

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 2025
AND THE FUTURE YEARS DEFENSE PROGRAM

Thursday, May 16, 2024

Washington, D.C.

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7
8 U.S. Senate

9 Committee on Armed Services

10 Washington, D.C.

11
12 The committee met, pursuant to notice, at 9:15 a.m. in
13 Room SH-216, Hart Senate Office Building, Hon. Jack Reed,
14 chairman of the committee, presiding.

15 Committee Members Present: Senators Reed [presiding],
16 Shaheen, Gillibrand, Blumenthal, Kaine, King, Warren,
17 Peters, Manchin, Duckworth, Rosen, Kelly, Wicker, Fischer,
18 Cotton, Rounds, Ernst, Sullivan, Cramer, Scott, Tuberville,
19 Mullin, Budd, and Schmitt.

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

3 Chairman Reed: Good morning. And since we have a
4 quorum, I will begin by asking the committee to consider our
5 list of 3,549 pending military nominations. All of these
6 nominations have been before the committee for the required
7 length of time. Is there a motion to favorably report this
8 list of 3,549 pending military nomination to the Senate?

9 Senator Wicker: So moved.

10 Chairman Reed: Is there a second?

11 Senator Shaheen: Second.

12 Chairman Reed: All in favor aye.

13 [Voice vote. Chorus of ayes.]

14 Chairman Reed: The motion carries. Thank you very
15 much.

16 Good morning. The committee meets today to receive the
17 testimony on the President's budget request for the
18 Department of the Navy for Fiscal Year 2025. I'd also like
19 to welcome Secretary of the Navy, Carlos Del Toro, Chief of
20 Naval Operations, Admiral Lisa Franchetti, and Commandant of
21 the Marine Corps, General Eric Smith.

22 I would note that this is Admiral Franchetti and
23 General Smith's first posture hearing before the committee.
24 And General Smith, on behalf of the committee, I'm pleased
25 that you are joining us in good health and good spirits.

1 Not surprising for Marine. So, thank you, sir. You and
2 your family have been in our thoughts since your medical
3 emergency last fall, and we're thrilled at your remarkable
4 recovery.

5 We are grateful to each of our witnesses for your
6 service and for the service of the men and women under your
7 command, and for the support of all Navy and Marine Corps
8 families. And would you thank them for us, please?

9 The importance of the Navy and Marine Corps joint
10 mission has never been clearer. Just last month, Iran
11 launched hundreds of drones and missiles at Israel,
12 prompting U.S. Navy vessels in the region to work with the
13 Air Force, Israel, and partner nations to successfully shoot
14 down the incoming munitions.

15 In addition, Houthi rebels in Yemen have launched
16 hundreds of drone missile attacks against U.S. and
17 international vessels in the Red Sea disrupting nearly 15
18 percent of global commercial trade.

19 However, the American-led coalition has shut down the
20 vast majority of these attacks and has carried out hundreds
21 of air strikes against Houthi targets and other Iranian
22 proxies significantly degrading their capabilities. I
23 commend the service members who have taken part in these
24 operations as well as the Navy and the Marine Corps
25 leadership in facilitating humanitarian support to Gaza.

1 Our adversary should take note of the capabilities of
2 the United States and our allies to bring to any conflict.
3 Indeed, in other seas and ports around the world,
4 particularly the Indopacom, the Navy, and the Marine Corps
5 will continue to be the first line of deterrence and defense
6 against China and other competitors' expanding ambitions.

7 The United States Navy remains the finest in the world,
8 but our maritime forces must adapt quickly to this changing
9 threat environment. To that end, President Biden's defense
10 budget request for Fiscal Year 2025 includes \$257.6 billion
11 in funding for the Department of the Navy. Within this
12 budget, the Navy has requested a number of new ships. The
13 procurement of several new destroyers, frigates, and
14 logistics vessels is well-reasoned.

15 However, the Navy has requested to procure only one
16 Virginia-class submarine in Fiscal Year 2025, diverging from
17 the longstanding two per year plan. Instead, the Navy has
18 requested one submarine and roughly \$2 billion to improve
19 the capabilities of the submarine industrial base. I
20 understand this was a difficult decision. I would ask our
21 witnesses to discuss their reasoning in detail.

22 Additionally, I would like to know how the recently
23 passed National Security Supplemental Appropriations Bill
24 will help improve the situation, particularly with regard to
25 the submarine industrial base and workforce. And let me

1 commend Senator Wicker for his efforts to include \$3 billion
2 in that Supplemental.

3 Finally, I would like the witnesses to discuss their
4 expectations for the submarine production numbers in the
5 future. Challenges similar to the submarine program are
6 being experienced by other programs in both private and
7 public shipyards. The department has undertaken its
8 shipyard infrastructure optimization program, which
9 represents more than \$25 billion in plant investment over
10 the next 25 years to modernize and improve our Navy
11 shipyards.

12 The Navy recently completed a 45-day assessment of its
13 shipbuilding program. As the Navy's review makes clear,
14 there are significant hurdles facing the service and the
15 nation to continue modernizing the fleet. Secretary Del
16 Toro, I would appreciate your outlook on the Navy's efforts
17 to improve ship building and ship maintenance programs.

18 General Smith, the Marine Corps is in the midst of a
19 substantial transformation focused primarily on competition
20 in the Indo-Pacific. The service is restructuring around
21 expedition and concepts that will provide a more flexible
22 amphibious force that can support a broader naval fight once
23 ashore. Indeed, the Marine Corps is much more than a ground
24 fighting force. It must help control the sea and air in
25 support of the joint force.

1 To achieve this, the Corps is prioritizing a number of
2 modernization efforts, including long range fires, enhanced
3 air and missile defense, and improved ground and amphibious
4 combat vehicles. These platforms should help AC equip the
5 Marines with improved force, protection, lethality, and
6 mobility. And General, I would ask for an update on the
7 force's design, concept, and progress.

8 There also may be discussions this morning about the
9 appropriate amphibious force structure. I understand that
10 the Marine Corps continues to seek 31 large amphibious ships
11 to meet its requirements in addition to smaller vessels to
12 support the expeditionary advanced base operation concept.
13 Others have asserted that amphibious ships are necessary. I
14 would ask each of the witnesses for an update on these
15 discussions.

16 Again, I want to thank the witnesses for appearing
17 today, and I look forward to their testimonies. As a
18 reminder for my colleagues, there will be a closed session
19 immediately following this hearing in Room SDC-217.

20 Now, let me recognize Ranking Member, Senator Wicker.
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1 STATEMENT OF HON. ROGER F. WICKER, U.S. SENATOR FROM
2 MISSISSIPPI

3 Senator Wicker: Thank you very much, Mr. Chairman.

4 I'm grateful to our witnesses for appearing today, and
5 like you, Mr. Chairman, I want to extend an especially warm
6 welcome to General Smith. General Smith, I think that this,
7 without question, your first visit to this committee since
8 your heart operation, my colleagues and I are very grateful
9 for your recovery.

10 I was interested to see the special report on one of
11 the news programs just a few days ago. My hat is off to the
12 Good Samaritan, Tim Leland, a CPR-trained bystander who
13 happened along, highly trained, and was willing and capable
14 of keeping you alive, helping you in your time of need.

15 I'm grateful, and this nation is grateful to this young
16 man. And I know this experience has given you renewed
17 appreciation for your loved ones and for the Marines you're
18 leading. So, glad to see you looking so good.

19 I want to join all of you in expressing our gratitude
20 to the men and women serving in our Marine Corps and in our
21 Navy. In the Red Sea and elsewhere, they execute missions
22 of which there are no other naval forces capable. For one
23 example, our Navy has been the first to shoot down an anti-
24 ship ballistic missile fired in conflict.

25 They are accomplishing feats like this so routinely

1 that our nation could easily forget what an astounding
2 accomplishment that was and what astounding abilities we
3 have. Destroyers like the USS Gravelly, which was built in
4 my home state of Mississippi, are protecting maritime
5 commerce, our allies, and our own forces.

6 For months on end, they operate persistently within
7 range of enemy weapons. Their skill and bravery are
8 evident. But these missions come at a cost, putting our
9 young men and women on extended deployments, places sailor
10 welfare material readiness, and weapons inventory at risk.

11 This committee has a lot of work to do and we have a
12 quantum leap that we need to make and we need to do it soon.
13 The truth is that our naval fleet is too small and too old
14 to meet the demands of our combatant commanders and our
15 national defense strategy, particularly in the years going
16 forward. The urgent need to rebuild the Navy is not lost on
17 this committee.

18 The pertinent question becomes, how should we rebuild?
19 It's clear we will not be able to do so with the Navy's
20 Fiscal Year 2025 budget request, which contains cuts to
21 naval personnel, ship building weapons, and military
22 construction. We will not be able to meet the needs of our
23 nation with that request. We're going to have to address
24 this by working across the aisle, and I'm glad to be sitting
25 next to a chairman who has shown a willingness to do this

1 over time.

2 Here are the facts. Compared to Fiscal Year 2023,
3 President Biden has asked the Navy to take a 3 percent cut.
4 When accounting for inflation, these cuts impact the
5 capacity of our force. The Navy is asking to retire 19
6 Battle Force ships and procure only six is just a fact.
7 This is completely unacceptable. As I've done in the past,
8 I want to work with my colleagues in Congress, as I say,
9 across the aisle and in the other body to fix the Navy's
10 budget.

11 The Navy has work to do internally while my colleagues
12 and I work on the budget. The secretary's 45-day ship
13 building review found delays across the entire portfolio.
14 For example, the Constellation-class frigate will be three
15 years late and will take nearly 10 years to deliver the lead
16 ship. This is largely because the Navy cannot keep its
17 requirements steady. Almost 70 percent of the requirements
18 have changed since the Navy signed a contract. So, the
19 outcome that we see today is no surprise.

20 This is not an example of the industry underperforming.
21 This is senior officials unable to manage a program. This
22 is acquisition malpractice and a terrible waste of time and
23 resources. I want to understand what urgent steps the
24 Secretary will take to improve the Navy as a customer,
25 regulator, and technical authority. The upcoming landing

1 ship medium program presents an opportunity for the Navy to
2 avoid heading down the same disappointing path as the
3 frigate.

4 The Congressional Budget Office estimates a cost two to
5 three times greater than the Navy had budgeted. This new
6 program can apply lessons learned to ensure that the Marines
7 get a ship at the capacity and schedule they need for
8 campaigning in the Pacific.

9 I appreciate the efforts of the submarine industrial
10 base community over the past five years, and I do appreciate
11 the chair's kind words about our efforts and our success
12 recently in getting over \$3 billion for the industrial base.
13 The industrial base community is dealing in a holistic
14 fashion with structural workforce and supply chain problems.

15 That's why I insisted last year as a condition for the
16 office agreement that the administration make a significant
17 down payment on the submarine industrial base. This
18 resulted in the \$3.4 billion that was included in the
19 National Security Supplemental Appropriation. However, I
20 remain concerned that this approach has not been taken for
21 other ship classes.

22 Finally, I want to touch on the continuing recruiting
23 crisis facing our military. Every service has struggled in
24 recent years, but the Navy has been unique in its response.
25 Other services have invested in reforms and new programs

1 without sacrificing quality. But the Navy has lowered
2 standards. That approach does not appear to be working.

3 Recent reports indicate the Navy could miss its
4 recruiting mission by nearly 15 percent this year. We need
5 to know if that's true. The Army and Air Force are now
6 optimistic about their ability to achieve their respective
7 recruiting goals. It's time for the Navy to learn from
8 every other service and reemphasize quality.

9 I hope our witnesses will explain to this committee how
10 they plan to fix the Navy's recruiting crisis without
11 sacrificing basic standards. And that's just the beginning
12 of what I would like to say. We'll follow up more on some
13 questions.

14 Thank you very much, Mr. Chairman.

15 Chairman Reed: Thank you, Senator Wicker.

16 Mr. Secretary, please.

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1 STATEMENT OF HON. CARLOS DEL TORO, SECRETARY OF THE
2 NAVY

3 Mr. Del Toro: Good morning, Chairman Reed, Ranking
4 Member Wicker, and distinguished members of this committee.
5 It is indeed an honor to appear before you this morning to
6 discuss the posture of the Department of the Navy.

7 First and foremost, I'd like to thank General Smith and
8 Admiral Franchetti for, again, answering the call of our
9 nation time and time again. They, like all who devote their
10 careers, and in many cases, indeed sacrifice their lives in
11 defense of their fellow Americans, represent everything that
12 makes this country a beacon of hope and freedom around the
13 world.

14 Together, our combined years of service to our country
15 totals over a century. A century marked by multiple
16 deployments, time away from home and sacrifices made by our
17 families. And as we gather here this morning, tens of
18 thousands of our sailors, our marines, or civilians and
19 their families are either stationed or deployed all over the
20 world, making the same sacrifices and enduring the same
21 trials that myself, General Smith, and Admiral Franchetti
22 have faced throughout our own careers.

23 And I think that gives us a special appreciation for
24 their service in the Indo-Pacific. Our Navy and Marine
25 Corps are sailing and operating alongside our international

1 allies and partners in support of free and open maritime
2 commons, one where nations are secure in their access to the
3 seas, and where their rights within our exclusive economic
4 zones are respected and upheld by all nations, including the
5 People's Republic of China.

6 Across Europe, we, in cooperation with our NATO allies,
7 are supporting our Ukrainian partners as they continue to
8 fight to restore their territorial and national sovereignty
9 as Russia's illegal, full-scale invasion is now into its
10 third year. And I commend Congress for passing the National
11 Security Supplemental last month, allowing us to continue
12 providing support to our Ukrainian partners as they fight to
13 restore peace in their homeland and indeed in defense of
14 democracy for all countries and all free nations.

15 And in the Red Sea, as you have stated, Mr. Chairman
16 and Ranking Member, our sailors and marines have countered
17 hundreds of missiles and drones launched by the Houthis
18 these past six months, over 300, targeting merchant
19 shipping, and the warships of both the United States and our
20 international allies and partners.

21 We are confronting an adversary supported by Iran that
22 has absolutely no respect for the innocent lives of civilian
23 merchant mariners, and one that is actively targeting our
24 ships, attempting to harm our sailors and marines because we
25 dare to defend the defenseless. And last month, USS Carney

1 and USSR Burke both operating in the Eastern Mediterranean
2 Sea, intercepted several Iranian ballistic missiles heading
3 towards Israel.

4 For those who question why the American taxpayer should
5 provide for and maintain a Navy and a Marine Corps, look at
6 what is happening today in the Middle East, where we are
7 defending the free flow of international commerce, and
8 actively defending our international partners and allies.

9 Members of the committee, we appear before you today to
10 ask for your continued support, thankful for the support
11 you've provided us in the past, your partnership and your
12 commitment, ensuring that nearly one million sailors,
13 marines and civilians of the Department of the Navy that we
14 lead are ready on all fronts at all times.

15 While the Fiscal Responsibility Act of 2023 require us
16 to make extremely hard choices. The \$257.6 billion in the
17 President's budget request for Fiscal Year 2025 for our
18 department adeptly balances, maintaining, modernizing the
19 fleet and force of today, against planning for the future
20 force, while also taking care of our people within those
21 financial restrictions.

22 This budget directly supports our department's three
23 enduring priorities of strengthening our maritime dominance,
24 creating a culture of war, fighting excellence, and
25 enhancing our strategic partnerships around the globe. We

1 are acquiring the most lethal, agile, and capable warships,
2 submarines, aircraft, weapons, and systems that our world
3 has ever seen.

4 We are also funding the research and development of
5 transformational technologies and fielding them more quickly
6 to make our fleet more lethal and persistent within the
7 current fit up. We're investing billions of dollars in the
8 industrial base that supports us, while encouraging them to
9 invest more in resources themselves at the same time.

10 And as responsible stewards of taxpayer money, we will
11 enforce accountability to ensure that our sailors and
12 Marines have the platforms and the capabilities that they
13 need, on time and on budget. Above all else, we're taking
14 care of our personnel and their families by focusing and
15 improving housing, expanding childcare capacity, and
16 increasing access to mental health resources amongst other
17 critical areas.

18 We are clear-eyed about the challenges that our nation
19 and our Navy faces today in, in the maritime domain, both
20 commercial and naval. And as a maritime nation, we must
21 confront the challenges of today and prepare for the
22 potential conflict of tomorrow by investing in a strong Navy
23 and Marine Corps.

24 Again, it's an honor to appear before you this morning
25 and we look forward to discussing with you how best to

1 deliver the Navy and Marine Corps capability that our nation
2 requires.

3 Thank you.

4 [The prepared statement of Mr. Del Toro follows:]

5 [COMMITTEE INSERT]

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1 Chairman Reed: Thank you, Mr. Secretary.

2 Admiral Franchetti, please.

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1 STATEMENT OF ADMIRAL LISA MARIE FRANCHETTI, CHIEF OF
2 NAVAL OPERATIONS

3 Admiral Franchetti: Chairman Reed, Ranking Member
4 Wicker, distinguished members of the committee, good morning
5 and thank you for the opportunity to testify on the posture
6 of the United States Navy.

7 On behalf of the sailors, Navy civilians, and their
8 families deployed and stationed all around the world, thank
9 you for your leadership, and your continued support in
10 providing and maintaining the Navy the nation needs. I'd
11 also like to thank my teammate, General Smith for his
12 exceptional partnership and collaboration as we guide our
13 services under the leadership of Secretary Del Toro.

14 Flanked by two oceans, the United States is and always
15 has been a maritime nation whose security and prosperity
16 rely on access to the sea. And for over 248 years, the U.S.
17 Navy has guaranteed that access, operating forward,
18 defending our homeland, and keeping open the sea lines of
19 communication that fuel our economy and underwrite our
20 nation's security.

21 The events of this past year and the actions taken by
22 our Navy Marine Corps team in the Indo-Pacific, in the
23 Mediterranean, in the Red Sea, and beyond, underscore the
24 enduring importance of American naval power.

25 With an average of 110 ships and 70,000 Sailors and

1 Marines deployed at sea on any given day, the Navy Marine
2 Corps team is delivering power for peace, deterring
3 potential adversaries, and standing ready to fight and win
4 our nation's wars if deterrence fails. I could not be more
5 proud of this team. No other navy in the world can train
6 and deploy and sustain such a lethal combat, credible force
7 that operates from the seabed to space at the scope, scale,
8 and tempo that we do.

9 This year's budget supports the National Defense
10 Strategy and my priorities of war fighting, war fighters,
11 and the foundation that supports them. It enables the Navy
12 to continue to meet our congressionally mandated mission,
13 both in peace and war. It is strategy-driven, maintaining
14 our focus on the People's Republic of China as the pacing
15 challenge, the acute threat of Russia, and other persistent
16 threats like the DPRK, Iran, and VEOs.

