reassess those numbers in the context of great-  
13 power competition and the other threats that face us.

14 Senator Graham: So, final question. A bigger Navy and  
15 a bigger Marine Corps provides more deterrence, more  
16 capability. Don't you think it also improves the quality of  
17 life for those who serve, because they don't have to be gone  
18 so much and they'll have more help?

19 Admiral Richardson: Absolutely. You get that  
20 rotational math going, and you get more time to recover.

21 Senator Graham: Do you agree with that, General?

22 General Neller: We would like to get back to a three-  
23 to-one, because it's better for the preparation, the  
24 training of the force, and it's better for our families.

25 Senator Graham: Well, I think the Department of the

1 Navy should be proud of what it's done. And you're the best  
2 in the business. And, pound for pound, the Marine Corps is  
3 the best on the planet.

4 So, thank you all.

5 Senator Inhofe: Thank you, Senator Graham.

6 Senator Peters.

7 Senator Peters: Thank you, Mr. Chairman.

8 And thank you, gentlemen, for being here today, as  
9 always.

10 I'd like to take an opportunity to follow up on Senator  
11 Cotton's questions regarding the LCS. And I think I agree  
12 with Senator Cotton that those ships need to be out to sea,  
13 they need to be deployed. I certainly understand that this  
14 may be a reset year, as described by Admiral Richardson, in  
15 terms of that deployment. But, I would follow up to say  
16 that shipyards don't get a reset year, as you may have with  
17 deployment. And today's Navy's acquisition strategy  
18 certainly underpins the ability to deploy for many years in  
19 the future.

20 Secretary Spencer, earlier this week, I joined my  
21 colleagues, Senators Baldwin, Stabenow, and Johnson, as well  
22 as a number of House members from Michigan and Wisconsin,  
23 including Speaker Ryan, in sending you a letter on  
24 acquisition strategy for the littoral combat ship in fiscal  
25 years '18 and '19. We're all concerned that, under the



1 current acquisition strategy, the Navy may be missing out on  
2 a variant that provides the best value when accounting for  
3 differences in capabilities, service life, and total  
4 lifestyle cost. Given the transition from LCS to the  
5 competition for a new frigate, the decisions that are made  
6 today will impact the shipbuilding industrial base for years  
7 to come, as well as impact the Navy's ability to grow to the  
8 fleet size that it needs in an affordable and timely way.  
9 And I know the Navy has used an alternating contracting  
10 strategy for LCS, awarding two ships to one shipyard and  
11 then one ship to the other in alternating years, which the  
12 shipyards have optimized for. But, my question to you, Mr.  
13 Secretary, as I look forward to your response, certainly, to  
14 the letter, but, in the meantime, could you please provide  
15 an update on LCS acquisition strategy? And, specifically,  
16 will the Navy award two Freedom variant LCSs across the FY18  
17 and '19?

18 Mr. Spencer: Senator, I've said this before, and I'd -  
19 - I just want to highlight it. One of the jobs, and one of  
20 my responsibilities wearing the Title 10 hat, is to care and  
21 beware and nurture, when necessary, the industrial base. I  
22 want to make sure that everybody in here knows that that  
23 does not mean it's a welfare situation and that our  
24 pocketbook is open just to be open. It is not. We will use  
25 the contracts that we have in the most meaningful manner to

1 keep everybody healthy within the bounds that we can. And  
2 we are portfolio managers. There is a lot of demands,  
3 obviously, on our resources, and we have to manage a full  
4 portfolio of acquisitions.

5 That being said, Senator, we will provide you the  
6 letter.

7 [The information referred to follows:]

8 [COMMITTEE INSERT]

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1           Mr. Spencer: The overview is that there will be the  
2 ability for the Secretary to be involved in the allocation  
3 of the ships and the awarding of the ships. As you know,  
4 when it comes to Wisconsin, the Saudi award is up there.  
5 One of the other levers that we'd like to see what we could  
6 do is see how do we pull that to the left, how do we manage  
7 the industrial base with all the tools available to us in  
8 light of the awards that we have? But, rest assured that  
9 the health of the -- both -- all the organizations involved  
10 in supplying goods and services to the Navy are being taken  
11 care of and analyzed.

12           Senator Peters: Thank you, Mr. Secretary, I appreciate  
13 that.

14           General Neller, as you are well aware, the future of  
15 warfare will be changing dramatically. We've had the --  
16 those discussions on many occasions, as I've had with the  
17 other two gentlemen here. But, as we bring in new  
18 technology, whether it's autonomous vehicles or AI systems,  
19 you need to make sure that you can actually deploy those,  
20 and that the men and women who are out in the field are able  
21 to integrate that into doctrine and tactics.

22           And I was taken by an article that recently came out  
23 that showed the Marines are giving quadcopters to every  
24 squad, that are actually integrating that technology into  
25 the field as we speak. Could you speak to that and the

1 importance of it and how we need to continue to be looking  
2 at integrating this technology in our units every day?

3 General Neller: Senator, thanks for the question.

4 That's a fact, that we are going to deploy, whether we  
5 make them ourselves in our own fab labs or we procure them,  
6 that every rifle squad is going to have this ability to fly  
7 a quadcopter in front of them so that they can get a better  
8 appreciation of what lays in front of them. But, it's not  
9 just that. It is all the things that you mentioned, whether  
10 it be autonomy, robotics. I think we're still trying to  
11 figure out what AI can do, as far as the analysis of big  
12 information, making decisions, the future of biomedicine,  
13 things like that.

14 So, the way we're doing it -- and I think the other  
15 services -- certainly my shipmate, Admiral Richardson's  
16 folks are the same -- where you take an exercise that we're  
17 going to do, and we'll take some technologies, and we'll  
18 apply them in that exercise so we don't have to create  
19 another event. And we'll use the exercise as an experiment.  
20 And whether it be autonomous ships or undersea vehicles or  
21 swarming drones under the water to find mines or to find  
22 pathways or to destroy mines, unmanned aircraft provide  
23 radio relay or electronic warfare, or to give you better  
24 ISR, all those things are doing on. And what we're trying  
25 to do is, we realize that we need it to go faster.

