

**Chief of Naval Operations  
Adm. Jonathan Greenert**

**February 26, 2015**

**House Appropriations Subcommittee on Defense  
Hearing on President Obama's Fiscal 2016 Budget Request for the Navy**

FRELINGHUYSEN:

The meeting will come to order.

I want to thank everybody for being on time. Secretary Mabus tells me this is a Navy-Marine sort of a day, and we hear from the grapevine that a lot of other hearings have been canceled. So we want to thank you for making your way here. We fully expected you to be here hell or high water.

The committee will come to order. This morning, our subcommittee begins a series of defense posture and budget hearings with our military services -- our combatant commands and other major components of our armed forces. In this time of rapidly expanding threats to our national security, our goal in these hearings and our fiscal year 2016 bill is to make sure that our soldiers, sailors, Marines and airmen and their families have the resources they need to execute their assigned missions. At the same time, in an era of constrained budgets, we must make every dollar count.

This morning, we hold an open hearing on the budget request for the Department of the Navy. We welcome the leadership of the Navy and the Marine Corps, the secretary of the Navy, Ray Mabus -- thank you for being back with us; and for the last time testifying as the chief of naval operations, Admiral Jonathan Greenert.

Admiral, thank you for 40 years of service. Let's give him a round of applause.

(APPLAUSE)

It is also my pleasure to welcome back to the committee, although for the first time in his capacity as the commandant of the Marine Corps, General Joe Dunford.

Thank you, General, for being here as well.

I'm sure I speak for every member of this -- our subcommittee in thanking you for your valuable service to our great nation, and for those you command. And of course, we recognize those who've paid the ultimate sacrifice; those that have been wounded that we continue to care about. We owe all of you and all of them a great debt.

Gentlemen, the business at hand is the president's fiscal year 2016 budget request. Unfortunately, the variable that will have the biggest impact on your budget next year and for years to come is not actually part of this request. Unless there is a dramatic legislative change, the law of the land

requires the Appropriations Committee to mark up bills this year to the level dictated by the Budget Control Act, the BCA.

In the case of the Department of Defense, I expect our allocation to be approximately \$34 billion below the president's request. Since this is the first of our hearings, I'm going to take a point of personal privilege to discuss some of my personal views and what I think are the realities facing our nation.

Today and over the next few weeks, the American people will be hearing a great deal about the so-called sequester, a concept born decades ago and only revived in recent years. While it sounds like a lot of procedural jargon to the taxpayers, the sequester will have serious ramifications for our troops and our national security. This is precisely why we will be hearing from our witnesses today and in the weeks to come about how an additional \$34 billion sequester cut next year will harm our defense capabilities in an era of expanding threats.

And yet the president is threatening to precipitate that very sequester by sending up a budget that ignores the law, the Budget Control Act, which we have to support. For the record, I agree that the law needs to be modified to avoid dramatic negative consequences to our ability to protect our homeland and to assure our mission around the world and our support for our allies.

But let us also be very clear that the sequester alone is not the problem here. After all, the sequester did not create the existing security climate that reflects indecision, hesitation, or some call it ambivalence in our defense and foreign policy. Sequester did not create ISIS, that depraved, barbaric force that grew as a result of our premature withdrawal from Iraq. Sequester is not responsible for the over 200,000 deaths in Syria or the millions of refugees throughout the Middle East.

Sequester had nothing to do with the president's public declaration that the United States is no longer on what he called a "war footing." Sequester did not prompt Vladimir Putin to ignite a new cold war and brutally violate the sovereignty of his neighbor, Ukraine.

Sequester did not lead us to liberate Libya, and then turn our back while that country devolved into a dangerous breeding ground for terrorists. Sequester did not reduce our Navy to the smallest number of ships in recent memory, nor create the oldest Air Force in its history, nor threaten to bring the Army's end-strength down to pre- World War II levels.

And I recognize that the sequester is a clear threat to our security. However, we are bound to follow the law until instructed otherwise.

The president's request for the Navy is approximately \$13 billion above the level the Navy would be allocated under the BCA. So the department will certainly have to bear a sizable portion of any reduction. So I need to say right up front that we all need to work extremely closely together to ensure that the funding you are appropriated is sufficient to take care of our soldiers and Marines and maintain your readiness at the highest possible level.

But it bears repeating, barring some dramatic change in course, the committee will mark up the fiscal year '16 bill that is in compliance with the BCA. Or, of course -- of course, we'd like to have your input. With respect, I will advise you that we will cut the \$13 billion with you or we will cut it without you, but we need to do the job the law requires us to do.

However, having said that, I remain concerned about the core of the Navy. I think all of us do -- the ships and the shipbuilding program. Mr. Secretary, you have told us in previous hearings since you've been in your position, the Navy has awarded the largest number of ship construction contracts. And may I say, I think this committee, more than the other body, has been very generous in that regard because we think ships are important.

While that is admirable, the stark reality is that your fleet size has fluctuated around 280 over the past several years, far short of your stated requirement of 304 ships. While the Navy continues to promise more ships in the out-years, those out-years always seem to slip further out. A few years ago, the Navy was projecting a fleet size of 313 ships in 2016. Last year, you predicted the Navy would reach and exceed your ship requirement sometime in fiscal year 2019. This year, you project you'll achieve the elusive 304-ship fleet in 2020.

For the welfare of our nation's defense, we need to come to grips with the resources available to us and settle on the plan. You've heard me say this before, when it comes to ships, numbers matter. In addition to the quality of ships, I'm concerned about their capacity. I'm concerned about their adaptabilities. I'm concerned about the mix of ships. I think all of us are -- submarines, surface combatants, amphibians, support ships, and how they are operated and how they are maintained.

More and more of your ships are being operated -- are not being operated by your sailors, but by civilian mariners. In fact, even your newly minted fast frigates, the vessels formerly known as littoral combat ships, don't deploy without two permanently assigned civilian contractors.

The subcommittee also wants to hear your assessment of the conventional and unconventional threats by -- posed by China, Russia and Iran.

Gentlemen, this former Army draftee sees troubled waters ahead. Sequestration looms large over the Navy, and we owe it to our sailors and Marines and citizens to develop the best solutions possible. I can promise you that our subcommittee will work hard alongside each of you to ensure that our Navy and Marine Corps are ready and able to be where it matters, when it matters.

I look forward to your comments and an informative question- answer session. Your written testimony will be entered into the record, so feel free to summarize your statement this morning - - statements this morning. And having said that, let me turn to my good friend, Mr. Visclosky, for any comments he may wish to make.

VISCLOSKY:

Thank you very much, Mr. Chairman. I appreciate your comments. And because this is the first hearing of this cycle, I would simply offer a few remarks.

I did not vote for the Budget Control Act, and it is very difficult to find anyone in this institution now who admits that they did, but we are living with the consequences of it. And I would offer the observation that I voted against the president's proposal for the use of force last year. I believed then and I believe today that there is a conflict within the administration -- I'm not

suggesting that's your problem, the three gentlemen before us -- as far as what our policy is in the Middle East.