17 Given the discretionary spending caps prescribed by the
18 Fiscal Responsibility Act, and a top line increase of 0.7
19 percent, the Navy had to make tough choices favoring near-
20 term readiness, investing in our industrial base, and
21 prioritizing our people, while assuming risk in future
22 capabilities.

23 Within this fiscally constrained environment, the
24 budget request fully funds the Navy's top acquisition
25 priority and the most survivable leg of our strategic

1 deterrence; the Columbia-class submarine. It provides funds
2 for six battle force ships, incremental funding for two Ford
3 class aircraft carriers in Fiscal Year 2025, and continues
4 our support to Marine Corps force design by maintaining 31
5 amphibious ships, procuring three LPDs, 1 LHA, and 8 medium
6 landing ships.

7 In total, the budget request procures 57 ships and
8 submarines across the fit up. This budget prioritizes war
9 fighting by funding our operations training and readiness
10 accounts. It invests in our foundation with funding for our
11 installations, for our shipyard infrastructure optimization
12 program, and for the broader defense industrial base,
13 sending a strong signal to our industry partners on the need
14 to increase our capacity to meet the growing demands of the
15 present and the future.

16 And it continues our strong commitment to our war
17 fighters and our families through pay raises for our sailors
18 and Navy civilians, and investments in quality of service
19 initiatives such as unaccompanied housing, education,
20 childcare, and sailor resiliency. These initiatives, as
21 well as others, enabled by your steadfast support, have
22 helped us maintain historically high levels of retention,
23 which is imperative given the current recruiting
24 environment.

25 And while this environment remains challenging and our

1 manning requirements at sea have increased, we are 2,500
2 recruits ahead of where we were last year at this time, and
3 I remain optimistic that our marketing and data analytics
4 investments will show additional progress throughout the
5 year.

6 As chief of naval operations, I am committed to pulling
7 every lever available to me to put more ready players on the
8 field, platforms that are ready with the right capabilities,
9 weapons, and sustainment, and people who are ready with the
10 right skills, tools, training, and mindset to defend our
11 nation's security and prosperity whenever and wherever it is
12 threatened.

13 I thank the committee for your leadership and
14 partnership in ensuring the world's premier fighting force
15 remains ready to preserve the peace, respond in crisis, and
16 win decisively in war, if called.

17 I look forward to your questions.

18 [The prepared statement of Admiral Franchetti follows:]

19 [COMMITTEE INSERT]

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1 Chairman Reed: Thank you very much, Admiral.
2 General Smith, please.

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1 STATEMENT OF GENERAL ERIC SMITH, COMMANDANT OF THE
2 MARINE CORPS

3 General Smith: Good morning, Chairman Reed, Ranking
4 Member Wicker, ladies, and gentlemen. Thank you for the
5 opportunity to represent your Marines today.

6 I'd like to start by sincerely thanking this committee
7 for its enduring support and your advocacy for a timely,
8 predictable, and sufficient budget that enables the Marine
9 Corps to remain first to fight. I would also like to express
10 my deep gratitude for the partnership between Admiral
11 Franchetti and me as we lead our respective sea services
12 under the leadership of Secretary Del Toro.

13 Whether deterring, responding to crises, or in
14 conflict, it will be the Navy and Marine Corps'
15 expeditionary forces who make first contact with partners
16 seeking help or adversaries seeking a fight. Our
17 partnership, collaboration and integration is a decisive
18 advantage.

19 Last month, I published my updated guidance to the
20 Force entitled Maintain Momentum. I chose this title as I
21 firmly believe the Marine Corps is on the right path under
22 Force Design. A few points from that document. First, I
23 believe that Marine Corps must continue to strike a balance
24 between high-end modernization and our commitment to
25 persistent forward deployed Naval expeditionary forces that

1 campaign and respond to crises globally. This effort is
2 represented by our Marine Expeditionary Units, the coin of
3 the realm.

4 Second, we must prioritize our operations with the Navy
5 and its amphibious ships, and we must provide Marines with
6 the organic mobility to rapidly maneuver from shore, as
7 shore, ship to shore and back again.

8 Third, on recruiting. Our performance speaks for
9 itself. We'll continue to make mission without ever
10 diminishing our standards. Additionally, our top performing
11 Marines are reenlisting at record rates, and we must sustain
12 this trend.

13 Fourth, we must maximize the capability of our Reserves
14 to ensure that our nation has a ready bunch of warriors that
15 they've relied on since the founding of the Marine Corps
16 Forces Reserve in 1916.

17 Fifth, I'm dedicated to ensuring a quality of life for
18 our Marines that matches the high demands we place on them
19 every day. That means nutritious food, high quality and
20 accessible gyms, and a safe, quiet place to recover from a
21 hard day's work. Our Barracks 2030 initiative is our most
22 consequential barracks investment ever, and it is sorely
23 needed.

24 While aggressively pursuing these priorities, I commit
25 to you that our Corps will always be frugal and accountable

1 with the resources you and the American people provide. I'm
2 extremely proud of my Marines and civilian Marines who
3 enabled the Marine Corps to receive an unmodified audit
4 opinion earlier this year, the first of any service to do
5 so. They told us what we have long known that when you
6 entrust us with the taxpayers' money, it is money well spent
7 and fully accounted for. All these things are critical to
8 maintaining the strength and dominance of your Marine Corps.

9 This year marks 249 years since the founding of our
10 Corps. That is 249 years of battles won and peace upheld in
11 the name of democracy and prosperity for our nation and for
12 all nations who abide by the international rules-based
13 order.

14 But increasingly, world events demonstrate this order
15 is being challenged. Free trade, unrestricted access to the
16 seas, peaceful cooperation between nations, big and small,
17 are under assault. Our nation's prosperity is underwritten
18 by a strong Navy and Marine Corps who maintain a global
19 presence and keep malign actors at bay.

20 Thank you, again, for the opportunity to represent your
21 Marines today. I pledge to continue to work closely with
22 each of you to ensure your Marine Corps remains the most
23 lethal fighting force on the planet.

24 I look forward to your questions.

25 [The prepared statement of General Smith follows:]

[COMMITTEE INSERT]

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1 Chairman Reed: Thank you very much, General Smith.

2 Secretary Del Toro, the comments, both Senator Wicker
3 and I made indicate that the shipbuilding program in the
4 Navy is in disarray. The Columbia-class, which is the most
5 critical platform that the Navy, and perhaps the nation, is
6 trying to build is behind schedule, and it might fall
7 further behind.

8 He put extraordinary pressure on the Virginia-class
9 submarine construction. They're already behind 1.2 ships
10 versus two ships a year. You've responded by sending up a
11 request for one Virginia this year, and a significant
12 investment in the defense industrial base.

13 The first question I have, though, is there seems to be
14 management's problems in all these programs. Some of it is
15 the changing requirements on the ships so that the
16 contractor is suddenly back to square one in some cases.
17 Others is to the inability of subcontracts to produce, et
18 cetera.

19 And I must say that one of the jobs you have, and it's
20 a tough job, is to find out who's responsible and to take
21 directed action to correct it. So, could you tell us what
22 you're doing to ensure accountability in the programs to get
23 them back on track?

24 Mr. Del Toro: Thank you, Mr. Chairman.

25 As you suggest, there are a lot of challenges in the

1 shipbuilding industry and they actually date back to the
2 1980s when we gave up on commercial shipbuilding in this
3 country and lost so much of the talent in the shipbuilding
4 industry. That was compounded tremendously so by COVID and
5 the enormous challenges that we have with regards to blue
6 collar labor in this workforce that actually impacts across
7 all programs because the industry and even the Navy and its
8 public shipyards simply don't have the people that are
9 necessary to work in our shipyards. That's sort of the base
10 denominator of it all.

11 But the recent problems that we've actually seen here,
12 and I don't agree with the characterization that this is all
13 about management, by no means of the imagination, these are
14 difficult challenges that are presented to the Navy and as
15 well the shipbuilding industry that we have to deal with
16 clear on.

17 So, the delay of major components for the construction
18 of Virginia-class, as well as the Eisenhower, is the major
19 reason for the delays in these programs. So, on the
20 Eisenhower, for example, you have Northrop Grumman that's
21 building the main reduction gear when General Electric used
22 to do that, and they are behind delivering the main
23 reduction gear, in addition to the high pressure and the
24 low-pressure turbines to that carrier, which is why it's
25 behind. In the case of the Virginia class submarines, it's

1 the turbine generators that are being delivered by Northrop
2 Grumman that are significantly behind.

3 In addition to the quality assurance challenges that
4 have been presented down in Norfolk, Naval Shipyard
5 associated with the nose cones of those submarines, that
6 you're very well familiar with as well, that has led to
7 significant delays such that the New Jersey that was just
8 delivered a couple of weeks ago was delivered three years
9 late.

10 Now, some of this isn't just maintenance problems, it's
11 again, attributed to blue collar workforce challenges that
12 we're having, the degrading of the workforce. You could
13 argue that years ago, as you have stated before in another
14 testimony, you know, we had 50-year-old supervisors working
15 with 50-year-old naval engineers in the Navy. Today it's
16 35-year-olds working with each other, right? That has led
17 to significant challenges with regards to quality assurance.

18 Now, in the case of the frigate, quite frankly, it's a
19 recruiting, and a retention problem in Wisconsin. So, what
20 we are trying to actually do is many things. One, \$3.9
21 billion in the submarine industrial base in Fiscal Year
22 2025, followed by \$11 billion of investment over the rest of
23 the fed up. \$750 million investment in the defense
24 industrial base. Just in Fincantieri alone, we provided a
25 \$100 million of resources to the shipyard so they can

1 provide \$5,000 bonuses to their shipyard workers for the
2 first year if they stay in place, and another \$5,000 if they
3 stay in place throughout the construction of the ship
4 itself.

5 So, we're doing everything that we possibly can to
6 actually help industry and work with industry to get there.
7 Industry also needs to do its part, we have too many stock
8 buyback plans that, you know, as we're investing \$14 billion
9 into industry, you know, we've got billions of dollars that
10 are going out the other side of the door into stockholders.
11 So, they've got to focus more on the customer than just the
12 stockholders as well, too.

13 Chairman Reed: I concur with your final comment.
14 We're looking at companies that are not performing, but are
15 still being rewarded. And as you point out, the contraction
16 of our defense industrial base and shipbuilding is such that
17 competition is not really there as it was perhaps 20 or 30
18 years ago. The need is great, and I think we have to put
19 more effort behind it.

20 My time is expiring. There's a capacity issue. I know
21 you have a shipyard infrastructure optimization program, \$25
22 billion over 25 years, so that's a billion dollar a year. I
23 think we have to come to a real question of do we have
24 enough shipyards to function, particularly in this
25 environment where China has 16 major premier shipyards.

1 And I've taken too much time. Let me recognize Senator
2 Wicker.

3 Senator Wicker: I'm tempted to ask that you be given
4 another five minutes, Mr. Chairman, but I won't do that.

5 Let me ask General Smith and Admiral Franchetti about
6 medium-size landing ships. Now, let me start with you,
7 General Smith. It's my understanding the Marines originally
8 sought an affordable landing ship of less than \$150 million
9 based on what you saw with the logistics support vessel that
10 Israel was having built. Tell me what the landing ship
11 mediums will do. And again, we have only five minutes for
12 this round of questions. What will they do, in a nutshell?

13 General Smith: Senator, thanks for that question.

14 The landing ship medium transports are expeditionary
15 forces inter-island, it's beach-able, it can get up into low
16 watermark beaches, and it enables us to have access to the
17 entire first island chain.

18 Senator Wicker: And so, we're talking Indo-Pacific
19 Islands?

20 General Smith: Focused on the Indo-Pacific, but
21 certainly employable in the Mediterranean.

22 Senator Wicker: Okay. So, there's been requirements
23 growth and I think everyone on both sides of the dais are
24 concerned about this. The CBO now estimates that the
25 landing ship medium will cost two to three times more than

1 this \$150 million Israeli landing ship.

2 How many of the original Israeli logistic support
3 vessels could you use, and what reason would we have for not
4 being able to use those? Where you're going to need them?

5 General Smith: Senator, the Israeli version does not
6 meet our requirements for beach gradients. The beach
7 gradient of 1 to 40 is critical because it opens up --

8 Senator Wicker: 1 to 40?

9 General Smith: Yes, sir.

10 Senator Wicker: That doesn't --

11 General Smith: It means the curvature of the beach,
12 its ability to beach itself, and then back itself off.

13 Senator Wicker: Are there islands where it would work?

14 General Smith: Senator, there are, but they would
15 limit us in our ability to spread throughout the first
16 island chain to counter the PRC.

17 Senator Wicker: Okay. So you are telling this
18 committee that you really can't use any of these logistic
19 support vessels that the Marine Corps initially planned to
20 use?

21 General Smith: Senator, they would not be purpose-
22 built. We could use them, but we would lose capability.
23 We'd lose access to parts of the Indo-Pacific that we
24 currently need to have access to in order to counter the
25 PRC's continued aggression.

1 Senator Wicker: To what extent could they be modified
2 without going two to three times more than the original
3 budget?

4 General Smith: Senator, I'll have to get back to you
5 on that, on the ability to modify them without increasing
6 costs?

7 Senator Wicker: Well, obviously, it would increase
8 cost. But how is it that -- I suppose, the Israelis are
9 interested in different kinds of different islands in
10 different areas and it works for them, but to what
11 percentage of the islands in the Pacific could you use the
12 existing vessel?

13 General Smith: Senator, I don't have an exact number
14 for you. I can get back to you on that.

15 Senator Wicker: Okay. Well, please do. Let me ask
16 Admiral Franchetti to answer that question on the record.

17 The information referred to follows.]

18 [COMMITTEE INSERT]

19 Senator Wicker: Let me just ask you this in the time
20 we have, the minute we have, Secretary Del Toro. There's a
21 lot of interest in this committee about a Force ship buy of
22 Amphibs.

23 Will you commit to a multi-ship buy of amphibious
24 warships?

25 Mr. Del Toro: Senator, I am highly enthusiastic for

1 the four-year multi ship procurement. I always have been.
2 And we are in final negotiations with the shipyard to
3 actually put forward the proposal, obviously, depending on
4 what the numbers come back. But we are aggressively
5 pursuing all negotiations with the shipyard to get to a
6 four-year multi ship procurement on amphibious ships.

7 Senator Wicker: When will you be able to give us a
8 more firm answer there?

9 Mr. Del Toro: I hope within the next 30 to 60 days,
10 sir.

11 Senator Wicker: All right. But can we assume that
12 we're all working toward a yes answer?

13 Mr. Del Toro: Absolutely, sir. We have the
14 authorizations, we have the appropriations, and I just want
15 to move forward with the final negotiations to get the best
16 price on behalf of the American taxpayer.

17 Senator Wicker: Okay. Thank you very much.

18 Chairman Reed: Thank you, Senator Wicker.

19 Senator Shaheen, please.

20 Senator Shaheen: Good morning. Thank you all for
21 being here, and for your service to the country.

22 One of those initiatives that I think has been helpful
23 to expanding capacity are the Supplier Development Funds.
24 They can flow down to small businesses, which are so
25 critical to the innovation that we need if we're going to

1 expand in the way that we want to.

2 We have an important subcontractor in New Hampshire
3 called Granite State Manufacturing, who's been able to use
4 those funds to expand their capacity to support both the
5 Virginia- and Columbia-class submarines. As the direct
6 result of receiving this funding, they've also formed a
7 partnership with the local community college, which has been
8 critical in providing skilled workers.

9 So, can you speak, Secretary Del Toro, to the
10 importance of those submarine supplier development funds and
11 how other small businesses might be able to take advantage
12 of them?

13 Mr. Del Toro: Very much so, Senator. They're
14 extremely important, and our PO SSPN actually is working
15 very, very closely with industry as we actually obligate the
16 submarine industrial-based monies as well with small and
17 medium-sized companies to ensure that they have stable
18 funding to be able to sustain themselves. Extremely
19 important, and we're highly committed to it, and there's no
20 reason to think otherwise.

21 Senator Shaheen: Good. Thank you.

22 You mentioned along with Admiral Franchetti, the
23 Shipyard Infrastructure Optimization Plan, the SIOP, and the
24 Navy's called that a once in a generation investment. But
25 what we're seeing in the Portsmouth Naval Shipyard, for

1 example, is that cost overruns have thrown that schedule
2 off.

3 And I wonder if you could speak, maybe Admiral
4 Franchetti, to your commitment to ensuring that that project
5 stays on time, on schedule, and how confident you are that
6 that's going to happen?

7 And I should say, as part of that, how much I
8 appreciate, as the chairman said, Senator Wicker's
9 commitment to getting the \$3 billion for the submarine
10 industrial base, that's been really critical to a project
11 like the Portsmouth Naval Shipyard.

12 Admiral Franchetti: Well, thank you. And the SIOP
13 program is incredibly important, as you said, once in a
14 generation. A 100-year-old dry docks. This is really
15 critical for our future, both to improve the cadence and the
16 throughput on maintenance, but also to be able to fit our
17 new platforms that we'll be developing. So again, really
18 thankful for the investment in this.

19 I think I'm very committed. You know, Portsmouth is
20 our first big project that we're doing. I've been up to see
21 it a few times and they are about 47 percent complete. You
22 know, they are on track to meet their deadline in August of
23 '28. And the really good thing is that they've been able to
24 continue to do maintenance while doing the optimization.
25 And it's very exciting.

1 So not only the dry dock, though, as you know, we're
2 looking across all four public shipyards to do the
3 optimization with both layout to increase, again, the
4 efficiency of the yard as well as in upgrading the
5 industrial equipment.

6 So, the lessons that we're taking from Portsmouth are
7 already having a positive impact in Pearl Harbor, and we
8 look forward to continuing to learn.

9 Senator Shaheen: Well, the 2023 Inspector General
10 audit on environmental threats to naval dry docks at the
11 four public shipyards talked about the vulnerabilities and
12 the need to address sea levels and flooding. Portsmouth is
13 one of the only four to have implemented those requirements
14 for resiliency.

15 But we saw in January in a storm that water levels came
16 within inches of the top of one of the caissons. So, it's
17 not clear that those resiliency plans are actually going to
18 be good long-term. Can you talk about how you're continuing
19 to look at maturing those climate action plans to address
20 resiliency?