1           And, as was mentioned about the development of  
2   technology in the commercial world, we all have officers out  
3   in Silicon Valley. They maintain contacts through an office  
4   called DOAX. There's also one in Boston and Austin that was  
5   developed by the previous administration, Secretary Carter.  
6   So, we're out there kind of doing reconnaissance of what's  
7   out there so that we know what's happening. We look at  
8   these different technologies and we take a chance and play  
9   with them. We make a bunch of small bets, and then, if  
10   anything works and we let the Marines look at it, and they  
11   say, "Yeah, this is good," or, "This is not," and then we'll  
12   try to figure out how we're going to put some money down on  
13   it and further develop it.

14           Senator Peters: Thank you, General, appreciate it.

15           Senator Inhofe: Thank you, Senator Peters.

16           Senator Sullivan.

17           Senator Sullivan: Thank you, Mr. Chairman.

18           And good to see you, gentlemen. Thank you very much.  
19   I really -- very much appreciate your fine leadership, as  
20   demonstrated by your decades of service to your country and  
21   by your testimony today. I think it's been outstanding and  
22   direct.

23           I want to get back to this topic of the National  
24   Defense Strategy and the return to great-power competition,  
25   which means countries like Russia, China, North Korea -- not

1 that they're a great power, but that kind of battle. And,  
2 as you know, gentlemen, through history, that also means,  
3 particularly when you're looking at that part of the world  
4 or those countries, that means cold weather, that means  
5 mountainous terrain, that means large-scale maneuver in  
6 high-end fights. The last time we did that as a country was  
7 in the Korean War. I know all of you have read T.R.  
8 Fehrenback's "This Kind of War," but, as you know, that  
9 didn't go so well initially in that fight, because we  
10 weren't ready.

11 So, a couple of questions that relates to getting back  
12 to that. You may have seen, in the Arctic Strategy that was  
13 required by this committee, Secretary Mattis stated that,  
14 "The Arctic is key strategic terrain. Russia is taking  
15 aggressive steps to increase its presence there. I will  
16 prioritize development of an integrated strategy and  
17 training for the Arctic."

18 Two questions. General Neller, I was glad to see that  
19 the Marines had just taken part -- I think several hundred  
20 marines -- in Arctic Edge 2018, up in Alaska. And I would  
21 welcome your thoughts on more cold-weather training, more  
22 large-scale maneuver training, lessons learned, perhaps,  
23 from your Alaska training, more opportunities for training  
24 in cold-weather places, like Alaska, which has enormous  
25 ranges, as you know.

1           And, Mr. Secretary -- Secretary Spencer, I would like  
2   to get your views, just on -- you know, the NDAA last year  
3   required the DOD and DHS to look at the strategic Arctic  
4   port idea. The Arctic Strategy talks about FONOPS in the  
5   Arctic, which Admiral Richardson has mentioned. It's a good  
6   idea, but right now we don't have the capacity or  
7   capability. So, your thoughts, actually, both of you  
8   gentlemen, you know, on the 355-ship Navy, the idea of ice  
9   hardening. I mean, what are we doing, in terms of a  
10  strategy? A high-end, great-power competition fight could  
11  be in the Arctic, certainly could be cold-weather mountain  
12  training, large-scale, high-intensity. What are the Marines  
13  and Navy doing? Basically, focused on those questions,  
14  maybe, General Neller, if we can start with you, sir.

15           General Neller: Well, Senator, you know that we've  
16  gotten back into the cold-weather business. When Soviet  
17  Union was the only pacing threat, we were at a mission in  
18  Norway as part of the defense, the NATO mission. And  
19  whether it be at the end of Desert Shield, Desert Storm, and  
20  the dismemberment of the Soviet Union, and then operations  
21  in Iraq and Afghanistan, you know, we just kind of went away  
22  with it. We still sent units up there, because going to  
23  cold weather is a good training -- is a good discipline-  
24  builder. But, the skillsets, the equipment, and the  
25  expertise atrophy, and we've --

1           Senator Sullivan:  Particularly at the large scale up -  
2    -

3           General Neller:  -- to lead to more than small units.  
4    And so, we realized we needed to get back into it.  So, part  
5    of it was what we did up there on Arctic Edge.  We've had  
6    engineers, as you know, up there, working on a road project.  
7    We've got 300 marines in Norway.  We're waiting for the  
8    Norwegian government to potentially give us the opportunity  
9    to send more there to work with our NATO partners, because  
10   it's an opportunity to learn from them, because they really  
11   do understand how to operate and move large formations.

12           There will be a large exercise in -- NATO exercise this  
13   fall, called Trident Juncture, which will be a big  
14   amphibious exercise, where the Navy -- many navies will be  
15   there, operating in a cold environment, for all the reasons  
16   you say.  We can't assume that we're going to fight in a  
17   desert.  It's not going to be a temperate climate.  It could  
18   be in the Arctic.  It could be in the northern edges of any  
19   portal latitude or longitude of the world.

20           And so, we're working hard on that.  The whole force is  
21   not going to be able to get trained in that.  We need --  
22   just need enough people who know what they're doing so, if  
23   we get there, particularly the maneuver forces are able to  
24   function in -- effectively in that type of an environment.  
25   But -- we're a work in progress, but we're headed in the



1 right direction.

2 Senator Sullivan: You see more opportunities for  
3 training in Alaska?

4 General Neller: You know, I've been up there with --  
5 at your invitation, in Alaska. We send our aircraft up  
6 there, because, at Eielson Air Force Base, the range up  
7 there is three times the size of the range at Nellis. It's  
8 a great place for our partners to go. But, I do think we're  
9 going to try to do our very, very best to get certainly more  
10 deployments for training up to Alaska to take advantage of  
11 the terrain and the climate.

12 Senator Sullivan: Thank you.

13 Mr. Secretary?

14 Mr. Spencer: Senator, you and I have spoken about what  
15 Alaska has to offer. And suffice it to say that I'm a bull  
16 in that regard. You have infrastructure up there, you have  
17 the ranges up there. And we have the ability, as the  
18 Commandant just said, to access that. And we look forward  
19 to seeing how we can maximize that, going forward.

20 When it comes to the Navy and the Arctic -- how we're  
21 handling the Arctic -- as you know, in 2014, we had our  
22 Arctic Roadmap. And now you will see, this summer, we will  
23 deliver the Navy's Arctic Strategy. In October of last  
24 year, one of my first trips, OCONUS, was to go to the Arctic  
25 Conference in Reykjavik. And before that, I stopped off

1 with our terrific allies in Norway who are just doing  
2 yeoman's work monitoring the gap. But, they opened my eyes  
3 as to what's going on in the Arctic. I had read about it,  
4 but, when you see what's going on there, what Russia is  
5 doing, repaving 12,000-foot runways, 10,000 spetznaz up  
6 there in Barracks 4, search and rescue, we need to have  
7 presence up there.