And if we are going to ask people to sacrifice their lives, or be injured and give the time of their life to this country, we ought to be very precise. From my perspective, looking ahead as far as our deliberations and the preparation of a budget, which includes more than half of all discretionary spending of this country, Congress has a responsibility and Congress has a role. And we have not met our responsibility.

We have roads, as I like to explain to people, in Indiana that counties are allowing to revert back to gravel because there's not enough money to keep them paved in this country. We have to make an investment and we have to raise revenue. That is a failure.

I often point out to my colleagues who complain about the budget, that 73 percent of spending is mandatory and not under the jurisdiction of this committee. We have failed to deal with that responsibility to find savings on the entitlement side, specifically Social Security and Medicare. So from my perspective, there is a huge bipartisan failure.

Given that failure of responsibility, and certainly the administration bears some brunt here too, because they can speak with one voice, as opposed to many disparate voices, we have a role to perform. And as the chairman rightfully pointed out, our role is to prepare legislation according to the law it is today. And I do not anticipate, unfortunately, that that is going to significantly change between now and October 1st. And there is a degree of difficulty as we proceed with this budget, and looking at what the administration has asked for and what we are going to mark to.

And I would hope that as we proceed, there are very close communications, because the chairman, and I agree with him, acknowledges we're not investing enough in this nation's defense. There is no question about that. We're now finding ourselves in a position where we have to govern according to the law as well, and that is going to increase our degree of difficulty.

I would simply also add my thank you to each of you for your service to this country, as well as each one of those individuals you represent, both military and civilian, for what they have done for this country. And also I do look forward to your testimony.

Thank you, Mr. Chairman.

FRELINGHUYSEN:

Thank you, Mr. Visclosky.

And Mr. Secretary, the floor is yours. Thank you for being here with us.

MABUS:

Chairman Frelinghuysen, Ranking Member Visclosky, and members of this committee, thank you so much for the opportunity to discuss the Department of the Navy. Together with Chief of

Naval Operations John Greenert, Commandant of the Marine Corps Joe Dunford, I have the great privilege of representing the sailors and Marines who serve our nation around the world, the civilians who support them, and all of their families.

As you pointed out, Mr. Chairman, this is Admiral Greenert's last posture testimony before this committee. He's been a steady hand on the helm of the Navy through the past four years of international instability and budget turbulence. Every day, his judgment, his advice, his counsel have been critical. It's an honor to serve with him. And he's going to leave a lasting impact on the Navy.

Today, our security interests face an increasing array of threats and demands, while our budgetary situation grows ever more challenging. But it's clear that the Navy and Marine Corps team offer the best value to advance both our global security and our global economic interests.

Uniquely, the Navy and Marine Corps provide presence around the globe, around the clock. We're the nation's first line of defense, ready for any challenge that may come over the horizon. "Presence" means that we respond faster. We stay on-station longer. We carry everything we need with us. And we do whatever missions are assigned by our nation's leaders, without needing anybody else's permission.

MABUS:

We've always known America's success depends on an exceptional Navy and Marine Corps. Article I of our Constitution authorizes Congress to raise an Army when needed, but directs you to provide and maintain a Navy.

From the first six frigates to our growing fleet of today, from Tripoli to Afghanistan, sailors and Marines have proven the founders' wisdom. American leaders across the political spectrum have understood the vital significance of seapower.

We are truly America's away team. We deploy in peacetime just as much as in war, and our role over the last 70 years in securing sea lanes and freedom of commerce has boosted our own and the world's economy.

Nearly half the world's population lives within 100 miles of the sea. Ninety percent of our global trade goes by sea. And 95 percent of all data and voice goes under the ocean.

The shelves of our stores are stocked with just-in-time delivery with products from all over the world. And some 38 million American jobs are directly linked to seaborne international trade.

For seven decades the Navy and Marine Corps have been the primary protector of this system that's created unprecedented economic growth. And while we've led this effort, we've worked with allies and partners, increasing interoperability and establishing relationships that also help keep the peace.

That's why our national defense strategy is so clearly focused on the maritime domain and requires investment in our maritime assets.

For the past few years, the Department of the Navy has attempted to minimize the impact of an uncertain budgetary environment marked by numerous continuing resolutions, the imposition of

sequester-level funding, and the threat of the return of sequestration has been mentioned here before.

This environment has made it more difficult, but even more critical to set priorities and to make some hard choices.

The presence of our Navy and Marine Corps uniquely deliver (ph) is built on four foundations, our people, our platforms, our power, our partnerships. These are the key to the capability, the capacity and the success of our naval services, and they remain my top priorities.

Our sailors and Marines are well-known for their ability to exercise independent judgment, the flexibility to adapt to changing circumstances and events. We remain committed to providing our sailors, Marines and our civilians with the training and support they need to maintain that naval presence, and we include in this our injured, our wounded and all the dedicated families.

We've launched a comprehensive approach to assure the world's healthiest, fittest, most resilient and best-educated force, and a force that also truly represents America's diversity. We continue to aggressively combat sexual assault, abuse, ethical failings and similar challenges. And we're exploring innovative ways to improve retention and recruitment, particularly in critical areas.

Our people, as great as they are, can't do their job without platforms. Providing presence, being where we're needed, when we're needed, requires ships, submarines, aircraft, systems, vehicle, equipment.

I couldn't agree with you more, Mr. Chairman. Quantity (ph) has a quality all its own. That means we've got to have a properly sized and balanced fleet.

And I've been over these numbers before, but I think they bear repeating. On September the 11th, 2001, the Navy's battle force stood at 316 ships. By 2008, after one of the great military buildups in our nation's history, our fleet had declined to 278 ships. And our focus on two ground wars only partly explains that decline.

In the five years before I became secretary, the Navy contracted for only 27 ships, not enough to stop the slide in the size of the fleet. In my first five years, we've contracted for 70 ships, reversing and halting that decline. And, as you stated, by the end of the decade, our fleet will be at 304 ships.

We've accomplished this with a direct and fundamental business approach: increased competition, relying on fixed price contracts and, thanks to this committee's and Congress' help, multi-year and block buys.

But budget instability, budget uncertainty seriously erode our ability to grow the fleet, manage our resources and maintain the industrial base. Without a correctly sized and shaped fleet, the Navy and Marine Corps will not be able to meet the demands of the kinds of missions for which the Navy and Marine Corps are the best and often the only option.

In the face of this budgetary uncertainty, cutting ships is the most damaging and least reversible course of action, which is why I'm committed to preserving shipbuilding.

Fueling the ships, aircraft, vehicles of our Navy and Marine Corps is a vital operational concern and enables the global presence necessary to keep the nation secure. That's why the Navy has a history of innovation, especially in energy, moving from sail to steam to oil and pioneering nuclear.

The fuels market have seen an incredible price volatility in the last six years. New domestic sources are reducing our reliance on foreign oil, but can't stop the wild price swings. At the same time, the competition for power and energy and the ability to use fuel as a weapon remains an international security issue.

In all cases we believe our national security interests and the ability of the Navy and Marine Corps to meet its missions must be enhanced by increasing our energy diversity and efficiency.

Our ability to maintain presence and advance global security will also be augmented through partnerships. Cooperation helps make us more effective. It diffuses tensions and reduces misunderstandings.