21 Admiral Franchetti: Resiliency not only of our
22 shipyards, but of also of all our bases. We're continuing
23 to focus on that. You know, all of those projects are
24 designed to be resilient to any sea level rise, as well as
25 seismic, and we're continuing to work to address those needs

1 as we design the remainder of the projects as well.

2 Senator Shaheen: Thank you.

3 Finally, I just wanted to speak to the comments that
4 you-all made in the beginning about the Indo-Pacific and the
5 freedom of the seas. I just returned with Senator
6 Gillibrand and some other Senators from a trip to the Indo-
7 Pacific.

8 And one of the things we heard in our visits to the
9 Philippines, to Vietnam, to South Korean, to Japan, was
10 great concern about the PRC's continued incursion into the
11 South China Seas and their territorial waters, the
12 importance of maintaining that freedom of navigation, and
13 their appreciation for the work that our Navy has done to
14 help them.

15 So, thank you very much for that. I think that's a
16 very important mission that we've got to continue to
17 support.

18 Chairman Reed: Thank you, Senator Shaheen.

19 Senator Budd is recognized now.

20 Senator Budd: Thank you, Chairman, thank you, Ranking
21 Member, for allowing me to go just a few minutes early, and
22 thank my colleagues as well as I'll be attending the
23 unveiling of the new statue of the Reverend Billy Graham. A
24 great North Carolinian, a great American. So, thank you all
25 for being here. General Smith, certainly glad to have you

1 back with us for many, many reasons.

2 General Smith, this year's Marine Corps' request, it
3 included significant investments in Cherry Point, North
4 Carolina. These projects support F-35 aircraft maintenance
5 and operational readiness. I visited the station in
6 February, and I was impressed by the great things the
7 Marines are doing there, especially with VMFA-542, the East
8 Coast first operational F-35B squadron.

9 So, if I recall correctly, VMFA-542 recently achieved
10 full operational capability. So how will this capability
11 impact the Marine Corps' operational flexibility and
12 technological edge?

13 General Smith: Senator, having a full-up round F-35B
14 squadron enables us to move to the next level of combat.
15 Those aircraft are able to collaborate through a classified
16 system in air to target adversaries. They're able to run at
17 low signatures, and they're able to penetrate enemy air
18 defenses like no other aircraft we have.

19 Senator Budd: Thank you, General.

20 Secretary Del Toro, thank you again for being here. So
21 as proud as I am proud of our Marines, I have got deep
22 concerns with the Department of Navy, particularly when I
23 hear about some unfunded priorities.

24 So why was the F-35 Flightline Utilities Modernization
25 Project, why was that on the unfunded priorities list and

1 not integrated into the 2025 budget?

2 Mr. Del Toro: Well, sir, as I stated earlier, we've
3 have been pressurized by the Fiscal Responsibility Act in a
4 significant way, and we had to prioritize readiness over
5 modernization and capacity as well too, and also prioritize
6 our personnel, first and foremost. And it led to very
7 difficult decisions that I otherwise perhaps might not have
8 made if it wasn't for constrictions. So that's the reason
9 why.

10 Senator Budd: Thank you, Mr. Secretary. You know, my
11 concern is that the taxpayers have invested heavily in
12 facilities at Cherry Point, but it seems like you were
13 hoping that we here in Congress would pick up the tab to
14 make sure that the proper utilities were supported. So deep
15 concerns there.

16 General Smith, as you know, the 26 Marine Expeditionary
17 Unit from Camp Lejeune was extended during their deployment
18 back in March because of operational needs involving
19 evolving mission requirements. So how does the Marine Corps
20 balance maintaining crisis response readiness and at the
21 same time pursuing force modernization in these types of
22 situations?

23 General Smith: Senator, it's not easy. Every time we
24 extend a marine expeditionary unit, we put an additional
25 strain on those ships, and we get the cycle out of balance.

1 So when we have a lack of ready shipping then you throw the
2 cycle out of balance and you get a misshape so to speak.

3 And so it puts a strain on the forces that are forward
4 deployed because they're extended and it throws out balance
5 the forces who are home preparing to train because the ships
6 they need to train with are forward deployed.

7 Senator Budd: Thank you, General. If I understand
8 correctly, the 15th MEU was supposed to deploy aboard the
9 USS Boxer, and that's now unavailable, and the 24th MEU was
10 from Camp Lejeune is supposed to sail aboard the wasp, but
11 that was delayed. So what are the status of these amphibs,
12 and do you have enough ships to support pre-planned
13 deployments and crisis response? And then, what are the
14 long-term impacts of ship availability on these deployments?

15 General Smith: Well, Senator, the CNO and I have
16 locked shields. 31 is the appropriate number of amphibs.
17 That's 10 big decks and 21 LPDs. And through the SIOP, the
18 ship optimization program, we're working to increase the
19 readiness of those ships.

20 But again, the CNO and I have locked shields on the
21 required number, and we're working to get the readiness
22 rates up so that we can deploy as three ship amphibious-
23 ready groups.

24 Senator Budd: General, if you would go specifically to
25 the Wasp and the USS Boxer, what is the status of those?

1 General Smith: Senator, I'll defer to the CNO on the
2 status of their maintenance and their readiness.

3 Admiral Franchetti: So the Wasp is underway doing her
4 certification exercise, probably be delayed from maybe just
5 a few days from her original plan deployment. The Boxer has
6 a material casualty on her rudder, which is being repaired
7 right now. We expect if the maintenance progresses as it is
8 on track, to be able to get her out on deployment later this
9 summer.

10 Senator Budd: Thank you.

11 Thank you, Chairman.

12 Chairman Reed: Thank you, Senator Budd.

13 Senator King, please.

14 Senator King: Thank you, Mr. Chairman.

15 Just last Friday, Senator Sullivan and I took a
16 bipartisan group of our colleagues to the battlefield at
17 Antietam, which was the deadliest bloodiest day in American
18 history. One of the units that day that suffered almost 50
19 percent casualties was the 7th Maine Regiment led by a
20 fellow named Thomas Hyde.

21 Thomas Hyde received the Congressional Medal of Honor
22 for his bravery that day, leading basically an unsupported
23 charge into the Confederate lines. The relevance today is
24 that after the war, he came back to Maine and founded Bath
25 Iron Works. And Bath Iron Works is the yard that built the

1 Carney and the Arleigh Burke that are now defending the
2 freedom of navigation in the Red Sea.

3 I just think that's a nice circular history right
4 there. And I can tell you from Senator Sullivan and I point
5 of view, it was a very moving and important day that we
6 spent at Antietam last week.

7 Mr. Secretary, you know what I'm going to ask?
8 Whenever I hear about what's going on in the Red Sea, I hear
9 about knocking down Houthi missiles, and my first reaction
10 is, that's great. Our Navy's doing a great job. My second
11 reaction is, we just shot down a \$100,000 worth of missiles
12 with about \$15 million worth of our missiles directed
13 energy. I hope that the department can reprioritize,
14 because the entire defense department has cut directed
15 energy, R&D expenditures by 50 percent, by half over the
16 last three years.

17 I see directed energy as a crucial part of the Navy's
18 future. Can you commit to me that you'll advocate for
19 renewed research development and deployment of directed
20 energy weapons to defend this country across the globe?

21 Mr. Del Toro: Senator, I took my first laser course at
22 the Navy Postgraduate School in 1986, and even back then, I
23 thought that we needed to invest far more significantly in
24 laser and high directed energy systems.

25 I regret that we haven't done that for the past 30

1 years or so. We need to do that moving forward. There's no
2 question in my mind to get to a place perhaps 5 to 10 years
3 from now where we could actually start aggressively
4 employing those capabilities on our ships. We currently --

5 Senator King: I hope --

6 Mr. Del Toro: Go ahead, Senator.

7 Senator King: I hope it's on the 5-year range and not
8 the 10-year range.

9 Mr. Del Toro: Yes, sir.

10 Senator King: I like it that you say we're going to
11 move forward. I want it to be urgently because, again, just
12 from the point of view of economics, shooting down a \$20,000
13 UAV with a \$4 million missile does not -- we can't do that
14 very long. Plus, we're talking about a very potentially
15 powerful weapon in defense against -- as we've learned in
16 recent conflicts, aerial defense is what it's all about.

17 Mr. Del Toro: Senator, to the extent that I have
18 authorities to do so in Palm 26, I will absolutely do so.

19 Senator King: Thank you. Mr. Secretary, again, the
20 DDX is the next level of surface combatant. In our 2023
21 National Defense Act, we talked about collaboration. That
22 collaboration is continuing between the shipyards and the
23 Navy.

24 We can't let that falter because first-in-class ships
25 tend to be very expensive. And one way to avoid that, and

1 what I'm looking for is, is collaboration still a priority
2 for the Navy between the Navy and the shipyards in the
3 design and conceptualization of this new service combat?

4 Mr. Del Toro: Certainly, Senator. Not only is there a
5 priority, but we're actually living it right now. And as we
6 actually had to shift DDGX to the right a bit, partially
7 because we want to be able to fully develop the technologies
8 and the design of that ship so that we get it right.

9 And so, greater collaboration between industry and the
10 government before we actually go to a full production on a
11 fully designed ship is absolutely the right answer.

12 Senator King: I couldn't agree more. Maturity of
13 design is critical. I'd rather move it to the right and not
14 do the R&D and design as it's being built. That's what
15 we've learned in the past.

16 Mr. Del Toro: Yes, sir.

17 Senator King: It does not bode well for the taxpayers
18 or the defense base. Also, I want to be sure there's a
19 smooth transition for the DDG Flight III to the DDX. We
20 can't have a gap, a trough, if you will, because as the
21 Senator from Mississippi knows, you can't turn off and on a
22 workforce, the kind of skilled workforce that's necessary to
23 build these ships. So I hope that that's part of your
24 planning, is a smooth transition between the two classes of
25 ships.

1 Mr. Del Toro: Absolutely, Senator. If I'm afforded
2 the opportunity to be here another four years, I'd be more
3 than happy to do that. We have to ensure that whether it's
4 me or another secretary, that DDG Flight III actually
5 overlaps with DDGX, so that we don't repeat the mistakes of
6 the past. And we'd done that years ago, for example, with
7 regards between Columbia and Ohio. We wouldn't be facing
8 the gap that we currently have or may have in the future.

9 Senator King: Final point, in four seconds. We've
10 talked a lot about shipbuilding. We need to focus and talk
11 about maintenance and improving the throughput of our
12 maintenance facilities, because ships that are sitting at
13 the dock for a year or more are not serving the taxpayers or
14 the defense of the country.

15 So, I hope that can be something that we could discuss
16 further, perhaps take for the record.

17 Mr. Del Toro: Well, Senator, we're doing more than
18 just talking about it. From 2019 to the present, actually
19 we reduced maintenance delays on surface ships by 56
20 percent. That is a significant, achievable milestone that
21 we simply just don't amplify, but we are making tremendous
22 progress in terms of the maintenance delays on our ships.

23 Senator King: Thank you.

24 Thank you, Mr. Chairman.

25 Chairman Reed: Thank you, Senator King.

1 Senator Fischer, please.

2 Senator Fischer: Thank you, Mr. Chairman.

3 General Smith, it's good to have you back with us in
4 good health. And I thank the rest of our witnesses for
5 their service and also for being here today.

6 However, I do share the concerns of many of my
7 colleagues about the Navy's performance across the board,
8 and whether it's adhering to the Fiscal Year 2024 NDAA.
9 Last year after months of hearings and briefings on known
10 capability gaps in our nuclear deterrence, this committee
11 determined that SLCM-N was the best option to fill this
12 capability gap.

13 In the Fiscal Year 2024 NDAA, Congress on a bipartisan
14 and a bicameral basis, formally established a program of
15 record for SLCM-N and appropriated significant funding to
16 NNSA to develop the warhead and to the Navy to develop the
17 missile itself.

18 Admiral, during your nomination hearing last September,
19 you testified before this committee that the Nuclear Armed
20 Sea-Launched Cruise Missile is, "a tailored option that the
21 President should have." Do you still agree with this
22 statement?

23 Admiral Franchetti: Yes, I do.

24 Senator Fischer: Mr. Secretary and Admiral, I am
25 deeply concerned that the Navy did not request any funding

1 for SLCM-N in their base budget or in the Navy's unfunded
2 priorities list letter. This is a stark contrast to NNSA,
3 which did include a robust funding request for development
4 of the SLCM-N, the warhead, in their unfunded priorities
5 list.

6 Although the production decision remains years away,
7 let me be clear, we expect the Navy to take all actions
8 necessary to develop this missile so that if a decision is
9 made to move to production, we can do so without delay. And
10 I expect to see this program included in your base budgets
11 moving forward.

12 For the first time since World War II, to shift gears
13 here, we have Navy ships continuously operating inside the
14 weapon engagement zone of enemy forces on a near daily
15 basis. We're expending significant, highly capable and
16 expensive munitions to defend against low-cost missiles and
17 drones.

18 Mr. Secretary, we just heard concerns from Senator
19 King, and those concerns come from others as well, that we
20 need to be investing more in directed energy so that we can
21 get on the better side when it comes to the cost per shot
22 curve.

23 But I am also concerned about our ability to
24 reconstitute the missiles that we're expending right now.
25 So, Mr. Secretary, how's the Navy reconsidering its

1 industrial-based strategy to account for higher-than-
2 expected levels of munition and/or weapon attrition?

3 Mr. Del Toro: Well, first and foremost, Senator, thank
4 you for your support of our Navy and Marine Corps. And I
5 know how deeply passionate you are around these issues.

6 We just in the Red Sea, over the course of the last six
7 and a half months, have expended close to \$1 billion in
8 missiles. And thank you for the authorities that you
9 provided us in 2024, for example, for multi-year
10 procurements for missile systems.

11 We actually are starting to make progress now working
12 with the industrial base, both the Under Secretary of
13 Defense for Acquisition and Sustainment and myself, have
14 been working with industry. And those production rates are
15 actually starting to come up now so that we actually will
16 see some increases in SM-2 and SM-6 productions.

17 Obviously, the more sophisticated the missile, the
18 harder it is to produce them, but nevertheless, we are
19 starting to see some progress being made in the production
20 base.

21 Senator Fischer: Okay. Thank you. Also Mr.
22 Secretary, I understand that the next rim of the Pacific
23 exercise, it's scheduled for later this year, and that gives
24 the Navy and the Marine Corps an opportunity to demonstrate
25 their maritime combat capabilities. This is one of the many

1 exercises that we have with our global counterparts.

2 How's the Department of the Navy investing in these
3 exercises to prepare for a potential power competition in
4 the Pacific?

5 Mr. Del Toro: Exceptionally well, Senator. To give
6 you just two examples, the investments that we've made in
7 Operation Overmatch, and perhaps, you know, just talk a
8 little bit, although that is classified program, but will be
9 exercised during REPAC 24, basically. We've also increased
10 our collaboration with allies and partners for REPAC 24,
11 which is very, very exciting.

12 And on the autonomous side of the house, the unmanned
13 Navy side of the house, we're actually looking to actually
14 employ all for overlord projects as well, too, in an
15 incredible way. So we're very excited about REPAC 24.

16 Senator Fischer: Thank, General.

17 How's the MRF-Darwin integrating with the Australian
18 Defense Forces

19 General Smith: Senator, the Marine Rotational Force-
20 Darwin are down there during the dry season. They're
21 integrating very well. They're exercising with them.
22 They're in position to forward deploy from the southern end
23 of the first island chain to secure those routes and to
24 defend against the PRC's aggression. So, they're doing very
25 well.

1 And it's a well-done program. It involves our CH-53s,
2 and it involves an infantry battalion worth of Marines.
3 It's task-organized to distribute through the first island
4 chain.

5 Senator Fischer: Good. A few years ago, I led a CODEL
6 when they were getting the containers ready for the first
7 Marines that were going to be deployed there. So, good to
8 hear. Thank you.

9 Chairman Reed: Thank you, Senator Fischer.

10 Senator Warren, please.

11 Senator Warren: Thank you, Mr. Chairman.

12 So, the Navy acquires everything from night vision
13 goggles to aircraft carriers through contracts with big
14 defense contractors. But the contractors often place
15 restrictions on these deals that prevent service members
16 from maintaining or repairing the equipment. Won't even let
17 them write a training manual without going back through the
18 contractor.

19 Now, the contractors say that since they own the
20 intellectual property and the technical data underlying the
21 equipment, only they have the right to repair that
22 equipment. These right-to-repair restrictions usually
23 translate into much higher costs for DOD, which has no
24 choice but to shovel money out to big contractors whenever
25 DOD needs to have something fixed.

1 So, take the Navy's Littoral Combat Ship. General
2 Dynamics, and Lockheed Martin considered much of the data
3 and equipment on the ship to be proprietary. So the Navy
4 had to delay missions and spend millions of dollars on
5 travel costs just so that contractor-affiliated repairman
6 could fly in rather than doing this ourselves.

7 Secretary Del Toro, when a sailor isn't allowed to
8 repair part of their ship at sea, and a marine isn't allowed
9 to access technical data to fix a generator on a base
10 abroad, one solution is for the Navy to buy the intellectual
11 property from the contractors. So, can you say a little bit
12 about what the benefits are of the Navy having technical
13 rights for the equipment that it is purchased?

14 Mr. Del Toro: The benefits are enormous, Senator, and
15 we've actually had tremendous success, I'd say, in the last
16 year and a half to two years through the Taxpayer Advocacy
17 Program that we initiated when I came in.

18 There have been three examples. One, gaining the
19 intellectual property rights for the new CV class of ships
20 that will replace the AAVs. The F-35 negotiations really
21 proved themselves out in a significant way as well, too.
22 And lastly, the 20 F-18 ENFS that the Congress authorized in
23 '22 and '23, we were able to make significant gains in terms
24 of the government finally getting the intellectual property
25 rights that were necessary for us to be able to properly

1 sustain those moving forward.

2 Senator Warren: I am very, very glad to hear this. I
3 like the Taxpayer Advocacy Project and how you're training
4 contract officers to secure technical equipment that the
5 Navy buys, but I think you should have the support of
6 Congress on this.

7 Senator Braun and I have introduced the Stop Price
8 Gouging the Military Act to give DOD more tools to get cost
9 and pricing data so that you'll be in a better position to
10 negotiate better deals with the contractors.

11 There's also more that we can do to ensure that the
12 Navy and the rest of the services have the rights they need
13 to bolster readiness. So let me ask you, Secretary Del
14 Toro, would having a stronger focus on right-to-repair
15 issues during the acquisition process, like prioritizing
16 contract bids that give DOD fair access to repair materials
17 and ensuring that contract officers are looking into buying
18 technical rights early on, would that help the Navy save
19 costs and boost readiness at the same time?