8 The complication, as you well know, because we've  
9 talked about this, is -- icebreaking is one of the  
10 complications. It's not a mission of the Navy. We are  
11 working hand in hand with the Coast Guard. In fact, we have  
12 just finished helping them design in requirements for the  
13 next class of icebreaker. But, that is their mission.

14 That being said, we do not have ice-hardened ships.  
15 There is a new terminology up there, called the Blue Water  
16 Arctic, that there now is open blue waters up there. The  
17 CNO and I have talked about, How do we have presence up  
18 there? We're working on that. And when we see our strategy  
19 roll out, you will see more this summer.

20 Senator Sullivan: Great. I appreciate it.

21 Thank you, gentlemen.

22 Senator Inhofe: Thank you, Senator Sullivan.

23 Senator Gillibrand.

24 Senator Gillibrand: Thank you, Mr. Chairman.

25 Admiral Richardson and General Neller, General Milley

1 told me, last week, that there were, quote, "precisely zero  
2 reports of issues of cohesion, discipline, morale, and all  
3 sorts of things in the Army as a result of open transgender  
4 service." Are you aware of any issue of unit cohesion,  
5 disciplinary problems, or issues with morale resulting from  
6 open transgender service?

7 Admiral Richardson: Senator, I'll go first on that.  
8 You know, by virtue of being a Navy sailor, we treat every  
9 one of those sailors, regardless, with dignity and respect  
10 that is warranted by wearing the uniform of the United  
11 States Navy. By virtue of that approach, I am not aware of  
12 any issues.

13 Senator Gillibrand: General Neller?

14 General Neller: Senator, by reporting, those marines  
15 that have come forward -- there's 27 marines that have  
16 identified as transgender, one sailor serving -- I am not  
17 aware of any issues in those areas. The only issues I have  
18 heard of is, in some cases, because of the medical  
19 requirements of some of these individuals, that there is a  
20 burden on the commands to handle all their medical stuff.  
21 But, discipline, cohesion of the force, no.

22 Senator Gillibrand: Can you amplify what burdens on  
23 the command are related to medical issues?

24 General Neller: Some of these individuals -- and, you  
25 know, they've resolved whatever it was that -- as they went

1 through the process of identifying other than their birth  
2 sex, and so they're going forward. And I think those that  
3 came forward, we have a -- we have to honor the fact that  
4 they came out and they trusted us to say that, and that we  
5 need to make sure that we help them get through that  
6 process. Some of them are in a different place than others.  
7 And so, there is -- part of it's an education, but part of  
8 it is that there are some medical things that have to be  
9 involved as they go through the process of transitioning and  
10 real-life experience and whatever their level of dysphoria  
11 is. So, for commanders, some of them have said, "No, it's  
12 not a problem at all." Others have said that there is a lot  
13 of time where this individual is -- may or may not be  
14 available.

15           So, we're all about readiness. We're looking for  
16 deployability. But, in the areas that you talked about, no,  
17 I have not -- I have not heard of or have reported to me any  
18 issues.

19           Senator Gillibrand: Have you had the opportunity,  
20 General Neller, to meet with any of your transgender troops?

21           General Neller: Yes.

22           Senator Gillibrand: And what did you learn from those  
23 meetings?

24           General Neller: I learned that -- I learned a lot  
25 about the experience that they had. I learned that -- I met

1 with four -- actually, one was a naval officer, one was an  
2 Army staff sergeant, one was a marine officer, and one was a  
3 Navy corpsman -- and I learned about their desire to serve.  
4 I learned about, you know, where their recognition of their  
5 identification opposite their birth sex. We had a very  
6 candid, frank conversation. And I respect -- as CNO said --  
7 respect their desire to serve. And all of them, to the best  
8 of my knowledge, were ready and prepared to deploy, and  
9 they-- as long as they can meet the standard of what their  
10 particular occupation was, then I think we'll move forward.

11 Senator Gillibrand: Thank you, General Neller.

12 Admiral Richardson, what are you doing to ensure  
13 readiness at the personnel and unit level, in light of this  
14 new policy that's come forward from the White House, in  
15 terms of a new burden placed on transgender sailors and  
16 marines?

17 Admiral Richardson: Ma'am, I will tell you that we're--  
18 - it's steady as she goes. We have a worldwide deployable  
19 Navy. All of our sailors, or the vast, vast majority of our  
20 sailors, are worldwide deployable. We're taking lessons  
21 from when we integrated women into the submarine force. And  
22 one of the pillars of that was to make sure that there were  
23 really no differences highlighted in our approach to  
24 training those sailors. That program has gone very well.  
25 And so, maintaining that level playing field of a standards-

1 based approach seems to be the key to -- a key to success,  
2 and that's the approach we're taking.

3 Senator Gillibrand: Thank you, Admiral.

4 You and I had a long conversation about military  
5 justice. And we talked about some of the sexual harassment  
6 and assault issues that are within the Navy. We had a issue  
7 with regard to "Bad Santa," as you know, where your public  
8 affairs officer was allowed to stay in his position for  
9 several months despite his clearly inappropriate behavior.  
10 Do you have a sense of what message members serving under  
11 you received from him being allowed to stay in that  
12 position? And have you changed your approach because of  
13 that incident?

14 Admiral Richardson: The beginning of that approach was  
15 really defined by making sure that we got a thorough  
16 investigation into a complicated scenario there with  
17 allegations and counter-allegations. So, that -- the  
18 investigation took some of the time.

19 Having said all that, I've become acutely aware that  
20 that may have sent a bad message, particularly to the  
21 survivors of the behavior. And so, that -- you know, my  
22 radar has been completely retuned, in terms of sensitivity  
23 to that message. And I hope that we've arrived at a good  
24 place at the end of the -- at the end of this event. It  
25 took longer, in hindsight, than it should have. If I was

1 going to do it again, I would move faster.