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

Overall, the F.Y. '16 presence budget balances current readiness needed to execute our assigned missions while sustaining a highly capable fleet, all within a tough fiscal climate.

That climate demands our most rigorous examination of every dollar we spend, and continuing our aggressive efforts to cut unnecessary cost in every program and shift resources from tail to tooth.

When America has called, the Navy and Marine Corps has always answered in order to ensure that we continue to provide the naval force our nation's leaders and the American people expect.

The commandant and chief of naval operations and I look forward to answering your questions, and we look forward to working together with this committee and the Congress to maintain our great Navy and Marine Corps, because, in the words of President Theodore Roosevelt, "A great navy is not a provocation to war. It is the surest guarantee of peace."

FRELINGHUYSEN:

Thank you, Mr. Secretary.

Admiral Greenert, again, thank you for 40 years of service.

GREENERT:

Thank you, Chairman Frelinghuysen and Ranking Member Visclosky, distinguished members of the committee, thank you all for the opportunity to testify today.

Mr. Chairman, you were right. This committee's been wonderful in supporting the building of ships and supporting of our sailors. And you're also right, the mix of ships matters a great deal. It's just not the whole number. And I thank you very much for your kind words here this morning today.

It's my honor to serve -- I have the best job in the world, and I've had it. I get to enable and to serve 600,000 active and reserve sailors, Navy civilians and their families. And I'm especially pleased with the 41,000 sailors who are underway and deployed around the globe today. Their dedication and their resilience of our -- the dedication and resilience of these people continue to amaze me, Mr. Chairman, and the citizens of this nation can take great pride in the daily contribution of their sons and daughters who are out around the world today.

I am very pleased and honored to testify this morning beside Secretary Mabus and General Dunford. Your Navy and Marine Corps team is united in fulfilling our longstanding mandate, that you mentioned, to be where it matters, when it matters, ready to respond to crises, ensuring the security that underpins the global economy.

Now, to that point, recent events exemplify the value of a forward presence. Last August, the George Herbert Walker Bush carrier strike group had to relocate from the north Arabian Sea to the north Arabian Gulf, that's 750 miles, where they were on station. And they did this in 30 hours -- in less than 30 hours. And in that time, Navy and Marine strike fighters flew 20 to 30 combat sorties per day over Iraq and Syria, and for 54 days, they were the only coalition strike option to project power against ISIS.

The USS Truxtun arrived in the Black Sea to establish a U.S. presence and to reassure our allies only a week after Russia invited -- invaded Crimea. And most of that time, that week, was due to paperwork getting established.

The USS Fort Worth, a littoral combat ship, and the USS Sampson, a destroyer, were among the first to support the Indonesian-led search effort for the Air Asia Flight 8501 in the Java Sea.

So we have been where it matters when it matters.

But, Mr. Chairman, as I've testified before, the continuing resolution and the sequestration in 2013 deeply affected Navy readiness and capabilities. We have not recovered yet.

Navy overall readiness is at its lowest point in many years. Budget reductions, forced cuts, forced us to cut afloat and ashore operations that generated ship and aircraft maintenance backlogs and compelled us to extend our unit deployments.

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

Our degraded readiness posture has also affected our ability to satisfy contingency response requirements. And in addition to what it deployed globally today, our combatant commanders require three carrier strike groups and three amphibious ready groups ready to deploy within 30 days to respond to a major crisis. That's our covenant to them.

However, on average, we have been able to keep only one carrier strike group and one amphibious ready group in this readiness posture. So we're at a third of the requirement we need to be.

Assuming the best case of an on-time, an adequate and a stable budget and no major contingencies, we might be able to recover from an accumulated -- these accumulated backlogs by 2018 for our carrier strike groups and by 2020 for our amphibious ready groups. So that's five years after the first round of sequestration, and that's just a glimpse of the damage that sequestration can and will cause if we go back there.

#### GREENERT:

Not only do we face several readiness problems, but we've been forced to slow our Navy modernization. We have lost our momentum in fielding emerging critical capabilities for future fights. We are losing our technical edge.

The overall impact of budget shortfalls in the past three years has manifested in the continued decline of our relative war fighting advantages in many areas, and notably anti-surface warfare, anti-submarine warfare, air-to-air warfare, and what we call the integrated air and missile defense.

We have been compelled to accept significant risk in the execution of two key missions in -- that are outlined in the strategic guidance. And I have a little -- little out -- handout that I provided which summarizes what those missions are and where we stand. But the two missions that we have the most risk in we call deter -- deter and defeat aggression. That means to win a war at sea while deterring a war at sea in another different theater.

And number two, to project power in an anti-access area denial environment.

Now, when I say risk, I mean that some of our platforms and our people and our systems -- they'll be late arriving to the fight. And they'll arrive with insufficient ordinance, with not the superior combat systems and sensors and networks that they need. And they will be inadequately prepared to fight.

This means longer timelines to arrive, like I said. Less time to prevail, if we do. More ships and aircraft out of action when in battle. More sailors, Marines and merchant mariners killed. And less credibility, frankly, to deter adversaries and assure our allies in the future.

Now, given these circumstances, our president (ph) budget '16 submission represents the absolute minimum funding levels needed to execute our strategic guidance, our strategy.

To bring the Navy program into balance within fiscal guidance, we focused first on building the appropriate capability, and then to deliver that capability at a capacity that we could afford.

Similar to last year, we applied the following priorities. Number one, we got to maintain the sea-based strategic deterrent. That's a homeland defense item.

Number two, sustained forward presence.

Number three, develop the capacity and the capability to win. Improve our readiness, develop asymmetric capabilities, and lastly, but not least important, to sustain the industrial base.

Choices were made using these priorities. For example, we were once again compelled to take reductions in aviation programs, munitions, and shore infrastructure.

So, Mr. Chairman, over the last three years, the Navy has been provided budgets that were \$25 billion less than the president's budget request. And, frankly, if we continue on this track, it'll be \$55 billion less across this (inaudible). And the primary result has been deferred modernization. But the cumulative (ph) result has been a loss of current and future readiness and future capability.

Today's world is more complex, more uncertain, more turbulent. You mentioned it in your opening remarks, Mr. Chairman. This trend will like -- around the world will likely continue. Our adversaries are modernizing and expanding their capabilities. It's vital that we have an adequate, predictable and a timely budget to maintain an effective Navy.

The proposal that we provided represents the floor. Any funding level below the floor, this submission, will require revision to our defense strategy. And put simply, it will damage the national security of the country.

I look forward to working with the Congress to find solutions that will ensure our Navy retains the ability to organize, train and equip our great sailors and their families in the defense of this nation.

Thank you for your continued support and for what this Committee's provided your Navy.

FRELINGHUYSEN:

Thank you, Admiral, for your testimony.

General Dunford, good morning. Thank you for being with us.

DUNFORD:

Thank you, Chairman Frelinghuysen and Ranking Member Visclosky, distinguished members of the Committee. I appreciate the opportunity to appear before you today, and I'm honored to be here with Secretary Mabus and my shipmate, Admiral Greenert to represent your Marines.