20 Mr. Del Toro: Very much so, Senator. In fact, one of
21 the things that we have prioritized since I came in as
22 Secretary of the Navy, given my acquisition background, is
23 actually those negotiations need to happen as early as
24 possible even as we developed the acquisition strategy for
25 that contract to go out to bid.

1 And by doing so, we will reap tremendous returns. And
2 in the case of the LCS, Senator -- by the way, and I applaud
3 former CNO Mike Gilday, now our current CNO Lisa Franchetti,
4 for actually moving the LCS maintenance strategy from a
5 contractor service-focused strategy to a sailor-focused
6 strategy.

7 Senator Warren: Well, I very much appreciate the
8 direction you're going in this. I want Congress to be able
9 to help you on this. Ensuring that our service members'
10 equipment works shouldn't depend on whatever price some
11 contractor wants to set after the fact. DOD should be able
12 to follow your lead and secure the rights to repair in all
13 of its equipment early on. So, thank you very much.

14 Mr. Del Toro: Thank you, ma'am.

15 Senator Warren: Thank you, Mr. Chairman.

16 Chairman Reed: Thank you, Senator Warren.

17 Senator Ernst, please.

18 Senator Ernst: Thank you, Mr. Chair. And thank you to
19 all of you for testifying in front of the committee today.

20 I'm proud to have served for over 23 years in our
21 nation's uniform. And I was first inspired actually by
22 Ukrainians, and these are the Ukrainians that I met on an
23 agricultural exchange program in 1989. Then under Soviet
24 control, my Ukrainian brothers and sisters asked me about
25 what it was like to be free and what it was like to be an

1 American.

2 And those moments outside of the comfort of my rural
3 Iowa upbringing, my Iowa home, inspired me to give back to
4 the country that I love. And I came back from that
5 exchange, and I joined Army ROTC at Iowa State University
6 where my patriotism was solidified. I'm grateful that my
7 daughter and her husband have followed in those footsteps,
8 and both are proudly now serving in the United States Army.

9 But today, folks, young people are not being inspired
10 to serve. Frankly, the perks of service are tarnished when
11 an administration attempts to cancel everyone's student
12 loans. Others have witnessed and quite possibly been
13 influenced by the anti-American rhetoric they see and hear
14 from the left, both on campus and online.

15 Further, students who were kept out of the classrooms
16 by COVID lockdowns are still reeling from the consequences.
17 We have seen this by the lowering of ASVAB scores by as much
18 as 9 percent. Currently, only 23 percent of 17- to 24-year-
19 olds are fully qualified to serve. Our military is facing a
20 dire recruiting crisis, and our service branches must
21 address it.

22 So, Secretary, I will start with you, and let's focus
23 on this recruiting challenge. This year, the Navy is on
24 track to be short, roughly 16,000 sailors. Just a few years
25 back in November of '22, the Navy raised its maximum

1 enlistment age to 41 years old. Now, I would consider that
2 young, but that's a little old for an initial enlistment.
3 What is the Navy doing right now to remedy these challenges
4 and increase recruitment? How do we overcome this?

5 Mr. Del Toro: Well, first and foremost, Senator, thank
6 you for the comments that you made with regards to Ukraine.
7 Someone who was born in a communist country myself, and lost
8 my homeland to communists and autocrats, I cannot thank you
9 enough for your support.

10 With regards to recruiting, it does remain challenging
11 for many of the reasons that you mentioned, and it is all
12 hands on deck. But I want to be clear, we're not going to
13 be 16,000 sailors short. We may be somewhere less than
14 6,200, and I think it's going to be far less than that, in
15 fact.

16 But we actually decided to actually raise our goal to
17 recruit more sailors this year unlike the other services.
18 So we set the goal at 40,600 because of the shortfalls that
19 we will have at sea. So therefore, it's all hands on deck.
20 And perhaps the CNO can comment briefly on the multiple
21 steps that are being taken to actually close that gap.

22 Senator Ernst: Okay. Thank you. I'm going to go back
23 to the comments I made about education, because
24 historically, education benefits have produced more of our
25 high quality recruits, and there was a study that found the

1 number of high quality recruits increased after the passage
2 of the Post 9/11 GI Bill.

3 Do you believe that extending similar benefits to that
4 of the GI Bill for non-serving individuals through the
5 administration's so-called Student Debt Cancellation Plan
6 has impacted recruitment efforts and undermine the
7 fundamental principles of military service.

8 Mr. Del Toro: Ma'am, I'm focused on recruiting, you
9 know, recruits into the Navy and the Marine Corps. And one
10 of the -- when you talk to our recruiters, the biggest
11 challenge that they sometimes have is actually getting
12 access to the high schools themselves. So we're working
13 very closely with the Department of Education and with
14 supervisors from across the nation to try to break down
15 those barriers that our recruiters can actually get access
16 to the high schools.

17 Currently, they're being allowed two times a year. We
18 want to increase that to about four times a year. I've
19 written over thousands of letters to high school principals,
20 in fact, allowing our recruiters back in. That's the number
21 one challenge that our recruiters have in terms of getting
22 to the high school students themselves.

23 Senator Ernst: I am really glad you brought that up,
24 Secretary, because last year I did have an effort to force
25 high schools to allow recruiters into those high schools.

1 It is law that they be admitted into those high schools. 5
2 percent of our high schools across this great United States
3 of America don't allow recruiters on their campuses. So
4 we'll continue pushing that effort for you, Secretary.

5 And I'm going to double back because I will tell you
6 that I've had so many of my former soldiers come to me and
7 say, I served multiple deployments overseas for GI Bill
8 benefits, for those education benefits, and now others are
9 getting them for not serving.

10 I think it's absolutely unfair what is going on across
11 the United States today. I think we are wiping away the
12 benefits that we have promised to those that have stepped up
13 and worn the flag of these great United States. We have to
14 do better, and we need to reward those that serve.

15 And I think part of our recruiting challenge is that we
16 don't reward those that serve enough, or we give their
17 benefits to others that don't deserve them. So, thank you
18 all very much for testifying today.

19 Chairman Tester: Thank you, Senator Ernst.

20 Senator Kelly, please.

21 Senator Kelly: Thank you, Mr. Chairman.

22 Secretary Del Toro, I'll talk in a little bit more
23 detail about the Nuclear-Armed Sea-Launched Cruise Missile,
24 or SLCM-N. And I want to make sure that we're clear on the
25 direction of the system and understand the opportunity costs

1 that may come with fielding it.

2 You know, I get that there is an arms control rationale
3 here. That there is a possibly we could provide Russia with
4 an incentive to both reverse development of, you know, a new
5 land-based cruise missile that's nuclear armed. This could
6 be part of a negotiation, you know, I get that part of it.
7 You know, at the same time, my understanding is we're
8 developing the W76-2 low yield SLBM warhead that could fill
9 the same need for a low-yield weapon.

10 My concern though is that fielding the SLCM-N would
11 likely necessitate removing some conventional munitions from
12 our submarines. I'm especially concerned about the
13 Virginia-class submarines and possibly having to sacrifice
14 torpedoes for cruise missiles.

15 You and I were aboard USS Indiana and we spent some
16 time in the torpedo room. And, you know, the modification
17 of weapon systems aboard a ship is significant. There would
18 have to be changes in the safety system, security, storage,
19 launch, communications, command and control for nuclear
20 weapons secure comms authorization protocols.

21 So, Mr. Secretary, I know you've previously voiced
22 concern over development of a nuclear armed sea launched
23 cruise missile. Does the Navy currently have plans for how
24 we would integrate SLCM-N into a Virginia-class submarine?
25 And have we considered that, if we were to do this, we're

1 likely going to replace weapons that we would need and we
2 are more likely to use in a conflict with China?

3 I mean, when you consider the number of ships we're
4 dealing with and the number of torpedoes that we would need,
5 we would have to replace those torpedoes with nuclear-armed
6 sea-launched cruise missiles a board of subs. So, I just
7 want to get your take on where we're going with this plan.

8 Mr. Del Toro: Yes, sir. Well, I think you hit the
9 nail on the head, Senator. And to be clear, we are moving
10 forward with standing up the program management office as
11 required by the law.

12 But having said that, I'm concerned about how it will
13 operationally impact our submarine force and their ability
14 actually to conduct the tactical and operations that they
15 actually need to do in the Pacific and elsewhere around the
16 world.

17 That actually will prevent us, perhaps from doing the
18 things that we need to do tactically and operationally by
19 providing this SLCM-N capability to the submarine. It will
20 fundamentally change the mission of many of those submarines
21 themselves.

22 The second issue that I'm very concerned about is the
23 opportunity cost here associated with the cost of the
24 missiles themselves. This will be a multi-billion-dollar
25 program that will prevent us from doing other things that

1 are equally important, I think, throughout our naval
2 enterprise.

3 Senator Kelly: Well, thank you. The probability of us
4 in the future using a torpedo against a warship is much
5 higher than the probability of using a nuclear launch cruise
6 missile against a target. So, thank you.

7 In my remaining time, Secretary Del Toro, you've talked
8 about the need for a renaissance in American shipbuilding.
9 You mentioned a little bit as I was walking in the door
10 here. I think you labeled it maritime statecraft. I agree
11 with that wholeheartedly.

12 Right now, China, Republic of Korea, Japan, they build
13 about 98 percent of global ship construction. China's the
14 world's largest ship builder, controls most of the merchant
15 ships in the world, 5,500. We have about 80 or 85, I think,
16 merchant ships flying the U.S. flag.

17 I'm concerned with the size and the status of the U.S.
18 merchant marine and how it's a risk to our national
19 security. As you know, insufficient commercial maritime
20 capacity impacts peacetime trade and supply chains, but also
21 has a great impact on our ability to move things we need to
22 move if we're engaging in combat somewhere across the globe.

23 And this isn't a capability that can be turned on
24 overnight, as you know. We need to invest in this now, so
25 we're ready in the future. That's why last week I released

1 a bipartisan bicameral report with Congressman Waltz, and
2 Garamendi, and Senator Rubio called the Congressional
3 Guidance for a National Maritime Strategy.

4 Our report provides a comprehensive vision to
5 revitalize the nation's maritime sector. And now we're
6 working to turn the recommendations from the report into
7 legislation. I don't want to go over my time, but I'm going
8 to submit some questions for the record to you on this
9 subject.

10 [The information referred to follows:]

11 [COMMITTEE INSERT]

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1 Mr. Del Toro: I've read the recommendations and agree
2 with all 10 of them.

3 Senator Kelly: All right. Thank you.

4 Thank you, Senator Kelly.

5 Senator Sullivan, please.

6 Senator Sullivan: Thank you, Mr. Chairman. And I want
7 to thank the witnesses today. General Smith, it's good to
8 see you back, sir. We're all really glad you're back.

9 By the way, little discussion on 31 Amphibs, what
10 you're talking about. Remember we directed that, so the
11 debate is over, right? That's a Congressional direction.
12 So, I think it's important.

13 One of the themes from this hearing is the shipbuilding
14 crisis that we are facing. I met with the CRS experts,
15 Congressional Research Service experts, best in government.
16 Some have been doing this for decades. This was a quote
17 from them. "This is the worst position the Navy has been in
18 over the past 40 years for designing, building, maintaining,
19 and crewing ships."

20 That's what the Congressional Resource Service experts
21 said. Senator Wicker already said, this is acquisition
22 malpractice. The chairman said it's in disarray. I want to
23 get more to the issue of who's responsible and what should
24 be done to fix it.

25 But let me begin, General Smith, would you agree that

1 as a leader in the Marine Corps, no matter what level you're
2 serving at, accountability and responsibility is critical
3 component of leadership?

4 General Smith: Yes, sir.

5 Senator Sullivan: So, if a marine platoon commander
6 has a marine who loses his rifle on an exercise, what
7 typically happens to that marine platoon commander?

8 General Smith: That platoon commander would be
9 relieved.

10 Senator Sullivan: And that's not a hypothetical issue.
11 In 2020, a battalion commander and a sergeant major were
12 relieved after two rifles went missing on a training
13 exercise in Camp Lejeune.

14 Admiral Franchetti, Paragraph 0802 of the Naval
15 Regulations titled "Responsibility of a Commanding Officer"
16 says that the responsibility of the commanding officer, his
17 or her command, is absolute. What happens in the Navy if a
18 captain of a war ship is asleep in her cabin and an officer
19 standing watch collides with another ship?

20 General Smith: Historically, they've been relieved of
21 command.

22 Senator Sullivan: So that's also not hypothetical.
23 Since 2012, the CO of the USS Porter, USS Jacksonville, USS
24 Antietam, USS John McCain, USS Fitzgerald, USS Connecticut
25 have all been relieved. Mr. Secretary, Congress under Title

1 10, has given you the direction to, among other things,
2 oversee the construction of outfitting and repairing of
3 naval ships in an effective and timely manner.

4 One thing that I think hasn't been brought up here as
5 my assessment, respectfully, of your tenure is you haven't
6 been focused on that. One of the things you've actually
7 been focused on a lot on is climate change; where in your
8 nomination hearing, you devoted a full paragraph on climate
9 change. You never mentioned shipbuilding lethality or war
10 fighting.

11 In your strategic guidance you issued to your
12 department, you mentioned climate change nine times. You
13 don't address trying to increase the fleet. You got to this
14 committee, your climate action plan, a year before your ship
15 building plan. Can you point to your Title 10
16 responsibilities for climate change, Mr. Secretary?

17 Mr. Del Toro: Senator, I spend 75 percent of my time
18 on shipbuilding, so I don't agree with your
19 characterization.

20 Senator Sullivan: Can you answer my question? Where's
21 your Title 10 responsibilities on climate change?

22 Mr. Del Toro: On climate change, it actually impacts
23 everything. Senator, it impacts --

24 Senator Sullivan: Where are your Title 10
25 responsibilities that we gave you --

1 Mr. Del Toro: Manning equipment, training, sustaining

2 --

3 Senator Sullivan: They don't exist.

4 Mr. Del Toro: No, they do exist. Senator, I disagree
5 with --

6 Senator Sullivan: No, I'm looking at Title 10 right
7 now.

8 Mr. Del Toro: And I'm telling you that climate change
9 and the impact that it has on installation-readiness
10 actually has an effect on readiness.

11 Chairman Reed: Senator Sullivan, let the witness answer
12 the question.

13 Senator Sullivan: I'm actually trying to ask
14 questions.

15 Mr. Del Toro: Well, to suggest that climate change
16 does not have an impact on climate readiness and
17 installation-readiness is just not --

18 Chairman Reed: I would ask the Senator.

19 Senator Sullivan: I'm asking for a little more time
20 here.

21 Chairman Reed: Actually, Senator, you usually have a
22 little more time. First ask the question --

23 Senator Sullivan: Let me answer the question --

24 Chairman Reed: -- and allow the secretary to answer.

25 Senator Sullivan: No, I'm going to answer it for him.

1 It's not in Title 10. There's nothing on climate change in
2 Title 10. The shipbuilding crisis that we have right now is
3 not just a fiasco. It's amplified by this. Our main
4 adversary, it was building ships at the rapid rate in 2021.
5 The PLA had 341 ships. This year, they have 370. In 2025,
6 they will have 395. By 2030, they will have 435 ships. 141
7 more ships than we have. Our fleet, as we've discussed, is
8 shrinking.

9 So, Mr. Secretary, I'm going to ask this final
10 question. Marines and sailors that you lead have a strong
11 culture of responsibility and accountability. In light of
12 that, I feel compelled to ask.

13 If a marine platoon commander gets relieved because one
14 of his marines loses a rifle, in the Navy, captain gets
15 relieved because his crew hits another ship while the
16 captain is asleep. Should the Secretary of the Navy be
17 relieved or resign for failing on his number one mission
18 shipbuilding, particularly when he's spending so much time
19 on issues that are not even part of his Title 10
20 responsibility?

21 Mr. Del Toro: Actually, a good leader, what they do is
22 they actually take assessment of the conditions that exist
23 when one comes in. And, you know, well, Senator, that the
24 acquisition issues that we're dealing with go back decades.
25 What I'm trying to do and have been doing from the day that

1 I became secretary was to be honest, transparent, and deeply
2 committed to turning things around. And that's exactly what
3 I've done.

4 Let me ask one final question.

5 Chairman Reed: No. I must say, Senator Sullivan, your
6 time has expired.

7 Senator Kaine, please.

8 Senator Kaine: Thank you, Mr. Chair.

9 To Secretary Del Toro, and Admiral Franchetti, I want
10 to begin with a question that goes back a ways, and that is
11 the mental health of our sailors. And Secretary Del Toro, I
12 thank you for accompanying me in the Hampton Roads area. In
13 the last couple years, we've had some serious issues with
14 suicides among our sailors.

15 And we had two different units in Hampton Roads, very
16 different circumstances, but there were some commonalities.
17 One folks who were connected with the refueling of the
18 George Washington, which was in dock for a very long time.

19 And second, the Mid-Atlantic Regional Maintenance
20 Center, two-thirds of whose personnel are sailors assigned
21 to that billet, but one third of whose personnel were
22 sailors in the fleet who became assigned to the billet on a
23 limited duty status because they were pregnant, because they
24 had a physical injury, because they had a mental health
25 issue, because they had a disciplinary challenge in the

1 fleet.

2 The suicides that happened at the Mid-Atlantic Regional
3 Maintenance Center were all among the limited duty staff who
4 were there for kind of an unknown period. They weren't,
5 unless it was for pregnancy, didn't know when or if they
6 would be returning to the fleet, and they didn't know when
7 they would know the answer to that question.

8 And folks on the George Washington had trained as a
9 surface officer. And then they end up in a long-term status
10 where the ship's in dock and they're not really doing the
11 thing for which they trained.

12 So in each instance, this grouping of suicides, and
13 each one was different of course, but the grouping of
14 suicides happened among people who were probably
15 experiencing a little bit of lack of purpose or confusion
16 about their status. This committee has passed bills like the
17 Brandon Act, and in other ways tried to encourage more focus
18 on mental health issues.

19 Can you give us the committee a progress report on
20 implementation of the Brandon Act? The Navy was first to
21 move out on it, but also just more generally what you're
22 trying to do to make sure that people feel that sense of
23 purpose, and that their colleagues don't miss obvious signs
24 that they need help.

25 Mr. Del Toro: Well, thank you, Senator. Thanks for

1 your commitment to this cause. And it's a very important
2 cause, the mental health of our service members, Marine
3 Corps and the Navy.

4 First, it starts with treating people with dignity and
5 respect across the board, specifically in regards to the
6 limited duty status delays that existed. I would argue a
7 year ago or so, the CNO and the Commandant actually worked
8 hard at trying to limit the amount of time that personnel
9 have to actually spend in a limited duty status.