2 Senator Gillibrand: Thank you, sir.

3 Thank you, Mr. Chairman.

4 Senator Inhofe: Thank you, Senator Gillibrand.

5 Senator Scott.

6 Senator Scott: Thank you, Mr. Chairman.

7 And thank you, to the panel. Thank you all for your  
8 service to the country.

9 Secretary Spencer, good to see you again. I'm sure  
10 that you're fully aware of the Navy Working Capital Fund  
11 created back in 1949. These working capital funds insulate  
12 the military services from government shutdowns, labor  
13 strikes, and other destructions. They ensure many of our  
14 government-owned repair depots and facilities can stay  
15 operational and keep our most highly skilled workers  
16 employed when Navy requirements for similar work slows down.

17 We have some of the greatest capabilities in and around  
18 Charleston. SPAWAR, to be specific. The capitals -- their  
19 capabilities are pretty powerful. My question is: As you  
20 look at the restrictions on the work that the SPAWAR and  
21 other facilities like that can do outside the scope of the  
22 Navy -- I know that there were some restrictions placed on  
23 how those resources can be used -- do you see any  
24 restrictions being lifted? Because, as I think through the  
25 process of finding the talent that we see at SPAWAR, it's

1 really difficult to replace that talent if we don't use and  
2 maximize their potential outside the scope of the Navy.

3 Mr. Spencer: Senator, that's a question that is front  
4 and center when it comes to our human resources allocation  
5 and what we're going to do to keep people. Obviously,  
6 whether a pilot, you want to give them flight hours; whether  
7 an IT technician, you want to give them challenges, you want  
8 to provide work; whether SPAWAR is doing exploratory work,  
9 you want to keep them engaged, because that's the quality of  
10 life, that's what they're there for. We are working right  
11 now at any way possible to make sure that we're at 100  
12 percent capacity for the people, to give them the desire to  
13 stay and have a career in the Navy.

14 Senator Scott: Does that suggest that looking for work  
15 in other service branches outside of the Navy is something  
16 that's on the table?

17 Mr. Spencer: If, in fact, we have the bandwidth, yes.

18 Senator Scott: Okay.

19 I understand that Russia is building several new  
20 classes of submarines. Are you concerned that Russia may  
21 develop an advantage in this area?

22 Mr. Spencer: Always concerned, Senator. If you look  
23 at the era that we're entering now with the power  
24 competition, they did not put down their research pens and  
25 pencils over the past 20 years. They have launched a new



1 submarine that I can safely say is closing the gap on some  
2 of our technologies. But, we are hard at work, also, to  
3 make sure that gap does not close and that the rate of the  
4 gap does not increase.

5 Senator Scott: All right. Thank you.

6 Thank you, Mr. Chairman.

7 Senator Inhofe: Thank you.

8 Senator Hirono.

9 Senator Hirono: Thank you, Mr. Chairman.

10 General Neller, I share Senator Reed's concerns  
11 regarding what you are doing to address sexual harassment  
12 and assaults in the Marines, and the importance of staying  
13 the course. So, thank you for what you're doing. Keep  
14 doing it. And, of course, the concern regarding sexual  
15 harassment extends to the other services and -- as brought  
16 out by Senator Gillibrand.

17 I have a question for Secretary Spencer. The Navy has  
18 laid out an ambitious plan to spend \$21 billion over 20  
19 years to modernize our public shipyards, which I applaud,  
20 because, as you know, Hawaii has one of these public  
21 shipyards. But, I am concerned that, as we talk about  
22 shipbuilding and service-life extensions to get to the 355-  
23 ship Navy, we might lose focus on maintenance capacity and  
24 capability. What is the impact on the shipyard  
25 modernization plan now that the Navy is pursuing service-

1 life extensions of five attack submarines? Will the  
2 modernization timeline be sufficient to meet this new demand  
3 in addition to other work already programmed and still meet  
4 the biggest challenge of being ready to handle the Virginia  
5 payload module-equipped ships in the future?

6 Mr. Spencer: Senator, the maintenance equation in the  
7 three pipes that I talked about -- platform, people, and  
8 maintenance -- is front and center. Just last week -- we  
9 have a terrific repository of institutional knowledge in a  
10 fellow by the name of Ev Pyatt, who worked under the Reagan  
11 administration in building and maintaining the Navy's growth  
12 during that period of time. He has been charged by me to go  
13 look specifically at the present state of shipyard  
14 maintenance and what is needed going forward with our  
15 projected plan to grow the fleet and maintain the fleet.

16 Right now, as we look at the steady-state, as the  
17 report said, we can accommodate what we have now. As we  
18 grow, we're going to obviously need to not only fix -- and  
19 when I say "fix," that means improve the flow through our  
20 existing yards -- and also enhance the processes available  
21 to our existing yards. We're going down to speak to -- it's  
22 fascinating -- speak to some of our civilian counterparts to  
23 talk about flow control. And that's the key thing when it  
24 comes to maintenance through yards.

25 Senator Hirono: Well, I'd like to have your commitment

1 that we will continue to focus on the need to modernize and  
2 increase the capacity and capability of our people at the  
3 shipyards, because they are all ready and eager to go, but  
4 they need the tools in which to proceed. And I'd also like  
5 to point out that the Pearl Harbor Navy Shipyard has a  
6 special challenge, in that a huge percentage of that  
7 shipyard is historically preserved. So, you know, it takes  
8 more to get the kind of modernization infrastructure changes  
9 that we need to do at Pearl Harbor --

10 Mr. Spencer: Senator, I will put a footnote on there  
11 that we are going to have to come back to you all about  
12 historical preservation, because historical preservation and  
13 industrial modernization do not go hand in hand.

14 Senator Hirono: Often there is --

15 Mr. Spencer: Yes.

16 Senator Hirono: -- big tension there. I am well  
17 aware. So, I want to work with you to figure out how we can  
18 make sure that our shipyard in Hawaii gets what they need  
19 also.

20 Admiral Richardson, in your written testimony, you  
21 mentioned that the Navy was able to arrest the decline in  
22 readiness with the request for additional appropriations,  
23 RAA in 2017, while using 2018 and 2019 funding to further  
24 restore readiness. How long will it take to get fleet  
25 readiness to an acceptable level that we are able to

1 sustain?

2 Admiral Richardson: Ma'am, thanks. A lot of that's  
3 going to depend on the continuation of stable and adequate  
4 funding and, you know, the passing of budgets on time. The  
5 most toxic thing to readiness has been continuing  
6 resolutions and the Budget Control Act. And so, you know --

7 Senator Hirono: Assuming that we give you adequate  
8 funding and it's not a start-and-stop every 3 months of CRs-  
9 -

10 Admiral Richardson: Yes, ma'am.

11 Senator Hirono: -- how long will it take?

12 Admiral Richardson: We see -- you know, it took some  
13 time, a decade, to get into this. We anticipate in getting  
14 out of this in about half of that time. And so, I look to  
15 the early 2020s -- '21 and '22 -- to start getting back to  
16 that level of readiness.