I'll begin by thanking the Committee for your steadfast support over the past 13 years. Due to your leadership, we feel they're the best trained and equipped Marine Corps our nation has ever sent to war.

I know this Committee and the American people have high expectations for Marines as our nation's expeditionary force of readiness. You expect your Marines to operate forward, engage with our partners, deter potential adversaries, and respond to crises. And when we fight, you expect us to win. You expect a lot from your Marines, and you should. This morning as you hold a hearing, over 31,000 Marines are forward deployed and engaged, doing just what you expect them to do.

Our role as the nation's expeditionary force of readiness informs that we man, train and equip the Marine Corps. It also prioritizes the allocation of resources that we receive from the Congress.

Over the past few years, we've prioritized the readiness of our forward-deployed forces. Those are the forces you count on for an immediate response in a crisis. Those are the forces that supported the recent evacuation of U.S. citizens in the South Sudan, Libya, and Yemen.

Those are the forces currently conducting strikes into Syria and Iraq, training the Iraqi army, and protecting our embassy in Baghdad. Those are the 22,500 Marines West of the Pacific West -- in the Pacific West of the dateline.

I can assure you that your forward-deployed Marines are well trained, well led, and well equipped. But we've had to make tough choices to deal with the effects of two wars, sequestration in 2013, and reduced budgets in 2014 and 2015. In order to maintain the readiness of our forward-deployed forces, we have not sufficiently invested in our home station readiness, modernization, infrastructure sustainment, and quality of life programs. As a result, approximately half of our non-deployed units -- and those are the ones that provide the bench to respond to unforeseen contingencies -- are suffering personnel, equipment and training shortfalls. In a major conflict, those shortfalls will result in delayed response and/or the unnecessary loss of young American lives.

Over time, under-investing in modernization will result in maintaining older or obsolete equipment and higher costs and degraded capabilities. It will eventually erode our competitive advantage. And we don't ever want our Marines and sailors in a fair fight.

The readiness challenges we have today provide context for my message this morning. We can meet the requirements of the Defense strategic guidance with the president's budget, but there is no margin. BCA funding levels will exacerbate the challenges that we have today. It will also result in a Marine Corps with fewer available active duty battalions and squadrons than would be required for a single major contingency.

Perhaps more concerning, it will result in fewer Marines and sailors being forward-deployed and in a position to immediately respond to a crisis involving diplomatic posts, American citizens, or U.S. interests.

As we saw in the wake of Benghazi, the American people expect us to respond to today's crisis today. And we can only do that if we're properly postured forward.

In closing, my assessment is that funding below the president's budget level will require that we develop a new strategy.

Thank you once again for the opportunity to appear before you this morning and for your leadership in addressing today's fiscal challenges. I look forward to your questions.

FRELINGHUYSEN:

Thank you, General. And thank you, gentlemen, on behalf of the Committee.

The Budget Control Act is the -- the law of the land. We're going to mark to that bill, so we need to talk about new strategies. We also need to know if the -- Mr. Secretary, your focus is on people, platforms, powers and partnership. Your key factors -- fixed factor is your personnel costs. Where -- where will you be making reductions in order to meet the objectives of the \$13 billion it would be reduced?

MABUS:

Mr. Chairman, first, I want to agree vehemently with what the CNO and the commandant said. The president's budget is the minimum that's required to meet the national defense strategy. And we have seen, when sequester hit in 2013, what -- what the impacts are. And we have seen how long-lasting those impacts are.

I have said that I'm going to do everything I can to protect ship building, regardless of the budget situation. I'm doing that because it's not reversible. If you miss a ship -- if you don't build a ship in a year, you never make that ship up. And we are living with the decisions that were made 10, 15 years ago, in terms of numbers of naval ships. And it takes a long time to reverse -- reverse that. But if you do protect ship-building and the industrial base and the ability to build the Navy ships, things like the maintenance requirements in our public ship yards.

When sequestration hit in '13, we had a hiring freeze. We had a furlough. We had a government shutdown. And we don't have enough people in those public shipyards. Now, we're hiring, but you lose skill sets. And so, as the CNO pointed out, the maintenance requirements for our ships - it'll take us until 2018 or 2019 to catch up. Same thing with our aircraft. The backlog in our depots. For modernization and for maintenance on our aircraft will require us almost to the end of this decade to make up.

So, what is certain is that if sequestration-level funding is -- is where we end up, means that something's going to break.

FRELINGHUYSEN:

So, if -- if the shipbuilding thing is irreversible -- and I do read your statements before you come, and you made a point of that. If that's the critical mass -- and God only knows that the Navy's identified for -- it's -- it's the most formidable part their -- our defense posture.

What else is going to give?

MABUS:

Well, just to...

FRELINGHUYSEN:

We got to talk. We got to -- in other words, I like having the mission impacts. I understand that. But I think we need to know what specific platforms -- what's going to give if that -- if we're going to maintain the -- the shipbuilding. And I -- having just visited Norfolk, I've seen it firsthand, you know, that incredible workforce. But something's got to give if we're going to get under the \$13 billion figure.

MABUS:

Well, the -- the things that you have heard from me just in the -- the maintenance requirements, the -- which affects readiness, from the CNO -- reduced sailing, the reduced surge capacity that we -- that we have -- the reduced training opportunities that we have. What you've heard from the commandant to reduce readiness of next to deploy. It reduced equipment for units and home stations. It reduced ability to put sailors and Marines forward. But I also will have to say that the

budget that we put in -- we have a responsibility to put the budget in that will meet the Defense plan. And at present...

FRELINGHUYSEN:

Yeah, we have -- we, of course, have a responsibility to meet -- meet the law, as does the administration.

MABUS:

Well, the president has said repeatedly that he would veto a budget that locked in sequestration-level funding. And so, we -- we are putting forward the minimum budget that we feel will meet the defense strategy. If it goes below that, we will break that strategy and...

(CROSSTALK)

FRELINGHUYSEN:

We're going to work with you to do whatever we have to do. And I think a closer working relationship is better than one from a standoff. And let me just add, before I turn to Mr. Visclosky, both to Admiral Greenert and General Dunford, is there anything you can do in the fiscal year '15 budget to -- to minimize the impact of -- the negative consequences of sequestration? Are there any things you can do now?

I mean, this is all about setting priorities here. I know everybody wants to do everything, and you do an incredible job, and do it well. Sometimes we don't always know all the things that you do. The Marines are now, what, you have Marines -- you have Marines that are deployed in areas now where they haven't always been. Of course, you will have had somebody at the embassies, so you have a larger mission.

I'm just wondering, taking a step back, are there things we could examine now in this fiscal year that might minimize the impact in out- years?

GREENERT:

I'll take a stab there. This is difficult because as what happened in '13, you're talking about what we call the (inaudible). If it was sort of a measured approach to '16, it would be different. So here's what I mean. If you need money now, you've got to go where the money is now. So that would be operations and maintenance. Well, that's only a one-year, as you know, one-year appropriation. So that's out.

Modernization -- that's out. I met -- I'm trying to get out of a readiness trough, so to try to do that in '15, while trying to support operations in '15 is not -- I can't do that.