10 But we've done a long list of other investments thanks
11 to the lessons that we actually learned about sailors
12 working in shipyards, and particularly the George
13 Washington, that have led to tremendous improvements and
14 perhaps the CNO can comment on a few of those.

15 Admiral Franchetti: Thank you, Mr. Secretary. And,
16 you know, mental health is health. We're really focused on
17 all of our sailors and being able to contribute to the best
18 of their ability every day to get after that war fighting
19 spirit, and be able to do the job that they came into the
20 Navy to do.

21 You know, after that, we stood up at the direction of
22 the secretary, quality of service, cross-functional team to
23 really dive into a lot of the challenges that were
24 experienced by the sailors there in the Hampton Roads area.
25 And we're continuing to make good progress on those.

1 In terms of mental health, specifically, though, we put
2 out a mental health playbook. It's a really one stop
3 shopping first for sailors of every level of leadership to
4 be able to provide all the different resources available to
5 someone to be able to connect them, whether it's a chaplain,
6 whether it's mental health, whether it's military family
7 life counselors, to really no wrong door of folks being able
8 to get assistance that they need.

9 The other one is that we found, you know, to reduce the
10 stigma of potentially seeking assistance is to put the
11 assistance closer. So we have a lot. 43 percent of our
12 mental health and behavioral health techs are with our
13 operating forces right now.

14 But a couple of the things that we've done already are
15 establishing a coordinator at each command to be able to
16 really coordinate what each one of those people are doing.
17 And then, we're looking at what is the limited duty
18 condition and what can they actually do to give them
19 meaningful jobs, meaningful work, and that sense of purpose.
20 That's helpful until that is remedied.

21 The other last one is on, you know, looking very
22 closely at our shipyard manning for extended overhaul
23 periods to make sure that a sailor doesn't do their entire
24 first tour enlistment in a five-year overhaul. That they
25 actually have an opportunity to go and do what they came in

1 the Navy to do. Those are just a couple of examples.

2 Senator Kaine: One last question very quickly. The
3 industrial base is currently producing Virginia-class subs
4 at 1.3 a year. We need to be two a year for our sake, and
5 2.3 a year to meet our commitments to AUKUS. Based on the
6 current investment levels of ours and the Australian
7 investment, when will we hit two a year and when will we hit
8 2.3 a year?

9 Mr. Del Toro: Well, Senator, I'm proud to report that
10 in the immediate, actually, we're at one point -- just
11 slightly less than 1.4 now, so the investments that we have
12 made in the shipbuilding industry and the submarine
13 industrial base, for example, are starting to finally pay
14 off.

15 And keep in mind as well, too, the continuing
16 resolution of six months delay prevented us from making
17 those investments until just recently as well. So, I'm
18 hopeful that by 2028, 2029 period, hopefully, we'll be able
19 to get back up to the 2.0, 2.33 production rate that's
20 necessary to be able to support AUKUS and support our
21 submarine base as well, too.

22 Senator Kaine: Thank you very much.

23 I yield back, Mr. Chair.

24 Chairman Reed: Thank you, Senator Kaine.

25 And Senator Kramer, please.

1 Senator Kramer: Thank you, Mr. Chairman. Thank you to
2 all of you for your service, and for being here.

3 I want to follow-up a little bit on the discussion, Mr.
4 Secretary, with Senator Sullivan. Would you admit that you
5 have said climate change is very high priority for you,
6 whether it's 75 percent, or 25 percent, or 2 percent?

7 Mr. Del Toro: Senator, I will tell you exactly what I
8 said. That climate change is a top priority. I think
9 anybody who denies that climate is having an impact on our
10 environment and our operational readiness is just insane.

11 Senator Kramer: You've said it plenty already. So
12 your rationale for focusing on climate change is that
13 climate change is in everything, therefore you can focus on
14 anything and everything and justify --

15 Mr. Del Toro: But I don't.

16 Senator Kramer: -- on climate change.

17 Mr. Del Toro: I don't. I'm focused actually on
18 climate rise along our sea bases and our Marine Corps bases.

19 Senator Kramer: Ah, different topic. That's an
20 outcome perhaps, but that's not a cause. And I think the
21 tendency is you focus on climate as though we're the cause
22 of it or the Navy is the cause of it, as opposed to how you
23 defend against it.

24 But here's what I want to get to. You rationalize
25 focusing on climate change because it's in everything and

1 anything, and therefore whatever you want to focus on, it
2 all comes back to climate change. And the message matters,
3 Mr. Secretary. The message matters.

4 Let me ask each of you this question. Other than
5 climate change, what is our most significant threat to the
6 United States, and to our freedom, and to our liberties, and
7 let's just keep it to nation states. What would those
8 priorities -- who would those priorities be?

9 Mr. Del Toro: You'd like I start first?

10 Senator Kramer: Sure.

11 Mr. Del Toro: Sure. Look, the main threat, again,
12 with regards to climate change is installation-readiness and
13 our ability to actually be able to deploy our ships from the
14 ports that we still rely upon, and to train our Marines, and
15 bases that are along the coast that we rely upon.

16 Senator Kramer: So do you think that China's going to
17 wait for us to fix all of that before they --

18 Mr. Del Toro: No.

19 Senator Kramer: -- say, make a move?

20 Mr. Del Toro: Nor is it interfering with the things
21 that we're doing, actually, to deter China around the world
22 as well.

23 Senator Kramer: How much do you think China worries
24 about climate change? How much does the China Navy worry
25 about climate?

1 Mr. Del Toro: Obviously, they don't worry about it a
2 lot because they're the biggest contributor in the world to
3 climate problems, right? So, if --

4 Senator Kramer: Yeah.

5 Mr. Del Toro: -- they don't care about their
6 environment, they don't care about the people. Those aren't
7 the cultures and values that our military actually commits
8 themselves.

9 Senator Kramer: So while our military is sitting
10 around, you know, being focused on climate change and the
11 Chinese military is not, somehow we win because we've got
12 more hydro?

13 Mr. Del Toro: No. We're focused on building very
14 capable ships. 57 of them. They have the best capabilities
15 in the world to deploy against the Chinese, in addition to
16 all the things that I can't talk about here that I'd be
17 happy to talk about in a closed session, which are the SAP
18 Programs like Operation Overmatch and everything else.

19 For the past six and a half months, our Navy and Marine
20 Corps has proved to the world how capable we are. We are
21 the very best, but that also includes worrying in the future
22 about the impact that climate has on our installation-
23 readiness.

24 Senator Kramer: Well, when I look at this chart that
25 Senator Sullivan put up, I see a really big problem that's

1 not being addressed, nearly as enthusiastically as climate
2 change, is with the Navy.

3 Let me go to something that I think maybe you can all
4 answer for me. I've been focusing a lot with the various
5 services and asking them about, okay, we have a flat budget,
6 it's a cut. When you consider inflation, you are all
7 trained to say or required to say, well, it still meets the
8 National Defense Strategy. It allows us to increase
9 capacity and, and you pretend like it's all going to be
10 okay.

11 And I get it. You have to. I got it. You've got a
12 boss in the White House that wants you to say those things.
13 But could you tell me in what areas do you think this flat
14 budget presents the greatest risk, the most risk?

15 Senator Kramer: Again, it's plenty.

16 Mr. Del Toro: Sure.

17 Senator Kramer: According to you-all, what areas are
18 most at risk because of this?

19 Mr. Del Toro: I think that given the difficult
20 decision -- and I also like to, you know, point out that,
21 you know, we just didn't come to the Fiscal Responsibility
22 Act.

23 Senator Kramer: I understand that.

24 Mr. Del Toro: It was members --

25 Senator Kramer: I'm not blaming --

1 Mr. Del Toro: -- of Congress who actually were
2 negotiating the debt limit ceiling --

3 Senator Kramer: I not blaming --

4 Mr. Del Toro: -- that led to the Fiscal Responsibility
5 Act that caps our funding.

6 Senator Kramer: I agree.

7 Mr. Del Toro: I can't spend. I have to follow the
8 law.

9 Senator Kramer: I'm not blaming you. I'm asking you
10 what areas are the most at risk as a result.

11 Mr. Del Toro: Three areas, installation-readiness, the
12 Air Wing of the Future, and -- well, those are the two
13 primary ones. Installation-readiness and the Air Wing of
14 the Future, and just MilCon in general.

15 Senator Kramer: Admiral Franchetti?

16 Admiral Franchetti: So, as I said, our budget focused
17 on current readiness people and we've taken risk in the
18 future. So Air Wing of the Future, SSNX, DDGX, CVNs, and a
19 lot of our money is going into SIOP. From a MilCon
20 perspective right now, 60 percent.

21 Senator Kramer: General Smith?

22 General Smith: Senator, Barracks 2030 initiative is
23 most at risk, and that's a quality-of-life issue because the
24 main thing is the Marines. Without the Marines, the
25 equipment is irrelevant.

1 Senator Kramer: So if those of us on this dais and
2 within the chambers, and frankly in the other chamber, we're
3 to try to provide more than the FRA -- which the FRA number
4 was a mistake. I wish we didn't have to deal with it, and
5 we don't -- if we change the law, we're in the changing the
6 law business, would we reduce risk if we provided you with a
7 lot more?

8 Mr. Del Toro: Yes, Senator, you would.

9 Senator Kramer: Thank you, Mr. Chairman.

10 Chairman Reed: Thank you, Senator Kramer.

11 Senator Rosen, please.

12 Senator Rosen: Well, thank you, Chairman Reed. I'd
13 also like to thank Secretary Del Toro, Admiral Franchetti,
14 and General Smith. Appreciate you being here testifying
15 today.

16 I'm going to focus a little bit mostly on Nevada and
17 Fallon Naval Air Station. We're starting to implement
18 Fallon Modernization. So, Secretary Del Toro, you know,
19 Nevada, we are so proud to host Naval Air Station Fallon,
20 home to Top Gun. This our nation's premier air carrier
21 wing, and our SEAL training centers.

22 And again, I want to offer you and your staff my
23 personal gratitude for working with me and the Nevada
24 delegation on a consensus proposal to modernize the Fallon
25 Range Training complex, which was included in the Fiscal

1 Year 2023 NDAA, as you know, offer authorizing FRTC
2 Modernization.

3 It was no small feat, and it was the result of input
4 from the Navy, the Department of Interior, Tribal
5 Governments from Nevada, local governments, and so many
6 stakeholders. It was a compromise that the Nevada
7 delegation will continue to provide support to so that we
8 can ensure the proper implementation.

9 So, as you know, the Navy's currently working with
10 other federal agencies and my constituents to meet the
11 requirement of making full payment to impacted grazing
12 permit holders. We got a lot of ranchers there.

13 So as the Navy goes through the process of appraising
14 the loss of these permits, it's critical that my ranching
15 community and Nevada stakeholders to really adequately be
16 compensated. And so, this is going to include the loss of
17 their impacted ranching operation, improvements made to
18 include water access, and FSA loans that they might have
19 associated with their allotment.

20 And so, I raise this because I've heard concerns from
21 ranchers in Nevada, Northern Nevada, the Navy isn't --
22 they're not considering all of the variables when it comes
23 to payouts of their grazing allotments.

24 And so, Secretary Del Toro, can I get your commitment
25 that the Navy will ensure that all grazing permittees

1 impacted by implementation of FRTC Modernization are fairly
2 compensated?

3 Mr. Del Toro: You have my commitment, Senator. It's
4 my understanding we've been working very, very closely with
5 the ranchers. I can't guarantee that every single one of
6 them is going to be satisfied with the negotiations, but we
7 are engaging with them very transparently and very seriously
8 to compensate them for all the reasons that you just
9 mentioned.

10 And I also want to thank you personally for your
11 leadership. Actually, the expansion of Fallon is critically
12 important to our current and future war fighters. By
13 expanding that range, we could expand the training
14 associated with the F-35 associated with the advanced
15 missiles that we've been focused on as well.

16 That's what I've been focused on actually for a long,
17 long time now, and I thank you for your efforts to make this
18 a reality.

19 Senator Rosen: Well, thank you. We'll continue to
20 work with you. And I also am going to ask if you'll commit
21 to briefing my staff on the amount of funding you have
22 today, and what --

23 Mr. Del Toro: Yes ma'am.

24 Senator Rosen: -- you believe you'll need in Fiscal
25 Year 2025 and beyond to meet some of these commitments,

1 specifically as it relates to Fallon. So, thank you for
2 that.

3 Mr. Del Toro: Yes, ma'am.

4 Senator Rosen: I'm going to talk about housing. We've
5 talked about military housing. Fallon, again, a major
6 asset, provides a range space needed to ensure the fleet's
7 deployable and operationally ready. The base has been
8 designated a remote duty installation since 1989, and of
9 course, the quality of life challenges that accompany that.

10 So, we're the only Navy base naval, Air Station Fallon,
11 in the continental United States designated in a critical
12 housing area with housing in very short supply. So the vast
13 majority of those stationed at Fallon live in Reno or Carson
14 City, which are both at least an hour away.

15 So I understand the Navy anticipates entering into some
16 public-private ventures to build about 172 new homes in
17 Fallon, but we need a lot more infrastructure required to
18 support them, such as expanding existing wastewater
19 treatment plants.

20 So, given the long distances sailors have to travel
21 between their home and Fallon's designation as a critical
22 housing area, remote duty installation, are you considering
23 providing some stipend or as assignment incentive pay to
24 help alleviate the costs? And we also have to attract that
25 civilian workforce you need.

1 So, could you speak to those issues?

2 Mr. Del Toro: So, the challenges in Fallon have been
3 significant, and we're well aware of them. And I so wish
4 that we actually, given the Fiscal Responsibility Act, had
5 more resources to devote to housing and everything else. We
6 are investing in '25 a lot NFSRM to try to improve the
7 existing housing as much as we can.

8 We hope to make greater investments in MilCon in '26
9 and '27, but we are deeply focused on this, and we will look
10 at this specifically to see if there's anything that we can
11 do to alleviate the conditions in Fallon.

12 Senator Rosen: Thank you. I appreciate it.

13 Thank you, Mr. Chairman.

14 Thank you, Senator Rosen.

15 Senator Tuberville, please.

16 Senator Tuberville: Thank you, Mr. Chairman. Good
17 morning. Thanks for being here.

18 General Smith, I was able to recently meet with some
19 Marines that came from the Indo-Pacific. Great people. Let
20 me tell you, they're exactly what we need in our military.
21 You know, what resources can Congress assist with to better
22 support our mission in the Indo-Pacific?

23 General Smith: Senator, thanks for that question, and
24 thanks for the praise of our Marines. I share it. My own
25 son is a Marine although, you know, he's, he's still, he's

1 still on the on the --

2 Mr. Del Toro: Got a media recruiting call, right?

3 General Smith: He's got to meet his recruiting goals.
4 He's still on probation. What I would say, sir, is we need
5 predictable, steady funding for our amphibious warfare
6 ships. We need LHAs on four-year centers and LPDs on two-
7 year centers, because that provides us the operational
8 flexibility and mobility that's required to counter the PRC.

9 Senator Tuberville: I know you've kept an eye on the
10 Middle East, and we have seen unmanned drones, small
11 unmanned drones. Talk about what we've learned and what we
12 can take from there to the Indo-Pacific in this next in
13 incursion.

14 General Smith: Yes, sir. What we've learned is that
15 directed energy weapons are going to be a thing of the
16 future because we can't get into a reverse cost curve where
17 we're expending, you know, million-dollar missiles to shoot
18 down \$100 drones. We've got to invest in the technology and
19 the capability to disable drones in flight, to disable their
20 targeting infrastructure, and to knock them down without
21 shooting a missile at them.

22 Because that's, again, putting us on the wrong side of
23 the cost curve, and we're working on that now at the Marine
24 Corps War Fighting Lab.

25 Senator Tuberville: Yeah. I think Senator King would

1 agree with you on that. We've talked about it quite often.

2 Secretary of Del Toro, the Navy recent released their
3 45-day ship building review last month. And there are
4 significant delays. The Columbia-class are now 12 to 16
5 months late.

6 We make components in Mobile for the Columbia-class.
7 And we hear a lot about studying this and doing a report on
8 that. You know, we need results, obviously, and I know
9 you're on top that. What are we doing to fix this?

10 Mr. Del Toro: Yes, sir. Well, just as one example,
11 Senator, and I know your commitment and passion for this.
12 You know, down in Austal, for example, the Navy actually
13 worked very closely with Austal over the last couple years
14 to turn it into a steel production facility. And I have
15 been encouraging the big primes over the last two and a half
16 years that I've been secretary, aggressively, to actually
17 outsource more of their work hours to companies like Austal
18 and the smaller shipyards so they can help with production.

19 So, in 2023 alone, we had 3 million additional hours of
20 outsourcing that's taken place. We hope to increase that in
21 2024, hopefully to 6 million. And it's the smaller
22 shipyards that actually help as part of the team to then
23 increase the production rates.

24 So that, along with all the other investments, the \$14
25 billion over the fit up, basically, I think, we're going to

1 see production rates continue to grow in the future because
2 of those efforts.

3 Senator Tuberville: Yeah. And we're also running into
4 a problem. You know, we budget it, we appropriate it, but
5 we're having a tough time allocating money for some reason.

6 Mr. Del Toro: Yes, sir.

7 Senator Tuberville: We're running in a stonewall of
8 people not doing their job, to be honest with you. And you
9 know, if we can't get the money allocated, we can't build
10 anything. We can't pay people for working. We're having a
11 tough time now getting people to work and people that are
12 trained to work. And it's getting worse and worse. It is
13 not getting better. You have obviously been addressing
14 that.

15 Mr. Del Toro: No, sir, and I agree with you. And you
16 know, with the continuing resolution, we can't allocate
17 those funds until the funds are actually given to us. So
18 I'm actually increasing our contracting workforce in '24 so
19 that we can actually provide resources to the vendors far
20 quicker once we get the authorizations and the
21 appropriations in place.

22 Senator Tuberville: And you know, we're working very
23 hard to train people. We're actually recruiting out of
24 McDonald's, Walmarts --

25 Mr. Del Toro: Yes, sir.

1 Senator Tuberville: -- training welders and all those
2 things. I mean, we're in a tough time right now, getting
3 people actually off the couch, back to work, and getting
4 them trained. And you're obviously talking with people
5 about that.