17 Senator Hirono: And totally dependent on the  
18 steadiness of our funding.

19 Admiral Richardson: One-hundred percent --

20 Senator Hirono: Understand.

21 Admiral Richardson: -- dependent on that, ma'am.

22 Senator Hirono: Secretary Spencer, you noted in your  
23 written testimony that the Department has taken risks by  
24 underfunding infrastructure investment in installation  
25 operations over the last decade. And I'm pleased to see the

1 budget request includes the largest request for MILCON in  
2 quite some time. Besides the public shipyard plan, how long  
3 and how much MILCON funding will be required to dig out of  
4 the hole we have in infrastructure and installations? And  
5 again, let's assume steady funding.

6 Mr. Spencer: Yes. Underscoring, again, steady  
7 funding. Right now, Senator, we're going to -- I think that  
8 that what -- the number is, we're coming up to funding 80  
9 percent of our needs, which, to me, is an anathema, but I  
10 realize we are portfolio managers. Our infrastructure is a  
11 key component of readiness, and we have to address it in  
12 such. With the present line, you're probably looking at the  
13 same for readiness with the fleet, which is in the early  
14 '20s.

15 Senator Hirono: Thank you.

16 Thank you, Mr. Chairman.

17 Senator Inhofe: Thank you, Senator Hirono.

18 Senator Tillis.

19 Senator Tillis: Thank you, Mr. Chairman.

20 Gentlemen, thank you for being here and for your  
21 service.

22 General Neller, I had the pleasure of sitting next to  
23 Ms. Neller yesterday in a meeting with a few dozen military  
24 spouses. I tallied up the number of years that they have  
25 experience, about 467 years of experience in the room as

1 military spouses, some as -- in your case, as far as 40  
2 years back. Can you tell me a little bit about your belief  
3 or agreement that making sure that we take care of the  
4 families and we take care of the issues of multiple  
5 deployments as having some effect on the readiness of the  
6 marine?

7           General Neller: Well, Senator, first, thanks for  
8 taking the time to meet with our spouses. A lot of  
9 experience in the room, a lot of wisdom, a lot of PCS moves,  
10 a lot of overseas time, a lot of time without us being  
11 around. But, clearly, we all know, when we serve, that --  
12 or even in the corporate world -- I think you recruit the  
13 individual, and then you've got to retain the family. The  
14 family's got to be onside with doing what they're doing,  
15 particularly this kind of a life. So, I don't think they  
16 expect everything, but they do have a certain expectation  
17 that there's going to be housing available and schools  
18 available, and they're going to be able to live their lives,  
19 and that those that wear the uniform are going to be around  
20 on occasion.

21           And if they have a profession -- and the demographics  
22 has changed. When I came in, not that many, particularly of  
23 the officer spouses, worked. Now that's very different.  
24 And so, there's an expectation that they'll have an  
25 opportunity at least to compete for a job. And certain

1 places where we are, you know, we're in a more rural area or  
2 more isolated area, finding that job, particularly if you  
3 have a profession, is difficult. And so, I don't think they  
4 expect special treatment. I think they just would  
5 appreciate, you know, recognition and some opportunity.  
6 Obviously, in a place like Washington, D.C., or in southern  
7 California, it's not anywhere near the issue as it is in  
8 some place like Camp Lejeune, North Carolina, or 29 Palms.

9         So, we have to work to make sure that, not just the  
10 servicemember wants to stick around, but the family does,  
11 too. And so, that's part and parcel, whether it be  
12 facilities or recreational opportunities or schools or stuff  
13 for the children, mental health. Medical is a big deal.  
14 All those things go together as a whole package to try to  
15 retain the best and most capable members of our force.

16         Senator Tillis: Well, we're working with the staff on  
17 some specific ideas that came out of the meeting yesterday,  
18 and that I've heard time and time again. But, I think that  
19 many -- people need to understand that the unemployment rate  
20 among military spouses, depending upon which numbers you  
21 want to believe, is somewhere between 12 and 28 percent.  
22 National average is about 4. That's a problem. If you've  
23 got a marine worried about paying the bills and putting  
24 their kids through school, that's a problem. It's a  
25 distraction they don't need. So, we're going to work on

1 that, but I think we're -- we also need to gather better  
2 data so we can be directed. It's not only the professional  
3 positions, it's somebody that just wants a job. And we've  
4 got to figure out a way to do it, make them more mobile,  
5 make it less costly and less disruption to them as they're  
6 deployed.

7 In my remaining time, one, Mr. Secretary or Admiral,  
8 I'd -- the -- we tend to get caught up with numbers here,  
9 and we have a checklist. I know the magic number for the  
10 Navy is 355. I believe that we're going through a period of  
11 time now that I'm more worried about the capabilities that  
12 that current 355 number looks like than the number 355. So,  
13 as you move forward and you think about modernization over  
14 time, I'd be kind of curious to see how you're going to come  
15 back to us and say, "Guys, the number is a little bit  
16 different, because we've got -- we may have to have fewer or  
17 more, but we're going to a capability for the least amount  
18 of money spent, particularly because Congress is not  
19 particularly good at completing its mission, giving you  
20 certainty over funding." So, I'd like to get your thoughts  
21 on exactly how you're going to deal with that. Because  
22 you're not going to go to another hearing in the foreseeable  
23 future where people aren't going to be ticking off, "Where  
24 are my ships going to be built, particularly if it's in my  
25 State? How am I getting to that 355 number?" And I want to



1 really start changing our thinking on that so you're focused  
2 on capabilities and not hitting one number target.

3 Admiral Richardson: Senator, that's a great question.  
4 And I would tell you, as I think about it, it's about naval  
5 power. And naval power has a lot of components: capacity -  
6 - you know, we -- there is a big convergence of intellectual  
7 thought that says we do need a bigger Navy, right? --  
8 capacity, quantity has a quality all of its own. But, to  
9 your point, we also need a better Navy, right? We need a  
10 more capable Navy that incorporates new technologies,  
11 directed energy, high-power microwave, hypersonics, you  
12 know, and so forth, that make each one of those platforms  
13 more capable. And then, finally, we need to find a way to  
14 increase the power of that force by networking it together  
15 to allow it to adapt and reconfigure on the fly in the face  
16 of threats. So, there's much more to naval power than just  
17 number of ships.