So my point would be, if you're marking a '16 budget to a different level, you're going after modernization, likely procurement. That's where the money is in the fiscal year that you need it. Doing something now, while operating, is not really -- there's not much there, Chairman.

FRELINGHUYSEN:

General?

DUNFORD:

Chairman, if you take a look at our budget, between people and operations and maintenance, as the CNO was talking about, that's 88 percent of my budget. So the only way that you could -- you could realize savings in a given year is to divest yourself of people, which we have not done. We've been trying to keep faith with people as we've done the deliberate drawdown, or stop training -- operations and maintenance money, which further degrades the readiness challenge that we have.

So, I think my short answer to your question is, there really isn't anything we can do in 2015 to set the conditions for what we actually don't -- we don't know what '16 is actually going to look like.

FRELINGHUYSEN:

Well, before turning to (inaudible), we'd like actually a list of what you would have to do under a sequestration scenario. We endorse, you know, doing things on the George Washington. There's issues relative to end-strength. We'd like a better picture of what you would -- would do; what your priorities would be, if we had to go into that scenario, which is what we'll be marking our bill to. I think we need a more comprehensive list, specifics -- decommissioning ships, reduced procurement. I think we need some specific answers.

Mr. Visclosky?

VISCLOSKY:

Thank you, Mr. Chairman.

First of all, General Dunford, I do want to thank you and to congratulate the corps, because they now do have auditable books. And I don't say that lightly. I think it's very important, and realize that there are other milestones ahead for the corps. I hope that you'll continue to be very diligent, and hope other services can take a page out of the Marine Corps book. I do think it's important.

I have two questions, if you could, for the record. They're very important to me, but we have a lot of members and in the interest of time. There was an OPNAV study last fall that validated requirements for between 1,200 and 1,300 FTEs at the Naval Postgraduate School. But the Navy comptroller has a cap of 884 as far as FTEs at that school. And for the record, if you could provide the justification for not accepting the OPNAV recommendation.

And I also have an interest in the continued improvement of conditions on the USS Halsey (ph). My understanding is there were two suicides early last year, in midsummer. I have had a meeting, most recently in July of last year, with Admiral Howard, and have a series of questions for an update as to whether or not there is any additional suicide-related behavior on board; if there's any additional resources that have been invested or needed.

The one question, if we could have a brief discussion here, and again I would then defer, Mr. Chairman, is on our nuclear deterrence. The nuclear enterprise review has suggested that the composition of the stockpile be changed to essentially five unique systems from the existing 12 systems today. Obviously, the Navy has a very large interest in the issue.

The estimated cost as far as the transition for the National Nuclear Security Administration is somewhere between \$50 billion to \$60 billion over the coming years. The fiscal year '16 budget for the Navy has about \$2.2 billion included this year for the nuclear enterprise.

The two questions I have, either secretary or admiral, is if -- we've had some discussion here about the BCA's levels do not change -- what happens relative to funding for the nuclear enterprise? Secondly, much more broadly, is there any ongoing discussion about the triad itself and whether or not that composition from three to some other number may be changed.

GREENERT:

In answer to your first question, the sea-based strategic deterrent is my number one program, Mr. Visclosky. So, I would fully fund that to its requirements. That's defense of the homeland. That's top priority. That's what I would submit to Secretary Mabus in my recommendations. Put another way, I would -- I would propose no reductions to the nuclear enterprise that you see in the president's budget '16 submission.

Number two, there -- there are discussions going on within the department as to the future of the nuclear deterrent enterprise. And I would say, if you will, everything is on the table. We're trying to improve it to make sure that the modernization of it -- this would be the third big modernization since -- you got the inception; then you have a new bomber, a new SSBN -- that's the Ohio, you know, the B-2 (ph).

We are in to a new phase where we have to look and see what do we want to do with the Minuteman, the ICBMs? What about the new bomber? And you're familiar with the Ohio replacement. So those -- those discussions are ongoing, sir.

VISCLOSKY:

Thank you very much.

Thank you, Mr. Chairman.

FRELINGHUYSEN:

Vice Chair, Ms. Granger?

GRANGER:

Thank you very much.

Thank you all for your service.

General Dunford, crisis response is an important mission, and Marine Corps has devoted significant resources to. And that includes the establishment of a crisis response force, and Marine security guard augmentation units. Would you give me some examples of how funding readiness has enabled crisis response?

DUNFORD:

I would, Congresswoman. And frankly, I can give you an example that is really attributable to this committee.

Two years ago, we identified the requirement for additional crisis response capability, both in AFRICOM and in CENTCOM. So we established special purpose Marine air-ground task forces in both of those combatant commanders' area of responsibilities.

The special purpose MAGTAF, Crisis Response AFRICOM, that this committee funded was the first force that responded to Ebola. It was the force that created the -- that conducted the evacuation operation in South Sudan. It was the force that conducted the evacuation operation in Libya.

The force that you created in the United States Central Command on one day, 10 days ago, simultaneously was evacuating the embassy in Sanaa; was protecting the embassy in Baghdad; was flying strikes from Bahrain into Syria and Iraq; was conducting B-22 tactical recovery and aircraft personnel 600 nautical miles to support those strikes; was training Iraqi army forces in Al Asad; and was also training Jordanians.

That's a 2,500-man force that was -- that was conducted (sic) 18 months ago. So when you talk about Marines being forward-postured, forward-engaged, that's what you get when you talk about crisis response. And I would add that those forces that we're training the Iraqis were not forces generated specifically to train the Iraqis. General Austin was able to begin almost immediately after the president's decision to train Iraqis, because he already had those forces available to him in theater.

GRANGER:

Thank you.

Can I just follow up on that? So if -- if the crisis response is at the sequestration levels, then something else has to go. Can you give some examples of what else -- what would be cut to keep that?

DUNFORD:

Congresswoman, we're -- we're meeting those crises response. It's important for I think the committee to understand, we're meeting those crises response requirements today at about a one-to-two deployment-to-dwell. What that means is our Marines are deployed for seven months and home for at or less than 14 months.

At the BCA level, the only thing we can do, as I was alluding to earlier, is the only thing the Marine Corps can do is reduce capacity. Because over 60 percent of our budget is people, and if you add that with operations and maintenance money, you're at 88 percent. So the only thing you can do is reduce -- reduce capacity.

So, I would tell you that crisis response would be affected. And what really happens is it exacerbates those readiness challenges of units at home station. And why do I raise that? Because the units that would be most likely to respond in the event of a major contingency are

actually the units that are back at home station, not the units that are out there conducting crisis response.

And what would happen if we go to BCA levels is those forces will have a choice. We'll either delay a response in a major conflict, or we'll send young Americans that don't have the equipment, the training, and the leadership necessary to accomplish the mission. I really do think it's a function of time and/or American lives is what we're talking about. I think our experience in 1950 in the Korean War was instructive in that regard.

GRANGER:

Thank you so much.

FRELINGHUYSEN:

Mr. Israel?

ISRAEL:

Thank you, Mr. Chairman.

I appreciate the consideration and courtesy of this (OFF-MIKE).

OK, there we go.