6 Mr. Del Toro: And I think we need to get innovative,
7 Senator. I'll give you an example of something we just
8 recently did over the last few weeks in Ohio, for example.
9 So, we met with the Boiler Makers Union in Ohio because they
10 have experienced slowdowns basically in their, in their
11 workforce. So Bartlett Industries in Ohio, for example, is
12 training those boiler makers on how to actually work in
13 their shipyards. And so, then hopefully we're going to be
14 providing those to Wisconsin to help with the Constellation-
15 -class frigate in Wisconsin.

16 Senator Tuberville: Yeah. And Admiral, we're running
17 low on people. And you talked earlier about recruiting.
18 Please tell me we're not dropping our standards to recruit.
19 That'd be the worst thing that we possibly could do. We
20 need well-trained, obviously, a group that wants to do it
21 for the right reasons. Your thoughts?

22 Admiral Franchetti: Senator, we are not lowering our
23 standards. We are working really hard to improve our
24 recruiting enterprise, to improve throughput per recruiter,
25 and really look broadly at getting out to every Zip Code in

1 America to bring that talent that we need. People that meet
2 our standards, we want them on our team. Every single one
3 of them.

4 Senator Tuberville: Are we taking non-citizens, non-
5 American citizens in the Navy?

6 Admiral Franchetti: We only take people that are
7 legally allowed to enter the Navy.

8 Senator Tuberville: Okay. Thank you.
9 Thank you, Mr. Chairman.

10 Chairman Reed: Thank you, Senator.

11 Senator Blumenthal, please.

12 Senator Blumenthal: Thanks Mr. Chairman. Thank you-
13 all for being here, and thank you for your service.

14 And Secretary Del Toro, I know you visited Electric
15 Boat a number of times. You share my passion for undersea
16 warfare. If I were to propose an amendment to the NDAA
17 increasing the number of submarines for Fiscal Year 2025 to
18 two instead of the one, would you oppose it?

19 Mr. Del Toro: I wouldn't oppose it, Senator, but I
20 certainly would be hopeful that the resources aren't taken
21 away from other critical programs that we're trying to
22 execute on right now as well.

23 Senator Blumenthal: Well, would you agree with me that
24 the best way to increase the number of submarine production
25 from 1 to 2.3 is not to cut, but to send a signal to the

1 defense industrial base, including suppliers, that we're
2 going to be making real steps toward that goal of 2.3?

3 Mr. Del Toro: I think we need to help industry by
4 making the investments that you have made in the submarine
5 industrial base of the tune of \$15 billion. We have
6 currently 11 additional submarines that are in construction,
7 three additional ones under contract in order to get the
8 production rate up. But if we can't deliver those
9 submarines on time, that also presents opportunity cost.
10 Where in a year where we're fiscally constrained, we
11 basically won't be able to do other things that are
12 critically important to the enterprise as well.

13 Senator Blumenthal: Well, I think you appreciate that
14 the suppliers, the defense industrial base take a very
15 strong signal from that cut. I'll give you an example.
16 Collins & Jewel in Bozrah, Connecticut is a critical
17 supplier of structural welding fabrication. Before the
18 Fiscal Year 25 budget release, they were preparing a \$2
19 million investment with Micro Precision, another critical
20 Connecticut supplier to expand their facilities in the state
21 so they could hire more workers from the manufacturing
22 pipeline initiative in the state of Connecticut. After that
23 budget release, on hold.

24 Hillery Company in Groton. They specialize in solid
25 modeling software for advanced design fabrication, metal

1 welding, and joining. They plan to upgrade their water jet
2 in order to increase capacity to serve production at
3 Electric Boat. On hold. I could name so --

4 Mr. Del Toro: So that's exactly what the resources in
5 the submarine industrial base investment are designed to do
6 to actually help those companies. I'd be happy to reach out
7 to those companies and see where we could actually provide
8 them with the funds to make the CapEx investments that they
9 need to make.

10 Senator Blumenthal: Well, they need a signal that
11 we're moving from one submarine this year to two submarines,
12 so they can plan. They need dollars. They don't need words
13 from me, or with all due respect, from you.

14 Mr. Del Toro: But I'm not just providing words. We're
15 prioritizing resources in the submarine industrial base of
16 \$15 billion.

17 Senator Blumenthal: Well, they need purchase orders is
18 what they need.

19 Mr. Del Toro: Well, there --

20 Senator Blumenthal: They need purchase orders that
21 come from Electric Boat, which are using dollars that come
22 from the United States of America.

23 Mr. Del Toro: We have 11 submarines that are actually
24 under construction right now, and we have three additional
25 submarines that are under contract. 14 submarines is an

1 enormous investment in what we need for the future.

2 If the production rates had been, and if the industry
3 actually had invested more of their own money as well too,
4 and the CapEx investments and other investments they need to
5 make to get the production rates out, we'd be in a better
6 place overall.

7 Senator Blumenthal: I see no plan. I see an
8 explanation for why we're behind, but no plan to recover.

9 Mr. Del Toro: There is a plan, Senator. We are
10 working very aggressively with all those vendors and with
11 the primes as well to --

12 Senator Blumenthal: Can you give us a plan?

13 Mr. Del Toro: Absolutely, sir. We have plans in
14 place, and we'll show you exactly what we're doing with the
15 entire submarine industrial base investment you've been so
16 helpful to us in providing.

17 Senator Blumenthal: Let me ask you about the Xavier
18 Sandor Act. It's named after a young man from Connecticut
19 who committed suicide because he was on the USS Washington,
20 which was under repair and maintenance. He was confined to
21 the ship, or he was on the ship living there while it was
22 under maintenance.

23 And we passed a law that provides that base allowance
24 can be provided to enlisted men when they are on ships that
25 are in maintenance. Maybe you or Admiral Franchetti can

1 update me as to what progress is being made in implementing
2 that law.

3 Mr. Del Toro: Yes, sir.

4 Admiral Franchetti: Yes, sir. We basically want to
5 make sure that our sailors have a separation from their work
6 and their life space. So when they are on the ship in the
7 shipyard, we've given the flexibility to move them off the
8 ship to have housing outside of the ship. And when it is
9 not habitable --

10 Senator Blumenthal: My time has expired, but I would
11 appreciate in writing a update from you elaborating on that
12 answer.

13 [The information referred to follows:]

14 [COMMITTEE INSERT]

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1 Admiral Franchetti: Yes, sir.

2 Chairman Reed: Thank you, Senator Blumenthal.

3 Senator Schmitt, please.

4 Senator Schmitt: Thank you.

5 Secretary Del Toro, I have a question. Recruiting is
6 down 20 percent last year. So far it's on pace, it's down
7 30 percent this year. Do you believe that the obsession
8 that the political leadership has right now with DEI has
9 helped or hurt recruiting efforts?

10 Mr. Del Toro: No, sir. I don't think DEI has hurt
11 recruiting efforts at all.

12 Senator Schmitt: You don't?

13 Mr. Del Toro: No, sir.

14 Senator Schmitt: You don't think it plays any factor
15 at all?

16 Mr. Del Toro: No, sir.

17 Senator Schmitt: You don't think your obsession with
18 race essentialism and immutable characteristics turns off a
19 lot of people?

20 Mr. Del Toro: I'm not obsessed with any of that,
21 Senator. Whenever you, on the record, heard me say anything
22 to that effect?

23 Senator Schmitt: Well, no, it's in your materials.

24 Mr. Del Toro: What materials?

25 Senator Schmitt: Your DEI 101 materials and the

1 indoctrination that you're putting through, this cultural
2 Marxism. You don't believe that it has any impact?

3 Mr. Del Toro: I'm not indoctrinating anybody, Senator.

4 Senator Schmitt: Okay. Secretary, I want to read to
5 you from your materials what allyship is. "Allyship is to
6 take intentional actions such as listening, learning, and
7 uplifting those who may be disadvantaged. To ensure all
8 voices are heard and respected, being an authentic ally is
9 to form genuine relationships to advocate for fair treatment
10 and increase feelings of inclusion and belonging for all."

11 Do you believe that you --

12 Mr. Del Toro: Do you not want all the members of your
13 team to feel like they're included?

14 Senator Schmitt: Well, I have a question. Do you
15 believe that you were an ally for the 1,878 soldiers who
16 were fired or the 3,746 Marines who were fired for not
17 taking the COVID shot? Were you an ally for them?

18 Mr. Del Toro: Sir, I followed the laws. They
19 disobeyed the law.

20 Senator Schmitt: Well, did they feel included?

21 Mr. Del Toro: They disobeyed a law.

22 Senator Schmitt: They were fired

23 Mr. Del Toro: They were fired because they disobeyed
24 the law.

25 Senator Schmitt: Do you regret that? Do you regret

1 that?

2 Mr. Del Toro: As it currently existed -- I have no
3 regrets.

4 Senator Schmitt: You have recruitment challenges. You
5 refuse to --

6 Mr. Del Toro: You know what Senator --

7 Senator Schmitt: You refuse to admit, the DEI is a
8 part of this. You're firing qualified people who are well
9 trained, and you sit here so smugly to act like none of that
10 has any impact on the readiness of our Navy.

11 Mr. Del Toro: Senator, we recontacted 3,500 of the
12 4,800 people who were fired. You know how many actually
13 decided to come back to the Navy and report? Two.

14 Senator Schmitt: Shocker.

15 Mr. Del Toro: Two.

16 Senator Schmitt: Shocker, at the level of disrespect
17 they received from their government.

18 Senator Schmitt: General Smith, I understand that on
19 May 3rd, two individuals were detained by gate guards after
20 lying to gate guards. And then trying to forcibly bypass
21 security checks. Now, anonymous sources are reporting that
22 one of the detained individuals was a Jordanian national who
23 recently crossed the U.S. Southern border. Also, one of the
24 two is on the terror watch list. What do you know, what
25 have you been briefed by ICE on this?

1 General Smith: Senator, I'm not familiar with that. I
2 can get back to you on it after I check with NCIS.

3 Senator Schmitt: Okay. I don't have any other
4 questions, Mr. Chairman.

5 Chairman Reed: Thank you very much, Senator Schmitt.

6 Senator --

7 Senator Schmitt: Mr. Chairman, I do have one more
8 question before --

9 Chairman Reed: You have --

10 Senator Schmitt: I have some time remaining.

11 Secretary Del Toro, I do want to understand, based on
12 your previous conversations, I really do have to get you on
13 the record. Do you believe that climate change is a bigger
14 threat to the American people than Communist China's
15 ambitions?

16 Mr. Del Toro: They are different.

17 Senator Schmitt: No, but do you -- I'm asking you to
18 weight them. We all make decisions.

19 Mr. Del Toro: I'm not going to weigh them. One
20 impacts the other in different ways.

21 Senator Schmitt: So, you can't sit here and tell us
22 that Chinese Communist ambitions are more dangerous to the
23 American people than --

24 Mr. Del Toro: Senator, I don't think you've been
25 following all the things that I've been doing since day 1.

1 Senator Schmitt: I'm asking you a question.

2 Chairman Reed: Senator Schmitt, excuse me.

3 Senator Schmitt: I'm asking you a question.

4 Chairman Reed: Ask a question, Senator. The secretary
5 will respond. And then, I think you've yielded your time --

6 Senator Schmitt: I just have a couple more seconds
7 because I had about a minute and a half left.

8 Chairman Reed: This is not an argument. It's a
9 question and answer.

10 Senator Schmitt: That's fine. I'm asking a question.
11 Do you believe that climate change is a bigger threat to the
12 American people than a nuclear holocaust?

13 Mr. Del Toro: Of course not.

14 Senator Schmitt: Okay. Well, thank you for actually
15 being courageous. Thank you. I just have to say that your
16 comments about this, Teddy Roosevelt and Admiral Nimitz will
17 be rolling in their grave the way that you equivocate on
18 this.

19 Mr. Del Toro: No, actually, Admiral Nimitz cared
20 deeply about installation-readiness --

21 Senator Schmitt: He was a big climate alarmist?

22 Mr. Del Toro: It wasn't as big a problem than as it is
23 now.

24 Senator Schmitt: Yeah. Thank you, Mr. Chairman.

25 Chairman Reed: Well, thank you, Mr. Schmitt.

1 But I think it's appropriate right now to make a point
2 that this committee has operated for many, many years based
3 on a mutual respect for the witnesses and the Senators, and
4 to ask questions, receive answers. And if you disagree with
5 the answer, make a comment to the effect.

6 But the level of argumentation at this point, I think,
7 is something we haven't seen in a long time. It's not new,
8 Senator Schmitt. I think, it's been on both sides, and I
9 hope we can move on to more to your questions and answers.
10 But I respect your position very much, Senator.

11 Senator Schmitt: Thank you, Mr. Chairman.

12 Chairman Reed: Go ahead, Senator Manchin, please.

13 Senator Manchin: Thank you, Mr. Chairman. And, and I
14 do agree as being a chairman of the committee, the civility
15 to how we show the respect for what you all have done. We
16 do have agreements and we have disagreements. We can
17 respectfully do that. But with that being said, General
18 Smith, I'm glad to see you back in good health.

19 We've had many good discussions. Knowing you and the
20 Marines, in general, I can't say I'm surprised that you're
21 fully back to work so quickly knowing you. I need to thank
22 the Marine Corps, and you in particular. I've been advised
23 by six Marines during my time in the Senate, and this will
24 likely be the last opportunity. I'm going to have to
25 recognize the Marine Corps contribution to my office,

1 particularly my Senate office here in Washington.

2 I've had lieutenant Colonel Jason Lambert. I've had
3 Gunnery Sergeant Rob Moser. I've had Major TJ Byers. I've
4 had Major Sean Desenkowski. I've had Gunnery Sergeant Dane
5 Ossoff, and I now have Major Greg Carroll. They've become
6 integral parts of my staff.

7 During the time that I've been here in the Senate, I
8 know every member of my staff has benefited from their
9 professional and their personal experiences of interchanging
10 interacting with them. So, I want to thank the Marines for
11 allowing me to have six absolutely outstanding individuals.

12 General Smith: Well, we thank you for the opportunity
13 to place them there, for them to learn how our system works.

14 Senator Manchin: Well, we learned as much from them as
15 they might have learned. I'm hoping they got as much in
16 return as they gave us. I really do.

17 General Smith: I guarantee they did, Senator.

18 Senator Manchin: Now, Secretary Del Toro, you oversee
19 one of the most unique national security assets in our
20 country. It's called the Allegheny Ballistic Laboratory,
21 known as ABL, and that's in what we call Rocket City, in
22 West Virginia. It's the only government-owned -- the only
23 one that we all own. The government-owned contractor
24 operated munitions facility.

25 To lay it out plainly, that means this infrastructure

1 is owned by taxpayers. All it may be holding to the federal
2 government, not the shareholders of a private defense
3 contractor. ABL builds components for more than 17 types of
4 munitions used by every branch of our military and a variety
5 of our allies and partners, including Ukraine.

6 However, and I'd say with us all due respect, they get
7 overlooked. ABL gets overlooked because they don't do the
8 final assembly for these weapons. You have the property
9 there to do it. You have the expansion there to do it.
10 Instead, we ship every single component out to another
11 privately owned facility, which has received more than \$200
12 million in taxpayer funds to subsidize and prop up
13 production quality issues they're having.

14 They can't do what we're doing. We're sending them the
15 components. They are not adequately doing their job. And
16 I've also learned that Navy, now, this is what I can't
17 believe, now plans to partner with that underperforming
18 private company. The name of that company is Aerojet
19 Rocketdyne to build another duplicate version of what we
20 already own as a federal government. And they're going to
21 do it at Indian Head in Maryland, which is not that far from
22 Rocket City. You already own all that in Rocket City.

23 So my question is, ABL covers more than 1,500 acres
24 that we own, with more than adequate space for expansion?
25 So we can't figure out why is the Department in the Navy --

1 it just seems like they're determined, hell bent on spending
2 more taxpayer money -- you can say wasting it -- to prop up
3 an underperforming, truly under underperforming private
4 company instead of investing in the national assets you
5 already have.

6 And you can do it right there and do the assembly
7 there. You have total quality control. It's been
8 excellent. So only thing I can ask you, publicly, if you'll
9 come, and if we can bring Secretary LaPlante with you, I'll
10 accompany you and we'll go. And if something's wrong, tell
11 me. I'll be the first to step back.

12 But I see no reason why we can't continue to build out
13 what you have, what we own as a government, what we control,
14 and to expand there to do full -- it's just that they can
15 double overnight. They're ready to go, but the money's all
16 going different -- and only thing I can say is that the
17 private contractors have more umph than we have with our
18 own.

19 Mr. Del Toro: Senator, I know we're deeply committed
20 to trying to reduce production tremendously. But I commit
21 that I'll go with you, and I'll invite Secretary LaPlante to
22 come with me as well, to meet with you, to take a look at
23 the division of labor as it applies to this situation.

24 Senator Manchin: We'll do it sooner than later. It's
25 not that far.

1 Mr. Del Toro: Yes, sir.

2 Senator Manchin: We can drive over, and if you maybe
3 have a helicopter, you may a ride in a helicopter. We'll
4 jump over real quick.

5 Mr. Del Toro: We'll, I'll be happy to drive.

6 Senator Manchin: Thank you.

7 Chairman Reed. Thank you, Senator Manchin.

8 Senator Rounds, please.

9 Senator Rounds: Thank you, Mr. Chairman. First of
10 all, thank you to all of you for your service to our
11 country.

12 Secretary Del Toro and Admiral Franchetti, are you
13 aware of the 20-month Ember study authorized to study the
14 sharing of the electromagnetic spectrum in the critical 3.1
15 to 3.45 gigahertz band?

16 Mr. Del Toro: I am Senator.

17 Senator Rounds: Thank you. Are you aware of the
18 finding of this interagency study that found sharing in this
19 band between the federal and commercial systems is not
20 feasible unless, and I quote, "certain regulatory,
21 technological, and resourcing conditions are met and
22 implemented"?

23 Mr. Del Toro: I have Senator. I'm very concerned
24 about the --

25 Senator Rounds: Thank you. Are you aware also that

1 the estimate of this interagency study was that implementing
2 the conditions could take 30 years and \$260 billion if this
3 portion of the electromagnetic band alone, even under the
4 very stringent conditions were met, that could be the cost.
5 Were you aware of that?

6 Mr. Del Toro: Yes, sir.

7 Senator Rounds: Thank you. Are you also aware that
8 the current legislative proposals in the Commerce Committee
9 call for the use of the 7 to 8 gigahertz band where the Navy
10 and other services maintain similarly critical systems for
11 the defense of this country?

12 Mr. Del Toro: Yes, sir.

13 Admiral Franchetti. Yes.

14 Senator Rounds: Thank you. And can you tell this
15 committee where you stand on these efforts, if followed
16 through without the most stringent conditions, such as the
17 development and implementation of dynamic spectrum sharing,
18 interference safeguards, and a massive influx of federal
19 resources to maintain the defense of this country?