18 Senator Tillis: Thank you.

19 Mr. Spencer: Senator, I'd just reverberate that. I  
20 mean, the whole goal is, whether in a F-22 in the air,  
21 targeting a target and pushing a button and the GMLRS  
22 rockets hit it, or the Tomahawk out of the submarine hits  
23 it, or the Standard Missile 6 off the DDG hits it, it's all  
24 going to be intertwined. And that is the game-changer. So,  
25 it's power we're really focused on. Yes, we need a goal to

1 increase the capacity, totally agree. But, we need to focus  
2 on the power, which is exactly what -- we're going to use  
3 technology as a force multiplier.

4 Senator Inhofe: Thank you, Senator Tillis.

5 Senator Kaine.

6 And Senator Tillis, presiding.

7 Senator Kaine: Thank you, Mr. Chair.

8 And thank you, to the witnesses, for your service and  
9 your testimony.

10 General Neller, I was also at the event yesterday with  
11 Darcy, who is a great example, and the folks around the  
12 table were really, really sharp in offering us perspectives.  
13 I have two pieces of bipartisan legislation, the Military  
14 Spouse Employment Act of 2018 and the Jobs and Childcare for  
15 Military Families Act, that have been introduced with  
16 bipartisan colleagues on this committee, that we're hoping  
17 to add to the NDAA as we work in the coming weeks. But, I  
18 appreciate Ms. Neller's leadership in this area.

19 I want to ask each of you sort of a budget question.  
20 I'm happy with the budget we passed, the FY18 budget, in  
21 terms of support for investments to do the kinds of things  
22 you're talking about. But, there can always be a challenge.  
23 When the budget gets done 6 months into the fiscal year, and  
24 then the money comes at the end of the fiscal year, there's  
25 the question about whether you can spend the money and do it

1 responsibly. So, we want to increase the investment. We  
2 also want to do it responsibly. We made that challenge  
3 harder by being so late. What are you doing to grapple with  
4 that issue?

5 Mr. Spencer: Let -- I'll start at the top, Senator,  
6 and then defer to my two business partners, here.

7 But, we have started the message, before the turn of  
8 the year, with the BSOs, in saying, "We are going to  
9 hopefully have the pressure to put resources out in a very  
10 responsible manner, so get your teams lined up. At this  
11 point, large -- let's start executing to 100 percent of  
12 where we were, which, at that point, was FY17, and get the  
13 muscle movements correct." We now have the new dollars and  
14 cents, the curve is now working on the FY18 curve. We have  
15 teams set up, and the arc now of de-obligating money down to  
16 a -- much more of a science than we had before, to be very  
17 frank with you, and if, in fact, teams are saying, "I don't  
18 think I can make my goal," we're going to come back to you -  
19 - we're going to hit the BTR at 25 percent or we're going to  
20 come back to you for the reallocation. And we're having the  
21 other projects lined up so we can use as much of these funds  
22 as totally possible. And that's the mindset everyone's  
23 working at in both services.

24 Senator Kaine: Admiral Richardson and General Neller,  
25 you want to add to that?

1           Admiral Richardson:  Sir, I'll tell you, it's like that  
2   quote about real estate.  For us, it's just -- the three  
3   most important things are execution, execution, and  
4   execution.  And we are monitoring that day by day to make  
5   sure that we are, one, you know, executing those funds; two,  
6   executing them on things that are going to deliver naval  
7   power; and the -- three, executing them in a way that is  
8   auditable and transparent to you.

9           Senator Kaine:  General Neller?

10          General Neller:  Sadly, we're getting pretty good at  
11   this --

12          Senator Kaine:  Yeah.

13          General Neller:  -- because we've gotten a lot of  
14   practice.  And we had a -- kind of a game, last FY, where we  
15   got the money late, and we had to spend a certain amount of  
16   money every day, and everybody kind of raised their game up.  
17   It would be nice, one year, to just get the money at the  
18   beginning of the year and have the whole year to spend it.  
19   I think we'd make better decisions.  I think it would settle  
20   the force down.  I think everybody would realize that, hey,  
21   we're going to get -- it's going to be there.  I think our  
22   vendors would appreciate it.

23          But, to answer your question, Senator, you know, we  
24   were -- we're pre-stage, we're ready to go, we watch it  
25   every single day.  And, at a certain point, if people can't

1 spend it, then we'll move it to other people who have other  
2 things that are viable that we can put on contract.  
3 Contracting is kind of the long pole in the tent, just to  
4 write the contract in a proper way so that the money is  
5 spent properly. And we're not going to go out there and buy  
6 furniture and carpet. You know, we've got other really more  
7 important things to do.

8       Senator Kaine: General Neller, I want to ask you just  
9 an example of this, because it affects readiness. And I'm  
10 looking at your written testimony, how you're dealing with  
11 this challenge. Page 12, "Our most acute readiness issues  
12 are in aviation units. A combination of aging aircraft, a  
13 lack of ready basic aircraft, an unresponsive supply of  
14 parts and spares, and maintenance backlogs at the depots  
15 contribute to high overutilization rates of available  
16 aircraft needed for training and certifications. This, in  
17 turn, hastens the induction of these aircraft into  
18 maintenance cycles. Lack of predictable and stable funding  
19 effects industry. Often, when funding becomes available  
20 late in the year through CRs, the industrial base is not  
21 energized to meet demand." Talk a little bit about how  
22 you're trying to grapple with this aviation issue in light  
23 of the budget that we just passed.

24       General Neller: There are a number of things that  
25 we're trying to do, the most important of which is buy new

1 aircraft and make sure that the aircraft we get are of  
2 sufficient quality that we can replace old aircraft and we  
3 don't have to spend money twice to buy new and -- but, there  
4 will be, in a legacy fleet -- you're always in a legacy  
5 fleet, whether it's ground equipment or air equipment. So,  
6 first, buy new. Second, we've funded readiness in this  
7 budget at a much, much higher level than we ever have  
8 before, so we got more money for parts and spares. The  
9 flight-hour program is out there. Flight hours are up --  
10 not yet to where we want it to be. It's hard to say that  
11 you could ever fly too much. But, we've -- part of our  
12 recent readiness issues, and some of the things that have  
13 happened is, we've got a whole, like, 5 or 6 years of pilots  
14 who were -- used to be, if they were senior captain and  
15 major, they are, like, 1500 to 2,000 hours; now they've got  
16 under 1,000, because they haven't been flying enough. And  
17 so, we're trying to remedy that. And, just like CNO said,  
18 if we didn't -- it didn't happen overnight to get to this  
19 point, it's not going to get fixed overnight.