(CROSSTALK)

ISRAEL:

A Republican yes, true.

(UNKNOWN)

Different kind of Republican.

ISRAEL:

That's my district, by the way.

(LAUGHTER)

Admiral Greenert, I want to ask you a question about a ballistic missile defense capability.

Our adversaries continue to develop at a very rapid pace ballistic missile capabilities, and we need to stay many steps ahead. I was wondering if you can address the demands on the fleet in maintaining proactive ballistic -- a ballistic missile defense.

I'm also concerned about the current plan to place Aegis cruisers in a reduced operating status and would like you to address that issue.

GREENERT:

Today we have on the order of I think it's [33] ballistic missile defense capable ships. I'll send you a paper on that so I get that straight.

We need to -- we need by the end of the FYDP, and that kind of tends to be our goal, 40 available to -- around the world, and this is ballistic missile defense capable. They have the sensor; they have the weapon.

So it's a pretty high demand. And to get there, Congressman, you have to modernize the cruisers and destroyers. They have to have the cooling and power for these really high-power radar. And it takes a lot of power, it takes a lot of cooling. And you have to have the right weapon, all right?

So that tends to be -- that's what we're rushing to get done. What has been very helpful, because today we're doing most of the missile defense from the sea ashore, if we can put a site ashore to get that done, that helps dramatically -- much bigger aperture -- you know, more resolution.

And so, today, we are -- we are standing one up in Romania, as I speak. It'll be on -- it'll be on service at the end of December. And in two years, one in Poland. That will dramatically help the European situation.

So we're on track. My concern is to what -- to what end. And I'm speaking pres. bud. '16 levels. You go to the Budget Control Act levels, when, as I said before, most of what we do will come out of modernization. Well, that's a key part of modernization.

ISRAEL:

Thank you, Admiral.

And, finally, Mr. Secretary, this is a very parochial concern. I'm gonna ask if you could send some folks out to see me, regarding a contaminated plume on Long Island where the Navy and the Grumman Corporation worked on the Hellfire in the 1940s. That site has been contaminated. The contamination is growing.

I'd appreciate if you would send somebody up to see me so that we can address those issues.

MABUS:

I'll be happy to, Congressman. And we've been working very closely with Congress and also with the state of New York to address that. But I'll be happy to send some people up with not only information, but with our plan of action.

ISRAEL:

Thank you, Mr. Secretary.

And thank you again, Ms. McCollum.

FRELINGHUYSEN:

Thank you, Mr. Israel.

Mr. Crenshaw?

CRENSHAW:

Thank you, Mr. Chairman.

And let me first welcome all of you back. The Navy has a pretty strong presence in my district in northeast Florida, so I've worked with you all and developed what I'd consider a very trusting relationship, friendship. And I thank you for that.

Admiral Greenert, I know you'll be leaving, but not everybody knows that the secretary of the Navy is on his way to become the fifth-longest serving secretary of the Navy. I don't know where you rank in your service as CNO, but -- in terms of length of service, but it's certainly been one of the best.

So thank you all for being here today. And...

FRELINGHUYSEN:

Looks like the secretary want equal time. But you -- OK, excuse me.

CRENSHAW:

Well, he'll probably be back, right?

MABUS:

I think he's got the quality...

(UNKNOWN)

There you go.

MABUS:

... quality age. I may have quantity.

FRELINGHUYSEN:

That time doesn't come out of your time.

MABUS:

Thank you very much.

CRENSHAW:

Well, one of the things that I know that you all have been working on is a plan to modernize some of the guided missile cruisers. And there was a time when the Navy wanted to lay-up -- whatever that means -- they were gonna lay-up 11 cruisers, which this committee and this chairman thought was probably shortsighted.

And so, now there's a plan, I guess when you -- when you think of the tumultuous times we live in, and we talk a lot about ships today, when you lay-up a ship and you don't have a crew and

you don't have any modernization money, more than likely it's gonna be decommissioned. And I think this subcommittee thought that's probably a bad idea, and when we talk about the number of ships that we need.

And so, under the leadership of the chairman, we developed this plan called 2-4-6. These 11 cruisers are gonna be modernized. And I had a couple of questions about that, because I think the plan is that no more than two ships will enter the modernization schedule each year, none of the ships will stay there more than four years, and there won't be any more than six ships there at any one time.

And the question becomes -- and maybe it's for you, Secretary Mabus, how have you all decided to benchmark the four years that they were gonna be in this modernization? Is there -- is there some -- like, when does that begin and when does it end, so that we can comply with that -- with that four year of the 2-4-6?

MABUS:

Well, Congressman, first I want to thank the committee for setting up the so-called SMOS funds to modernize these cruisers. We agree wholeheartedly we need to keep these cruisers, and we need to keep them for as long as we possibly can. You know, we need to extend their lives and modernize them as long as we possibly can.

In answer to your specific question, the four years would not include the time getting ready to go in to modernization or the time after they come out of modernization that you do the shakedown, the testing and this sort of thing. So it would be four years in modernization.

Having said all that, the reason that -- and -- and I fully, fully understand the concern of the committee and Congress. Words like lay-up were used. Words like decommissioning were used.

The plan that we put in, in '15, to put 11 cruisers into modernization at one, we were gonna continue to have those ships in commission. They were not gonna be laid-up. They were not gonna be completely out of service. They were gonna remain under the control of the CNO. If a contingency arose that we had to have extra cruisers, we could have manned those, or up-manned them, because they would be minimally manned, and gotten them out to sea.

By doing that, by putting all 11 in, we need 11 at a time in the fleet. By putting the 11 in, we would extend the life of those cruisers from the mid to late 2020s, when they're scheduled to retire now, to the mid to late 2040s.

The 2-4-6 plan, which we are absolutely complying with now, would not -- it would -- it would extend the lives, but about 10 years shorter than -- than the original plan. And what we don't have is the money that would be gained from the manpower that we could put into the modernization effort. And we will run out of the SMOS funds far earlier.

But -- and that's the reason that we will -- that we still believe that putting the 11 cruisers into modernization at a time, whatever assurances or whatever actions we can take to assure the committee, to assure the Congress that these 11 cruisers are going to stay in the fleet, we need all 22 of the cruisers, and we need these 11 to be modernized to replace the cruisers that will reach the end of their lives, whatever actions we can do to do that, because we do think that the

original plan will do that and will keep these cruisers in service and more modern longer than any other plan that we've -- that we've been able to come up with.

CRENSHAW:

Just one quick followup to Admiral Greenert. You know, one of the things that we just talked about -- you got the -- the SMOS, so to speak, and then our bills says you've got to fund the manning outside of that, and I know that's in the '16. Is that still the plan to do that in the outyears?

GREENERT:

It is. If that's the intent and that's what you tell us to do, that's what we'll do.

We got -- we got the bill, the '15 bill, in December. We had about a week to put this together. We said, look, we gotta man the '16 in our submission to comply, and so we did. We didn't get it all put together in '17 and out, Congressman, so we'll have to -- we'll have to get after that.

The SMOS fund, when it first came out, was ship modernization operation sustainment fund, and that was good, and we appreciate it, especially the operations and sustainment, when they're not physically modernization.