20 If those aren't included, what is your position on the
21 current proposals to not only look at the 3.14 or 3.45
22 gigahertz band, but also the 7 to 8 gigahertz band for
23 commercial production?

24 Mr. Del Toro: I'm extremely defensive in any
25 infringement on our spectrum band, and also very concerned

1 about the opportunity costs that it would create. I just
2 don't feel we have enough resources to be able to do what
3 sometimes is being suggested to be done.

4 Senator Rounds: Secretary Del Toro, we have not had a
5 single uniformed individual with any other opinion other
6 than what you have offered just now. The challenge that we
7 have is continuously from the administration. There seems
8 to be a push because they recognize that there is a 5G and
9 eventually 6G needs, but the pieces that they're looking at
10 involve areas that are critical to the defense of this
11 country because of the physics involved.

12 There has to be within the Department of Defense,
13 someone who will stand up and make very clear to the
14 administration that these proposals will be extremely
15 expensive and detrimental to the defense of this country.
16 Have you expressed those concerns to the administration?

17 Mr. Del Toro: I've expressed the concerns to my chain
18 of command, yes, Senator.

19 Senator Rounds: Thank you.

20 Admiral Fratti, do you have anything to add to that?

21 Admiral Franchetti: Well, as you stated and the
22 secretary stated, this is a really critical spectrum for us.
23 You know, it would be incredibly detrimental and very
24 expensive if we were even able to adapt the systems to be
25 able to do without that spectrum.

1 So if there were to be an agreement, the sharing the
2 regulations, it would have to be very strict, as you
3 described, and there would always have to be opportunity for
4 us to have access to those spectrums to be able to both
5 train, but potentially defend our homeland.

6 Senator Rounds: Which means that you have to have a
7 dynamic spectrum sharing product in place. It does not
8 exist today. We're working on it, but it is not there
9 today.

10 Admiral Franchetti: Yes.

11 Senator Rounds: Thank you. Secretary Del Toro -- and
12 I'm going to change the subject a little bit for both you
13 and Admiral Franchetti. I think nearly everyone agrees that
14 the state of the Navy's shipyards is inadequate to face, you
15 know, the greater power competition.

16 To cite just one example, the USS Boise, you've heard
17 me talk about it before, it has been in and out of
18 maintenance and unavailable to our war fighters since June
19 of 2016. I know Secretary Del Toro was able to meet with
20 the leaders of HD Hyundai and February this year and see
21 firsthand how they are using AI enabled capabilities to
22 enhance and manage their shipbuilding efforts.

23 To what degree are the Navy's public shipyards
24 currently using predictive analytics and AI to assist in
25 optimizing the workflows, operations, and scheduling at the

1 shipyards?

2 Mr. Del Toro: So, Senator, we're finally making the
3 appropriate investments over the last couple of years to try
4 to get to a better place. And they now actually have a
5 platform that they're using that does just this. But I'm
6 also proud to say that, finally, you know, we do have
7 actually a contract in to actually repair the Boise.

8 And thanks for your support as well, too, to make that
9 happen. Those efforts are underway, in addition to the two
10 others that were suffering problems over the long-term. And
11 these are the issues that I've been trying to fix since I
12 came in as secretary. And I'm proud to say that all three
13 submarines now have contracts on them to get them
14 operational and be put back to sea. Thanks for your
15 support.

16 Senator Rounds: Thank you. Admiral Franchetti

17 Admiral Franchetti: I just wanted to offer, that's
18 again, the critical reason we need to do SIOP, just in
19 general. Our public shipyards really need to be upgraded,
20 both in terms of the dry dock, but the industrial plant
21 equipment, as well as the modernization of the flow and the
22 taking advantage of the technology that we have today to
23 modernize them.

24 Senator Rounds: Thank you. And General Smith, I just
25 want to say thank you for your service to our country.

1 Thank you, sir. And to your team as well, thank you.

2 Thank you, Mr. Chairman.

3 Chairman Reed: Thank you, Senator Rounds.

4 Senator Peters, please.

5 Senator Peters: Thank you, Mr. Chairman. And to our
6 three witnesses. Thank you for your testimony today. And
7 thank you for your service to our country. It's
8 appreciated.

9 Secretary Del Toro, as other senators have noted the
10 Navy's working hard to expand the submarine industrial base
11 to support the state-of-the-art Virginia-class and Columbia-
12 class submarines. Congress has supported these efforts
13 allocating billions of dollars to support submarine
14 builders, suppliers, and the workforce.

15 And as part of these efforts, secretary Guertin shared
16 during a recent Seapower hearing that the Navy's looking to
17 expand the submarine industrial base capacity outside of our
18 existing shipyards, including other states like the state of
19 Michigan, which has a great deal of industrial capacity, as
20 you well know.

21 So my question for you, Secretary, as could you
22 elaborate on Secretary Guertin's comments about expanding
23 the submarine industrial base in Michigan, and can you
24 commit to work with me to ensure that Michigan industrial
25 base can provide world-class products to solve these

1 submarine supply chain and workforce challenges? We have
2 the ability to do that.

3 Mr. Del Toro: Yes, Senator. Actually, in 2023 alone,
4 I directed both the Marine Corps and the Navy to increase
5 the amount of investment we have in small businesses and
6 medium-sized businesses. We have pumped \$1.7 billion of
7 additional monies for those competitive areas to actually
8 become more healthy.

9 As a result of that, we've actually added 1,000 small
10 business companies to the Navy marketplace. These are the
11 efforts that have to be done systematically from the very
12 beginning to make things better. And that's what I've been
13 doing for the past two and a half years.

14 In the case of Michigan, we just met with your economic
15 development team in Wisconsin, and we actually talked to
16 them about how we could work closely together with you to
17 take full advantage of the submarine industrial base
18 investments that are being made in order to feed,
19 particularly, Marinette Shipyard in Wisconsin, so that we
20 can get the Fincantieri Program back on track.

21 Senator Peters: Great. Wonderful. I hope you
22 continue those efforts. Let me know how I can assist you in
23 those efforts.

24 Mr. Del Toro: Yes, sir. I appreciate that.

25 Senator Peters: Admiral Franchetti, Secretary

1 Guertin's comments in that Seapower hearing also indicated
2 the Navy's commitment to surge capacity and personnel to
3 move the Constellation-class Frigate program in the right
4 direction, in tandem with the shipyard.

5 I certainly believe the additional funding Congress is
6 providing for the frigate industrial base and workforce is
7 also critical and will continue advocating for inclusion of
8 resources this fiscal year as well.

9 But my question for you, Admiral, is can you share the
10 Navy's long-term commitment to the frigate, and how we must
11 get this program right, and its role and importance to the
12 future fleet?

13 Admiral Franchetti: Well, thank you. And I just had
14 the opportunity, with the secretary, to go up to Marinette
15 and talk with the folks there, and really committed to
16 supporting them in addressing their workforce challenges
17 that they have.

18 The frigate is an absolutely critical ship for our
19 Navy. It has, for a long time, and most of my career, we
20 had frigates. They were definitely the -- one of the key
21 workhorses of our fleet. It provides lots of great
22 capability, in conjunction and married up with our
23 destroyers, and supporting our carrier strike groups.

24 But to be able to operate all over the world, with the
25 capability that it's going to bring, at a lesser cost than

1 the DDDGs, is very important to our Navy. So very excited
2 to get them on board and as quickly as possible.

3 Senator Peters: Wonderful. Great.

4 Secretary Del Toro, you recently completed a 45-day
5 shipbuilding review, highlighting the need to address the
6 shrinking national design and engineering workforce. And I
7 am sure you're aware the University of Michigan is the last
8 remaining, standalone, undergraduate, through doctoral,
9 naval architecture, and marine engineering department at an
10 R1 university.

11 So, with this in mind, how are you supporting existing
12 naval architecture programs and growing the U.S. naval
13 engineering workforce, for the long-term?

14 Mr. Del Toro: Senator, I've been actually traveling
15 quite a bit to community colleges and universities around
16 the world, trying to get them to commit to our shipbuilding
17 industry. I just came back from the University of Michigan,
18 where I was very honored to actually give the commencement
19 speech in the engineering school, for example, and meet with
20 the tremendous staff and engineers that we have there, who
21 provide -- it's one of the two institutions in the United
22 States that provides the naval architects to the United
23 States Navy.

24 The Office of Naval Research actually made a more
25 significant investment in the program, as well, too. So we

1 are working all levers across the country, everywhere we
2 can, to try to get shipbuilding back on track.

3 Senator Peters: Great. Thank you, Mr. Secretary.

4 Thank you, Mr. Chairman.

5 Thank you, Senator Peters.

6 Senator Scott, please.

7 Senator Scott: Sure. Thank you, Chairman.

8 Secretary Del Toro, Admiral Franchetti, and General
9 Smith, I want to thank each of you for being here. I want
10 to thank you and everybody that works with you and all your
11 hard work. And I respect everybody that serves in the
12 military. But as a former enlisted Navy sailor, a US
13 senator, an American citizen, I am extremely concerned about
14 the accountability of our Navy.

15 And I'll tell you why. And I loved my experience in
16 the Navy. The Navy failed in recruiting last year, and all
17 indications point that you're going to fail this year. The
18 Navy projects it's going to miss recruiting numbers by 6,000
19 sailors this year. And currently performing worse than
20 every other service.

21 This is happening while the Navy has reduced minimum
22 aptitude, education, fitness, and character standards to as
23 low as legally allowed. This stands in stark contrast to
24 the Marine Corps, which is exceeding expectations in
25 recruiting, while maintaining its high standards.

1 When you look at the readiness in the Navy, from an
2 equipment standpoint, things don't look much better. The
3 first Columbia-class submarine is 12 to 16 months late. The
4 fourth and fifth blocks of Virginia-class submarine are 36
5 and 24 months late. The first constellation class frigate
6 is 36 months late. The future aircraft carrier enterprise
7 is approximately 18 to 26 months late. The Navy is retiring
8 ships faster than it's replacing them, and has a terrible
9 record of getting ships on maintenance done on time.

10 It's my understanding, the military has a plan to
11 recapitalize all the C-130s by 2028. These planes are
12 critical for logistics movements and to win a war in the
13 Indo-Pacific. The Indo-Pacific commander has stated they
14 need them to move fuel, sonobuoys, aircraft parts, supplies,
15 people throughout the Pacific. The Indo-Pacific commander
16 has stated that they count on this ability to prosecute a
17 war with Communist China.

18 Air Force is on time with its recapitalization, which
19 is now at 50 percent. The Marine Corps has recapitalized
20 100 percent. But the Navy hasn't even started to
21 recapitalize the 32-year-old fleet of aging 130s. I would
22 assume that you would say, if a ship runs aground leaving
23 naval ports, Norfolk, San Diego, that the captain would be
24 held accountable.

25 Here's my concern. We've got delays in our yards.

1 We've got maintenance ended up being over budget delayed.
2 We've got major shipbuilding delays. We've got recruiting
3 failures. And my concern is, I've not heard anybody that's
4 been held accountable. I assume there's an admiral over
5 each one of these, and I've not heard that one's been held
6 accountable, and they're all continuing to get promoted. Is
7 that true, either Secretary Del Toro or Admiral Franchetti?

8 Mr. Del Toro: Senator, you mentioned a lot of
9 challenges. I see each challenge as an opportunity to make
10 the world a lot better. These often, are problems that have
11 festered for decades, without the right leadership, actually
12 applying the right lessons to avoid the mistakes that were
13 made in the past, of which there were many that I could
14 actually highlight.

15 Yet, at the same time, our fleet actually has been
16 battling back the Houthis for six months in the Red Sea,
17 more successfully than any other Navy, or Marine Corps, for
18 that matter, in the Mediterranean, since WWII.

19 In the Indo-Pacific, we've actually been deterring the
20 Chinese, actually by establishing allies --

21 Senator Scott: Can you just back to my question real
22 quick? Who's been held accountable? You've got delays all
23 over the place. You've got recruiting failures. Has
24 anybody been held accountable? I'm a business guy. If
25 anybody takes a job, they're expected to perform the job.

1 And if they can't, I mean, it's their fault. I mean there's
2 -- you know, don't take the job, if you can't do it.

3 So my question is, has anybody been held accountable
4 for shipyard delays, maintenance delays, recruiting
5 failures. Anybody held accountable?

6 Mr. Del Toro: Different people have been held
7 accountable at different times for different things. But we
8 have --

9 Senator Scott: Give me one example more specific than just
10 that.

11 Mr. Del Toro: I mean, how do I hold -- I try to hold
12 industry accountable, as well, too. Look, Fincantieri is
13 one example. Their retention rate, actually, last year was
14 atrocious. That is part of the reason why we have actually
15 established up to a three-year delay in the delivery of the
16 constellation class frigate.

17 What we're trying to do is, actually put positive
18 efforts in place to help Fincantieri get to a better place.
19 When in the case of the Enterprise, the main reduction gear
20 from Northrop Grumman has been delayed, because they
21 actually won the contract, and it wasn't General Electric
22 who had it before. You know, that's created problems, as
23 well, too.

24 Now, back to the case of the Constellation -- maybe if
25 the Constellation, if that had not been underbid during the

1 previous administration, and hadn't been delayed from the
2 very beginning, and they came in with a best value price for
3 it, and the Navy had not accepted it back then, we'd be in a
4 better place, with regards to the Frigate, as well, too.

5 Senator Scott: So, the answer is not one person in the
6 Navy has been held accountable.

7 Mr. Del Toro: Senator, there have been people held
8 accountable for different reasons at different times.

9 Senator Scott: I ask you for one. Just give me one.

10 Mr. Del Toro: I'm not going to invade people's privacy
11 either in terms of individuals who've been held accountable
12 for different problems in the Navy.

13 Senator Scott: So this is,

14 Mr. Del Toro: I have a record of holding even senior
15 leaders accountable when they falter in the United States
16 Navy, and my track record shows that.

17 Senator Scott: Thank you, Chair.

18 Chairman Reed: Thank you, Senator Scott.

19 Senator Duckworth, please.

20 Senator Duckworth: Thank you, Mr. Chairman, and good
21 morning to our witnesses.

22 Secretary Del Toro, I want to discuss the housing
23 issues at Halsey Village at Naval Station Great Lakes. I
24 understand housing issues have plagued Halsey Village for
25 years, even from the previous administration. I'm not here

1 today to assign blame, but I do want to work constructively
2 with the Navy on a path forward.

3 The Navy leased Halsey Village to Hunt Military
4 Communities under a 50-year lease, and Hunt is responsible
5 for day-to-day operations. The Lake County Board chair and
6 mayor of North Chicago, where Halsey Village is located,
7 wrote to Hunt Military Communities on October 2023, to
8 express their concerns regarding the physical condition of
9 Halsey Village.

10 In their letter, they wrote, "There is not a
11 neighborhood in all of Lake County that is in worse
12 condition than Halsey Village. The neighborhood has taken
13 on the moniker of Zombie Village, given the great numbers of
14 homes in various states of neglect."

15 There are 353 housing units within Halsey Village.
16 Currently, 249 housing units are uninhabitable, with 44 of
17 these units so badly deteriorated that they are cordoned off
18 behind a chain link fence. It is unacceptable that the Navy
19 is renting housing units in Halsey Village to military
20 families and Illinois residents knowing the conditions of
21 these homes.

22 The Navy also offers prorated rent for sailors to live
23 in Halsey Village. This creates an incentive for junior
24 enlisted sailors to live in substandard conditions. No one
25 should be living in Halsey Village, and the Navy should not

1 be creating an incentive for sailors to live there either.

2 I want to discuss the future of Halsey Village, and
3 communicate my expectations, as the Navy finalizes
4 decisions. One, the Navy must keep my office, Senator
5 Durbin's office, and the Lake County community and local
6 elected leaders updated on decisions being made regarding
7 Halsey Village. The path to remediate and redevelop Halsey
8 Village will take years, and I understand that. I will
9 remain laser-focused on ensuring the interests of the
10 community are protected and heard.

11 Two, there are still 22 housing units in Halsey Village
12 being rented to military families. And 88 units are rented
13 at market rate to Illinois residents. Until a decision is
14 made on the future of Halsey Village, the Navy must continue
15 to be responsive to the needs of the residents, and force
16 Hunt Military Communities to address any maintenance issues.

17 Three, I understand that the Navy is discussing options
18 to redevelop the land after the homes in Halsey Village are
19 demolished. The Navy must ensure that no corners are cut,
20 using a commercially compatible developer, to avoid
21 environmental remediation costs, if such a solution would
22 not be acceptable to the Lake County community and local
23 elected leaders.

24 For example, to avoid remediation, you can't just pour
25 concrete over it and say, okay, it's now commercial

1 property. That way, we don't have to deal with remediation,
2 if the community actually wants to have that property be
3 used for future residential housing, which is desperately
4 needed in the community.

5 Secretary Del Toro, I understand that remediating and
6 redeveloping Halsey Village will be costly, and this problem
7 preexists your tenure there. I understand that. I ask that
8 you work with me and my staff to ensure that remediating and
9 redeveloping Halsey Village remains a priority for the Navy,
10 and that we are resourcing these efforts appropriately.

11 Can you commit to that?

12 Mr. Del Toro: Absolutely, Senator.

13 Senator Duckworth: Thank you.

14 Secretary Del Toro, once the Navy finalizes plans for
15 Halsey Village, can you provide my staff with a copy of the
16 Navy's plan to remediate and redevelop Halsey Village,
17 including any timelines associated with those plans?

18 Mr. Del Toro: Yes, Senator.

19 Senator Duckworth: Thank you. And if you find
20 yourself in Illinois, in Chicago anytime this summer, I
21 invite you to come out to Halsey Village and I will tour it
22 with you.

23 Mr. Del Toro: Yes, ma'am. Promise to do so.

24 Senator Duckworth: Thank you, Mr. Secretary.

25 I yield back, Mr. Chairman.

1 Chairman Reed: Thank you, Senator Duckworth.

2 Senator Mullin, please.

3 Senator Mullin: Thank you, Mr. Chairman.

4 Mr. Secretary, I just want to make an observation here.

5 This is not trying to be confrontational to you at all.

6 You've had enough of that. I don't really feel like doing

7 that today. I have eaten. So I'm trying to be in a good

8 mood. But I just say, first of all, you mentioned a while

9 ago, and as a bragging point, that you're battling the

10 Houthis, a terrorist organization.

11 You call that success, when they don't have a Navy. If

12 we want to eliminate them, we could. If we wanted to just

13 stop what they're doing, we could. By holding them back for

14 six months, but yet they're still disrupting and still have

15 the ability to attack shipping freighters. That's not a

16 win. That's far from a win.