20       So, steady, consistent funding is what's going to allow  
21 suppliers out there to get us parts, because they're going  
22 to believe that the government's going to be there, that  
23 they can keep their workforce, they can order the stuff that  
24 they need to build the parts, and then we can get it faster  
25 and get more airplanes and other equipment ready.

1           Mr. Spencer:  Senator, let me add something on there.  
2   One of the things that we've been working on, obviously, is  
3   a statement that I make that the best solution provider for  
4   a problem is the person looking at the problem.  And this  
5   bubbled up through the wings all the way up to our depot  
6   maintenance.

7           And we have a new pilot program underway, called Depot  
8   Readiness Initiative.  What we were finding out was, in the  
9   case of a legacy plane, it goes up into depot, it's 1,000  
10  man hours to take it apart and do the depot-level  
11  maintenance, while, back at the squadron, the calendar  
12  maintenance clock was still running.  So, down the plane  
13  comes back to the squadron, and you've got to spend another  
14  500 hours taking things apart and putting things back on to  
15  make sure that it's brought up to certification.  Why not do  
16  that up at the --

17          Senator Kaine:  Right.

18          Mr. Spencer:  -- depot-level maintenance?  Sounds like  
19  a very simple thing to do, but there were funds that had to  
20  be arranged from different pools of money.  We're trying  
21  this.  The flow is increasing.  We think this is something  
22  we're going to do.  But, this is an example of how we're  
23  getting at it.

24          Senator Kaine:  Excellent.  Thank you.

25          I'm over my time.  I appreciate it, Mr. Chair.

1           Senator Tillis [presiding]: Senator Kaine, I also  
2 wanted to thank you for participating in the marine spouses  
3 meeting yesterday morning. Appreciate your focus on the  
4 issue.

5           Senator Blumenthal.

6           Senator Blumenthal: Thanks, Mr. Chairman.

7           And I want to reiterate my thanks to all of the  
8 families. As the numbers of deployments have increased and  
9 the proportion of Americans involved directly in these wars  
10 over the last 15 years has diminished, we've been fighting a  
11 longer period of time in our history than ever before, with  
12 a smaller part of the population, which exacts a heavy toll  
13 on our families. And I appreciate your sensitivity to those  
14 issues. And we need to do more, and do better, to support  
15 them.

16           Mr. Secretary, in last year's NDAA, I required, through  
17 an amendment that I offered, or the NDAA did, the Navy to  
18 submit a report on how the maintenance backlog will be  
19 addressed. I know there's been some discussion already this  
20 morning. The report, delivered in February, stated, quote,  
21 "The Navy intends to execute all the workload programmed at  
22 the naval shipyards with no availabilities moving from  
23 public to the private sector."

24           In the House Armed Services Committee just last month,  
25 you stated and acknowledged that private yards have to be



1 more involved with maintenance. It's a simple fact that  
2 there's more work than the public yards can be done. Is  
3 that still your view?

4 And just for the record, let me state my view, that,  
5 with respect to submarine maintenance, the private yards are  
6 tremendously important, and use of them is vital, not only  
7 because there's more work than the public yards can do, but  
8 also because our defense industrial base, our workforce,  
9 needs to be retained and, in fact, enhanced because of the  
10 need to smooth the maintenance work and new work, and keep  
11 those people on the job. So, perhaps you'd care to comment.

12 Mr. Spencer: I'd -- I'm going to use your statement as  
13 my answer, Senator. Definitely, the way that we are looking  
14 at it is, we'll load the public yards to 100 percent, and  
15 then we have to look at elsewhere to relieve the pressure.  
16 This goes in concert with not only the efficiencies that  
17 we'll get by putting ships through the maintenance process  
18 on a flow-control basis, but this also addresses your  
19 concern, and mine also, which is the health of the  
20 industrial base.

21 Senator Blumenthal: So, you would commit to shifting a  
22 number of near-term backlog maintenance availabilities to  
23 the private yards to help smooth out the workload.

24 Mr. Spencer: If -- yes. If, in fact, Senator, we have  
25 the workflow charts that we can actually work with to make

1 sure that we're not overloading someone, yes. We're going  
2 to do it for efficiencies.

3 Admiral Richardson: Yes, Senator. I --

4 Senator Blumenthal: Admiral?

5 Admiral Richardson: -- think, in fact, we've already  
6 decided to do some of that, so our behavior is really the  
7 biggest indicator of where our thinking is. And it's just a  
8 plain fact that we've got to work together to get this done.

9 Senator Blumenthal: Well, I agree that actions speak  
10 louder than words, and I'm glad those actions are taking  
11 place.

12 Mr. Spencer: And the public yards -- I mean, behind  
13 the private yards, Senator, are also very engaged in this.

14 Senator Blumenthal: Let me ask you -- General Neller  
15 and I spoke a little bit yesterday about the F-35. Could  
16 you give me your assessment, in terms of the Navy and the  
17 Marine Corps, about the capabilities of the F-35 and your  
18 commitment to continuing that program?

19 Mr. Spencer: Senator, the F-35 is an amazing piece of  
20 gear in many fronts. In fact, I'll say all fronts,  
21 including the procurement side and the sustainment side.  
22 It's proving out, in the Marine Corps, to be what we've  
23 advertised it to -- what they advertised it to be. It's  
24 hitting the requirements. I would not be -- I'd be remiss  
25 if I was to say that we don't have our challenges, as far as

1 procurement price and sustainment, which we are working on  
2 tooth and nail right now, from the Deputy Secretary on down  
3 to the JPO, Ms. Lord, and the service secretaries, Air Force  
4 and Navy.

5       You saw our latest move that was made. We are going to  
6 be a responsible client, and we are not going to accept gear  
7 that is not of quality. We will work with the prime to make  
8 sure we come to a conclusion on how we're going to handle  
9 that. But, going forward, all parties are focused on, as I  
10 said earlier, not only the acquisition cost, but, almost  
11 more importantly, the sustainment costs.