Well, that's become the SMF fund, ship modernization fund, no money for operations or sustainment. That hurts. That's a burden we're bearing that wasn't originally intended.

That's the intent of the Congress, so be it. We'll comply. But we sure would prefer the other. It would be very helpful if we can extend that back to SMOSF, Congressman.

CRENSHAW:

Thank you.

Thank you, Mr. Chairman.

FRELINGHUYSEN:

Ms. McCollum?

MCCOLLUM:

Thank you, Mr. Chairman.

Well, it's been pointed out that the Budget Control Act is the law of the land. Congress, without my help, passed that law. And Congress, with my help, can change that. We can remove sequestration from this conversation.

The president put forward in his budget a way to move forward without sequestration, and I appreciate that. We're awaiting the Budget Committee to give us our numbers, our allocations.

And so, I wake up optimistic and hopeful every day that the Budget Committee will do the right thing and help us bring sequestration to an end.

So, my -- people are chuckling on the other side of the aisle, but, like I said, I wake up hopeful, even though it's zero in Minnesota and 19 in Alaska, which leads me to my question. The U.S. Navy Arctic Roadmap, which I found really interesting.

So, Secretary and Admiral Greenert, I'd like to get your thoughts on the Arctic. The effects of climate change are particularly evident in the Arctic. The polar region is warming twice as fast as the average rise on the rest of the planet, which means more open Arctic waters.

Now, I know the Navy is thinking about the Arctic, and I want to commend you for the work -- for the report that I just help up, the Navy's Task Force on Climate Change for its Arctic Roadmap report last year.

We have clear national interest in the Arctic, along with our Canadian and Nordic allies. In fact, there's a Nordic Council, which the U.S. is chairing right now, which is part of the State Department.

But your focus in this -- in this area is really important. It's a resource-rich environment. We should expect the Russians and the Chinese to be very active in this -- in this region.

So, Admiral, as you look to the future, what are the challenges, opportunities, resources, and investments this committee needs to be thinking about as the Navy operates in this very harsh and changing climate?

And then, to General Dunford, similar climate changes affecting sea levels, which impact equatorial coastlines. So how's the Marine Corps thinking about climate change and its impact on your mission, as well as where you will have to have Marines based?

Thank you, gentlemen.

GREENERT:

Thank you, Congresswoman.

First question -- when will -- when will it be navigable? When are the navigable sea lines of communication open, number one? We think it's about 2023, 2024. And, by the way, just because of the ISIS, kind of slushy. Unless you have a hardened hull, you still don't want to go through that, so it has to be clear. We think it's about 2024.

When is it navigable? And that means open. Is there a threat -- other disputes on the routes that are navigable? And, by the way, that's not just open ocean. That's also -- you got to look at the draft. It's fairly shallow up there, and...

MCCOLLUM:

Mm-hmm.

GREENERT:

And big container ships have deep drafts -- 60 feet, 70 feet, 80 feet. You talk to the big companies -- and I have -- they say, "I don't know if this, you know, really a big deal to me."

And are there disputes? There are some. Territorial. And, as you mentioned, ma'am, how do we resolve them? Well, the Arctic Council's certainly a good way to look at that.

What kind of changes? Programmatic. Well, we already put in place -- it's in there -- in that road map there -- that when we build in new systems, communications, hull, mechanical, electrical, you have to answer the question, how will it operate in an arctic environment? And that includes all that stuff topside. All the superstructure and the infrastructure.

We need to go up and look at it more often. We have an exercise we used to do every three years called Ice Ex. Makes sense. And we did it mostly under the sea. It was a submarine thing. It's been going on for three decades. We're pretty good at it. We can go up and establish an ice camp and get that done. I say we got to do it every two years, and we are for the first time. And I'll talk to the secretary about, maybe we ought to do this annually.

MCCOLLUM:

Hmm.

GREENERT:

You know, we're going to look at the acceleration. And it's not just about the undersea. We need to do the surface and the air, invite up there, and assess this place up in an arctic ice camp, and take it from there.

So, it'll be communications. It'll be the systems on board the ships. It'll be the satellite imagery so we can communicate up there, as well.

DUNFORD:

Congresswoman, I know -- I know you're describing the broader issues associated with climate change. From a Marine Corps perspective, we view that as certainly one of the sources of conflict. And also, it creates an increased requirement for humanitarian assistance and disaster relief operations. And I think the kind of things that we've done in the Pacific over the last several years are probably a prologue for what might have to be done in the wake of the climate change you describe.

So, for us, it's a question, once again, of being forward deployed, forward engaged, and be in a position to respond to the kinds of natural disasters that I think we see as a second or third order effect of climate change.

MCCOLLUM:

But planning for that now, not forestalling, not doing anything about it not because that -- you know, on a priority list -- we were talking about the military industrial base. But putting this off, pushing this down the road has the potential of making us more vulnerable in the future? Would you agree or not agree?

GREENERT:

I do agree. That's why I say we've got to get this ex -- ice (ph) exercise to an ann -- semiannual -- or, I'm sorry, biannual or annual. And, as I said, our programs today have to be -- have to prove that they can operate in an arctic environment.

FRELINGHUYSEN:

Members are invited to be part of -- part of the Ice Ex program. If you haven't done it, it's worthy of doing it.

Now, Mr. Calvert?

CALVERT:

Thank you, Mr. Chairman. And good morning, Secretary Mabus, Admiral Greenert, General Dunford. First of all, thank you for coming here today. Certainly, thank you for your service.

All of us here understand the difficult challenges, and we look forward to working with you to support the -- the men and women of the United States Navy and the Marine Corps.

Obviously, difficult decision must be made. But looking through the DOD budget over the years, I noticed that in 2003, the number of Defense civilians was approximately 636,000 relative to 1,434,377 active duty military. That ratio was about 1.2 to 5. Today, there's 776,841 Defense civilians relative to 1,332,991 uniformed services. That ratio, obviously -- the civilian employees versus military employees obviously is out of whack significantly.

In 2010, the Defense Business Board recommended a reduction of Defense civilians to the F.Y. 2003 levels, or 15 percent, which is ever greater. According to experts, that would save approximately \$82.5 billion over five years to do that. And, obviously, the -- the authorizes are working on procurement reform and other types of reform to help streamline the Department of Defense to have savings that could be kept within DOD for more end-strength for Marines, procurement for the Navy, et cetera.

What's your position no that to -- to get those savings in the civilian workforce?

Secretary?

MABUS:

Congressman, first, I think you need to break that out into where those civilians are. I think the services have done a pretty good job of -- of making the trades that you have to make in terms of uniform versus civilians. DOD is a much larger place, though, than just the services. So, as you're looking at civilian employment, look wider than just the surfaces.

The second, in terms of the Navy, in particular, those civilians include people in our public shipyards that maintain our nuclear submarines. They include the people that maintain and modernize our aircraft. And one of the reasons that we are in such a readiness troth now in both the Navy and the Marine Corps, in aviation and in ship maintenance is that we lost some of those civilians during the -- during sequester, furlough, hiring freeze. And we are just now catching up.