17 We are the United States Navy. And we were, at one

18 time, the largest Navy. But we've seceded that to China,

19 which goes back to what Eric Schmitt was saying about the

20 idea of the climate being the biggest threat to China. I

21 really don't think China is too concerned about the

22 environment, at this point.

23 In fact, they're laser-focused on us. And in fact,

24 they're running circles around us. In fact, as you know,

25 Mr. Secretary, they have the largest navy in the world now.

1 They built 30 ships last year alone. We barely completed
2 two. That's a problem. Don't you think?

3 Mr. Del Toro: That is a problem, sir?

4 Senator Mullin: That's a huge problem. We're retiring
5 50. According to your records, you guys have roughly 50
6 that you're going to retire or have to go in for
7 maintenance, or is going to be out of service, by 2028. We
8 have 292 ships currently on the fleet. Not all of them are
9 actually out to sea. They have 370. I'm sure they're laser
10 focused on the environment.

11 Our concern is, are we safer today than we were? The
12 answer to that is, probably not. Probably not, because
13 we're trying to balance the environment with world power.
14 And your body language would, just honestly, just aggravate
15 people just by the way you're behaving. And I mean that
16 sincerely, because you don't take it serious.

17 In fact, it's serious to us. And you almost joke and
18 laugh about it, with your body language. And I'm just
19 saying, as a constructive criticism, that could be a
20 problem, because we want you to succeed. The last thing I
21 want you to do, is not to succeed.

22 But even when you was pressed by Senator Scott over
23 here, Rick Scott, you made a reference to the previous, the
24 last administration, why you're in the situation you're in
25 today because they had something under bid. But yet, we

1 have current things that are constantly coming under bid.

2 You've been in the position for how long now?

3 Mr. Del Toro: Two and a half years, Senator.

4 Senator Mullin: Two and a half years. How long has
5 this administration been in place?

6 Mr. Del Toro: About three.

7 Senator Mullin: I think it's time to start owning your
8 own responsibilities, and stop blaming the previous
9 administration. And yet, you sit there, and you go, nah,
10 nah. That's the problem, sir. It's not that we're just
11 trying to be confrontational with you. It's that I don't
12 think you're hearing us. It's like, you know best. We're
13 just Senators up here and we have no opinion. That's a
14 problem.

15 And so, if you want to try getting along so we can all
16 get in the same boat, and sing, and row together, then let's
17 have actual serious conversation about actually moving
18 forward and what our priorities are. The Navy's need to be
19 focused on winning fights. Let the EPA worry about the
20 environment.

21 Now switching gears, totally. Admiral, good to see
22 you. I want to talk a little bit about Genesis. And I say
23 this, because we're having serious recruiting issues. I
24 mean, I had a conversation this morning with three people,
25 that their sons were all trying to get in the service.

1 One is a D1 track athlete, waited eight months to
2 finally get in, and they were giving him a hard time,
3 because of Genesis, because he's broke a leg or two. You
4 know, there were some other ones that had some health
5 concerns from his past when he was a little kid, and he
6 actually dropped out after six months of trying to be in.
7 By the way, all these are D1 athletes.

8 Another individual had had some issues with their
9 shoulder. Still competing, but couldn't get in the service.
10 And I'd just kind of go around. I mean, I was a pretty
11 rambunctious kid. I broke a lot of bones. And I would
12 believe that, most boys, if they haven't at least broke some
13 bones, probably didn't live a good life growing up, because
14 you got to push yourself.

15 My son, currently, is a D1 wrestler for Oklahoma State.
16 Got cleared to wrestle internationally, got cleared to
17 wrestle by USA, by NCAA wrestling. And he's having a hard
18 time getting cleared in because he's supposed to report to
19 boot camp this summer, and yet he hasn't got cleared yet.

20 I'm not bringing it up for my son, for you to do
21 anything. I'm just saying, is Genesis actually helping us?
22 Because they start looking at an accident he had when he was
23 seven years old, when he got bucked off a horse and he broke
24 his arm. And they asked him a question about -- seven years
25 old, broken arm? Is it really working? I mean, I

1 understand what Genesis is trying to do, I get that. But at
2 some point, is it getting in the way to help us recruit, or
3 is it actually hindering our ability to recruit?

4 Admiral Franchetti: Well, thank you. And you know,
5 we've had a lot of discussions about Genesis. Actually, all
6 of the service chiefs and OSD, working with the DHA, which
7 is the owner of the system, to provide this kind of
8 feedback, of where it is potentially slowing things down.

9 And I think, you know, just in my time as the CNO, that
10 we've made some definite improvements in streamlining the
11 process, in reducing the amount of times people have to go
12 back and get paperwork. And DHA continues to take this
13 feedback. And I will provide this feedback right now, as
14 well, to them, as we continue to move that process forward.

15 So, I think, you know, it's a little bit of growing
16 pains with the new system. We're really committed to
17 working with DHA, to make sure that it does what it needs to
18 do to get us our recruits into the system as quickly as
19 possible.

20 So again, I would like to get with your staff offline
21 on those, because it's always good to have examples, because
22 it helps illustrate exactly where some of the hold ups are
23 and the reasons.

24 Senator Mullin: We'd love to work with you on it.

25 Thank you. I yield back.

1 Chairman Reed: Thank you, Senator Mullin.

2 Senator Cotton, please,

3 Senator Cotton: Admiral Franchetti, I want to start by
4 commending the sailors who have been under attack by an
5 outlaw band of rebels and brigands in Yemen, since October
6 7th. It's the case that the Navy is now awarding them
7 combat awards. Is that correct?

8 Admiral Franchetti: Yes.

9 Senator Cotton: We heard testimony, we've had a
10 briefing on the committee, from officials from Central
11 Command, that those sailors have now been in what was called
12 the weapons engagement envelope for longer than any sailor
13 since World War II. Is that the case?

14 Admiral Franchetti: Yes, it is.

15 Senator Cotton:

16 So, we should all be proud of their bravery and skill.
17 But I do not think that is a good news story. That is a bad
18 news story. When our sailors go into the weapons engagement
19 envelope, the point should be to destroy the envelope, in
20 the first place, so those outlaws don't have those weapons
21 anymore. Yet, it seems that all we're doing there is
22 shooting down missiles and drones that are flying at our
23 ships, or other ships in the region, or maybe shooting down
24 missiles and drones as they're being fueled on the launch
25 pad.

1 Is that a fair assessment?

2 Admiral Franchetti: Well, Senator Cotton, I would say
3 there are two aspects to what we've been doing there. We
4 have Operation Prosperity Guardian, you know, working hard,
5 with 20 other nations to keep the free flow of commerce
6 going. And that's what you're talking about, defending
7 against missiles.

8 We also have another operation, which is designed to
9 degrade the Houthi capability ashore. Again, those are
10 policy decisions, and the Navy's job is to provide options
11 to the CENTCOM commander and the CENTCOM commander's options
12 do go up.

13 Senator Cotton: And I know that the three of you are
14 not in charge of these warfighting decisions, and
15 ultimately, they're policy decisions. But I find it
16 alarming that we have all these sailors that are, in my
17 opinion, sitting ducks.

18 It's great that we have the defense systems that we
19 need to keep them safe, but it only takes one of these
20 missiles and drones to get through and hit one of our ships
21 and cause a mass casualty event. That's what we saw a few
22 months ago, in the tri-border region of Iraq, Syria, and
23 Jordan, when we lost three soldiers.

24 So, I would encourage you all, as you're discussing
25 these policy matters inside of the Pentagon, to stress that

1 you would like to see your sailors not sit in the weapons
2 engagement zone, but destroy the weapons engagement zone.

3 General Smith, you haven't gotten to talk much today.
4 So why don't we talk about Marine Corps recruiting. There's
5 been a lot of talk about the challenges the Navy recruiting
6 has faced. We've had the same conversations with Army
7 recruiting, which I think is even more severe, so much so
8 that they had to drop their recruiting goals to meet them.

9 The Marine Corps is going to meet its goals, is that
10 correct?

11 General Smith: That is correct, Senator.

12 Senator Cotton: Okay. So that is a good news story.
13 So what do you think the Marine Corps is doing right, that
14 other services can learn, not only the Navy, but especially
15 the Army, since its challenges are more severe, and it's
16 more like the Marine Corps?

17 General Smith: Well, Senator, our recruiting
18 environment is one that is professionalized. We have career
19 recruiters, so each of our recruiting substations are our
20 recruiting stations. Dallas, Fort Worth, San Antonio has a
21 career recruiter. And we reward our recruiters who are out
22 there for one tour. They are given their choice of duty
23 stations when they finish a successful tour, or they're
24 given their choice of school.

25 And if they don't meet their mission, they're relieved.

1 I mean, it's a Marine Corps mission. We're not selling
2 anything. We're offering an opportunity. And it's part of
3 our branding, if you will, that we're offering people an
4 opportunity to earn the title, Marine. And that's the thing
5 that we continue to express.

6 While there are benefits to joining, there's the GI
7 Bill, and that's very important. You're competing for the
8 title, Marine, and we hold that very, very dearly. You
9 know, there's an old recruiting poster, "We don't promise
10 you a rose garden." We still believe in that, and we still
11 believe in the value of service to our nation.

12 And we're not lowering our standards, and people are
13 attracted to that.

14 Senator Cotton: I think that's wise advice to heed.
15 There are other problems, like Senator Mullin talked about,
16 with Genesis. We've heard testimony on this committee
17 before. I think there's bipartisan agreement that Genesis
18 has probably swung too far in the direction of excluding
19 people who could serve, as opposed to making sure you don't
20 have medical washouts in initial entry training.

21 There's also an issue, I think, with your doctors at
22 MET stations around the country, and the throughput they
23 have. But I think at the end, it's what General Smith says.
24 The armed forces are here to defend the nation.

25 They are not a skills training program for people who

1 want a civilian job. They're not a financing program for
2 people that want to go to college. It's not a daycare for
3 people who have kids or health care for people who are sick.
4 It's not a travel agency for people who want to see the
5 world.

6 The armed forces may do all those things, but the armed
7 forces, first and foremost, are designed to fight and win
8 our nation's wars. And the one thing we will promise all of
9 our recruits, whatever service they enter, is hard and
10 realistic training that will enable them to win and survive
11 in combat, in defense of this nation.

12 Thank you.

13 Chairman Reed: Well, thank you, Senator Cotton. And
14 your words have been amplified by your own personal service.
15 Thank you.

16 Senator King requests additional round.

17 Senator King, please.

18 Senator King: Secretary Del Toro, I think there's some
19 confusion in this hearing about your interest in climate
20 change. My understanding is, it's not an academic interest
21 in climate change, writ large, it's an interest in how
22 climate change will affect the operation and readiness of
23 the Navy. Is that correct?

24 Mr. Del Toro: It is. That is my chief most
25 responsibility as Secretary of the Navy. Is to care for the

1 mission readiness of the Navy and the Marine Corps, and part
2 of that is installation-readiness.

3 Senator King: I went back and looked at Title 10.

4 One of your responsibilities is construction,
5 outfitting, and repair of military equipment, construction,
6 maintenance and repair of building structures, and utilities
7 necessary to carry out the responsibilities of the
8 department.

9 And then later on, it says one of your responsibilities
10 is carrying out the functions of the Department, so as to
11 fulfill the current and future operational requirements of
12 the unified and specified combatant commands.

13 Estimates are, sea level will rise about a foot in the
14 next 15 to 20 years, as much as 6 to 8 feet by the end of
15 this century. I would suggest that, if you're not taking
16 account of that in your facilities, in everything from docks
17 to all of the coastal facilities, that would be a
18 dereliction of duty.

19 Mr. Del Toro: Yes, sir. We won't be able to maintain
20 the ships, the submarines, everything else that we operate
21 on these bases, without paying attention to what might occur
22 in the future.

23 Senator King: And in fact, some of your facilities --
24 I've been in Norfolk a couple of years ago -- are already
25 suffering the effects of rising sea level. Is that correct?

1 Mr. Del Toro: Yes, sir. And the Marine Corps, as
2 well, too. We've had to expend an extraordinary amount of
3 resources, actually, to raise roads in Parris Island, for
4 example, and Camp Pendleton, and Camp Lejeune, and a lot of
5 other investments. So we have to pay attention to these
6 things, or otherwise, they'll get the best of us.

7 Senator King: And your responsibility, because of the
8 effects on readiness and operations are to mitigate and
9 adapt to these changes. That's correct is it not?

10 Mr. Del Toro: That's correct, Senator.

11 Senator King: Thank you.

12 I do want to change the subject just briefly. We
13 talked about directed energy. The other technology that I
14 think we've missed is hypersonics, particularly defense
15 against hypersonics. And I hope that is an emphasis of your
16 R&D, as you go forward. We've got \$12 billion aircraft
17 carriers that we don't want to be sitting ducks. We need,
18 must develop defensive mechanisms for hypersonics.

19 Mr. Del Toro: Very much so, sir. And that encumbers
20 things that we do in cyberspace and SAP programs. But
21 investment in CPS is also important for us, as well, too.
22 And as we address the very difficult challenges that we've
23 had in shipbuilding for decades now, and you take a look at
24 the Zumwalt-class destroyer, for example, you know, in
25 overcoming the challenges with the advanced gun system.

1 Now trying to put CPS on it, it is one of my top
2 priorities, as well. And hopefully, we'll have it on the
3 first one, late 2025, and then, the second 2026, and the
4 third one in 2029.

5 Senator King: Well, I hope that it's an urgent
6 priority, not just a priority, because the core of our
7 deterrence is our projected sea power. And we have to be
8 able to defend it. If we can't, the deterrence goes away.

9 Mr. Del Toro: We just lifted the first advanced gun
10 system on the Zumwalt just last week, sir. It's moving
11 along well.

12 Senator King: Where was the Zumwalt built again?

13 Mr. Del Toro: Bath, Maine, sir.

14 Senator King: Thank you, sir.

15 Admiral, we talked a lot about recruiting. I want to
16 thank you for sending a ship to the coast of Maine this
17 summer. One of the problems with recruiting, if you look at
18 the data nationwide is, there are many parts of our country
19 now who never see a person in uniform. They never see
20 military assets in the northeast.

21 There are virtually no bases left. My own hometown of
22 Brunswick had a naval air station for 50 years, 60 years.
23 Now it's gone. The Navy people that were the -- just, in
24 many ways, the heart of our community, are gone. So thank
25 you for sending the ship to Maine. And I would urge you to

1 do similar kinds of deployments, because we need young
2 people to see their military, to see people in uniform. And
3 I think that's an important step.

4 Finally, Admiral, I just want to commend to you,
5 following up on work on mental health. This is a crisis, as
6 you know. It affects suicide, it affects readiness, it
7 affects well-being of your sailors. So, I hope that this is
8 a continuing process on the ships, on the shore.

9 And is that something that you see as a priority?

10 Admiral Franchetti: It definitely is a priority, and
11 we'll continue to focus on this. Earlier this year, we put
12 out our culture of excellence, where we look really broadly
13 at our entire culture, and all of the things that we are
14 doing to support our sailors. Mental health is one of them.
15 There are a lot of other programs that we pulled all
16 together, again, to create warfighters.

17 And that's all about getting after their body, mind,
18 spirit to build great people, great leaders, and great
19 teams. And we're going to be focused on this for a long
20 time in the future.

21 Senator King: Thank you.

22 General Smith, I want to welcome you back. And you
23 fought your own battle this year. And you also rendered a
24 service by proving to the American people that Marine Corps
25 Generals do, in fact, have hearts.

1 [Laughter.]

2 Senator King: So that was a plus.

3 General Smith: I think some of my Marines might debate
4 that point with you, sir, but I do in fact have a heart and
5 it's fully functional.

6 Senator King: Thank you. Yes, sir.

7 Chairman Reed: Well, thank you very much, Senator
8 King.

9 Well, thank you very much, Senator King. Just a few
10 points, as we close. First of all, I will relay to you that
11 I was speaking to General Kurilla, the CENTCOM Commander,
12 commending him on an extraordinary operation that defeated a
13 huge missile attack in the state of Israel. And he went out
14 of his way to commend the Navy.

15 I didn't bring it up, he brought it up. And for a West
16 Point grad and a paratrooper like General Kurilla, that --
17 you must have made an impression on him, your service
18 members.

19 Mr. Del Toro: Well, and thank you for your own
20 service, Mr. Chairman.

21 Chairman Reeds: Well, thank you, and Admiral
22 Franchetti, you should be proud of that. In fact, frankly,
23 I think, before that attack, if you said that we could
24 destroy, essentially every missile that was being fired --
25 there were hundreds of them -- and only have one casualty,

1 unfortunately, a young Bedouin child, you'd say no, that's
2 not possible.

3 You did it. It was the U.S. Navy, as well as our Air
4 Force, our naval aviators, et cetera. So we are performing
5 better than any other service has ever performed. But we
6 still have lots of problems. And you're dealing with them.

7 The discussion on climate change here is interesting,
8 because, when I was a kid, the Arctic Ocean was frozen. And
9 now, I don't think the Arctic Ocean is frozen. In fact, I
10 think it's navigable.

11 So let me ask you, Mr. Secretary, does a navigable
12 Arctic Ocean present challenges to naval strategy?

13 Mr. Del Toro: Very much so, sir. And we're seeing it,
14 actually, with greater Chinese incursion and greater Russian
15 activity, as well, too. As you know, our nation doesn't
16 necessarily have the icebreakers that are necessary to
17 operate freely in that zone.

18 I'm very proud of the fact that our Navy is also stood
19 up, and actually when Russian ships were deployed close to
20 our islands, we actually deployed necessary destroyers out
21 there to go meet them. That will continue to be even a
22 greater challenge in the future.

23 Chairman Reeds: That is the result of the accumulating
24 effects of climate change. So, from a strategic point of
25 view, we have to worry about it. From an equipment point of

1 view, we have to worry about it, because of icebreakers,
2 which we've not really invested in we have to worry about
3 it.

4 In fact, I know the military has just -- the Army, I
5 should say, excuse me, the Army is increasing its presence
6 in Alaska, with the new airborne unit training, the
7 interagency training. So, you know, it is an important
8 concern. I hope that would be obvious. But thank you-all
9 very much for your service, for your testimony.

10 We will adjourn the public open, session, and reconvene
11 at SVC 217, at 12:30, for the closed session. And thank you
12 for your testimony.

13 The open session is adjourned.

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

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