12       Senator Blumenthal: And I think there's agreement  
13 among all of the contractors, from the prime to the subs,  
14 that driving down the cost is a priority. The war on cost -  
15 -

16       Mr. Spencer: Exactly.

17       Senator Blumenthal: -- as it's been called, is a  
18 common objective, here.

19       Mr. Spencer: We are partners in that regard.

20       Senator Blumenthal: Thank you.

21       Thank you very much, Mr. Chairman.

22       Senator Tillis: Senator Donnelly.

23       Senator Donnelly: Thank you, Mr. Chairman.

24       I want to thank the witnesses for being here with us.

25       And, Secretary Spencer, I've had the privilege of

1 having Admiral Richardson and General Neller at Naval  
2 Surface Warfare Center Crane. I am hopeful that you'll be  
3 able to come out, as well, and see the hard work of all  
4 those good people.

5 Mr. Spencer: Most definitely. It's on the list,  
6 Senator.

7 Senator Donnelly: Thank you very, very much.

8 Additionally, Admiral Richardson and General Neller, I  
9 appreciate all the work you've done on addressing military  
10 suicide. You know that suicide risk, it often isn't tied to  
11 deployments or combat experiences. We can't be restricting  
12 our most rigorous mental health assessments just to the  
13 deployment cycle. You've been incredibly helpful in all of  
14 this and in implementing legislation. You told me, last  
15 year, that your services were on track for full  
16 implementation of the Sexton Act requirement for the annual  
17 mental health assessment by October of 2017. Can you  
18 confirm that you've reached that milestone? And were there  
19 any difficulties, or are there any other things that you  
20 feel we might be missing in this area on this end?

21 Admiral Richardson: Sir, we've reached that milestone,  
22 last July. And so, we -- you know, ahead of the October  
23 deadline. We've conducted close to 100,000 of these types  
24 of assessments. I will tell you that it is a vexing  
25 problem. And last year was not a great year for us --

1 Senator Donnelly: Yeah.

2 Admiral Richardson: -- with respect to suicide in the  
3 Navy. And it is not linked, all the time, to deployment  
4 cycles, as you say, or even deployment in any sense.

5 I -- we've also had some tremendous, I guess, stories,  
6 where servicemembers have seen their shipmate in trouble,  
7 have intervened, and have saved a life. And I think that  
8 that is where the center of gravity of our efforts are, is  
9 at that peer-to-peer --

10 Senator Donnelly: Pushing it down.

11 Admiral Richardson: Exactly right, yes, sir. And so,  
12 those are the people that have the most sensitivity, the  
13 most awareness. I think that they are the most capable, in  
14 terms of stepping in, making feel -- making that sailor feel  
15 like they're not alone, there's hope at the end of the  
16 tunnel, here, and shepherding them through that hard time.

17 Mr. Spencer: Senator, as an example -- and I'll throw  
18 out a vignette, because I think it's important -- last  
19 Christmas holiday time, one of our sailors out at Joint Base  
20 Andrews was coming back from an engagement with a fellow  
21 airmen and noticed something was wrong. They checked into  
22 their rooms, and the sailor went back to knock on the door  
23 and prevented a suicide.

24 Senator Donnelly: General, how is the Corps doing?

25 And is there anything on our side here that we can do to be

1 of help to you, sir?

2           General Neller: With regard to suicides, like the  
3 Navy, we -- you know, we, despite our best efforts -- I  
4 mean, your goal is none. We know we're never going to get  
5 to zero. The people that have issues, then we do the health  
6 assessment, that are willing to come out and say they have  
7 issues, then we get them help, and there's things that we  
8 can do. All too often, though, we find -- I mean, in some  
9 cases, when someone is -- does take their own life, you  
10 know, there was some knowledge -- the command. In many  
11 cases, though, Senator, there's -- it comes as a complete  
12 surprise, despite our best efforts to know our people, then  
13 get involved through force preservation, particularly the  
14 more senior. We've had a number of officers, some senior  
15 enlisted, and not everybody just kind of sits around and  
16 goes, "I mean, I just talked to him or other the other day,  
17 and we can't explain it."

18           So, I think the Congress, and you particularly, have  
19 been very helpful. I think we have all the tools that we  
20 need. And this is -- you know, it's a mystery of life. I  
21 don't -- I'm not going to blow it off. We're never going to  
22 stop trying to get to zero and make sure that people know  
23 if-- that if they have an issue, you know, there's no  
24 problem that can't be solved if you're willing to come  
25 forward and talk about it.

1           But, we're kind of -- it's kind of a steady-state. I'm  
2 not saying that's --

3           Senator Donnelly: Right.

4           General Neller: -- where we are, but I could show you  
5 the numbers, and it's been pretty consistent over the last  
6 few years.

7           Senator Donnelly: Well, please let us know if there's  
8 anything else we can do here to be of assistance to you.

9           I just want to mention quickly, Mr. Secretary, Admiral,  
10 yesterday the USS Indianapolis was launched. And our city  
11 is very proud of it. Our State is very proud of it. And it  
12 is going to be going into harm's way, and you have  
13 extraordinary crewmembers, an extraordinary group of people  
14 who are serving to make that successful.

15           I just want to follow up on Senator King's discussion  
16 about opioids, very quickly, and the role the Coast Guard is  
17 playing and anything you can do to help. We lost 60,000  
18 young people last year, 40,000 to opioids, another 20,000 on  
19 top of that to overall losses to drug abuse. And so, this  
20 product's coming in from Mexico. It's coming in through our  
21 shores. And at the end of the road on each of these is  
22 somebody who makes a tragic decision, where we lose the next  
23 nurse in Jennings County or the next teacher in Marion  
24 County or the next sailor or marine from Evansville. And  
25 so, anything you can do as you coordinate with the Coast

1 Guard, as you work with them to help with this scourge, and  
2 anything you, as you look at -- and do it in a very  
3 unvarnished way -- anything you see that we can do better --  
4 because, as I said, 60,000 this year, and next year's  
5 expected to be even more. And it is an American tragedy and  
6 an American crisis.

7 I want to thank you both for all your service. Mr.  
8 Secretary, also, you for your service. It is the highest  
9 honor, and we're really grateful to have you here.

10 Thank you.

11 Senator Tillis: Thank you, Senator Donnelly.

12 Gentlemen, thank you for being here, for your service.

13 This committee is adjourned.

14 [Whereupon, at 11:39 a.m., the hearing was adjourned.]

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