And finally, I do want to say a word about Navy civilians. We lost 12 of them, killed in action, in the Washington Navy Yard. And we could not -- we would not have a fleet to put to sea without those civilians.

So, I think that the Defense Business Board has a good point. But I think you need to also look at the specific jobs that those civilians are doing, instead of simply a broad metric of what percentage to cut.

CALVERT:

Mr. Secretary, several comptrollers have come to see me, both -- from both parties. And believe that the secretary -- the Secretary of Defense should have discretion to order -- to make determinations on -- on how we can, over time, bring the civilian workforce into compliance to what has been historically the ratios within the Department of Defense. We're operating under the same pool of money that we have to make determinations of where it's going to go.

CALVERT:

Do we -- and we're -- I'm not arguing that depots are important or -- or fixing (inaudible) are (ph) civilians, employees that have a critical role in what we're trying to do. But it's not anecdotal to say that there has been a growth in middle management in the Department of Defense. There has been a growth in other activities in the Department in the civilian workforce. And if we have to make decisions, is it better to look at the civilian workforce versus cutting Marines in strength, which we have cut probably more than we should, or ordering new ships and operations and maintenance of those ships?

MABUS:

Again, I think that the important distinction to make here is between the services and the Department of Defense. And -- and...

CALVERT:

And that's the secretary's job -- the secretary of defense needs to look at everything across the board, throughout the Department of Defense to make those difficult decisions.

MABUS:

And I think it's -- absolutely, Congressman. I think it's all of our jobs to make sure that we're not out of -- out of whack. But I also think that -- that we need to not just look at cutting a Navy ship to build a Navy ship, or cutting a civilian for a specific reason.

CALVERT:

I'm just talking about bringing into historic compliance. We had 636,000 civilian employees in 2003. Today, we have 776,000. And we have dropped the military component by well over 100,000 in that same time period.

MABUS:

Congressman, I think you and I are very much in agreement here. It's just where -- where you look. And instead of saying everybody cut 15 percent, look and see what those civilians are doing.

CALVERT:

I'm not saying that. I'm not talking about across-the-board cuts. I'm talking about the secretary, like any businessman, as you're making -- making determinations throughout the department where they need to be made.

MABUS:

And Congressman, I agree with you, again, wholeheartedly, and I hope that when those looks are made that they will be looked at more in tail, our overhead, in business terms, than in tooth -- the Navy and Marine Corps forward presence.

CALVERT:

Admiral, would you have any (inaudible)?

GREENERT:

I agree with what the secretary said. You know, Congressman, you could really help us by giving us -- it would be the secretary of defense and all of us -- by giving us the authorities to manage our civilian workforce like we manage -- like we manage our military. And what I mean is, to provide appropriate incentives to do shaping of the force; to man the civilian workforce like we man military to function, to task. So that, as you said, we have a corps that is important, as the secretary said and you agree.

That's where the -- that's where the real rub comes, sir, whenever we try to manage. Then we go in and say, "OK, how do we do this?" And we find that the ability to make changes is so onerous it becomes across-the-board, and then we throw the baby out with the bathwater, as they say.

CALVERT:

And I've been told anecdotally, then you put a uniformed person in there to do that job, or you have to bring a contractor in to do that job because you do not have the flexibility to manage the civilian workforce. Is that correct?

GREENERT:

That's correct. We don't have the flexibility to properly manage the civilian workforce, in my opinion. Yes, sir.

CALVERT:

General?

DUNFORD:

Congressman, maybe to help put what Secretary Mabus was speaking about in some perspective. In the Marine Corps, our ratio of civilians to Marines is one to 10. In the department as a whole, it's one to two. We have in fact...

CALVERT:

You've done a great job.

DUNFORD:

Well, we do benefit from some of the other civilians that are out there, but -- but again, looking at it from a purely parochial perspective, we don't have -- we don't have much to cut, although we are involved in a 10 percent cut and will achieve that by 2017.

But the -- but the real important point for us is someone has an image of the civilians -- 90 percent of our civilians are outside the national capital region. They are working at our depots. They provide force protection at our bases. They're running our training facilities. They're running our family programs.

So, as I look at it as a service chief, I look at our civilians as tooth, not tail. In other words, they are directly contributing to the combat effectiveness and the readiness of the United States Marine Corps. And if they're not, then I agree with you 100 percent, then we need to take a hard look at whether or not we have them.

CALVERT:

And I -- I just think that we have to take a serious look at that, because we'd rather have the money stay in the Marine Corps and the Navy, and to give you better flexibility, Secretary Mabus, to operate your department.

Thank you, Mr. Chairman.

FRELINGHUYSEN:

A point well taken.

Mr. Ryan?

RYAN:

Thank you, Mr. Chairman.

Thank you, Gentlemen. This is clearly very challenging times and we appreciate your service and all that you're doing day to day to try to meet the goals that are set for you, as unreasonable as sometimes we seem to have placed them for you.

I've got a couple of questions. First, General Dunford, you know, a few years back when we met, we were working on this mind skills program, and mental fitness training, with Dr. Liz Stanley from Georgetown. I was a few years ago stunned by the fact that many times, the warrior's stress level was almost at its highest when they were preparing to go off to war -- the family situations, the just getting ready to leave.

And we now know that that diminishes your working memory capacity, your cognitive functions, and all the things that you're going to need when you're out into the field of battle. And this mental skills training program has shown some real signs of increasing working memory capacity, increasing cognitive function, increasing resiliency so that we're really making some key investments into the -- into the warrior that are going to prepare them for the kind of high-level stressful situations that they're going to be dealing with.

So, there were some positive studies that came back. And then there was a study that was put out for mental skills training in basic reconnaissance in the Marines. And it was funded by the Office of Naval Research. It was a 2013 study. So I just wondered if -- I'm waiting for the results to see -- see how that's going.

DUNFORD:

Congressman, thanks for asking the question. And as you alluded to, I really started getting into this probably back in 2010 when I was the commander of our Marine expeditionary force on the west coast. And we started a pilot program that has come along apace with some other research efforts that you spoke about.

The -- right now, we have the data that says this is absolutely the right way to go; that this can, in fact, reduce the stress of our Marines across -- you know, whether in pre-deployment, deployed or post-deployment. But as you pointed out, some of the most stressful period of time is the pre-deployment phase. We found that. That's analytically based.

Right now, what I'm trying to do is figure out how to, what I describe as marinize (ph) it. We have 35,000 new Marines every year. We've got an active duty force of 182,000; another 38,000 Marines. And what Dr. Stanley has been able to do to date is work with relatively small groups and small units, but not necessarily give us a program that can be applied across the -- across the Marine Corps.

And to be honest with you, this is one of those items that's on my -- it's on my checklist. I've been in the job just about four months right now. And as I came into the job, I did ask some questions about where are we on the research.

I've had a conversation -- I guess a couple of conversations with Dr. Stanley since I've been in the job. And over the next couple of months, what I'll be looking to do is figure out how we can integrate these types of techniques so that we're doing nothing more and nothing less than exercising the brain the same way we do with the body, to contribute to the combat effectiveness of our Marines. Part of that is reducing stress.

RYAN:

Right. Well, if we could -- if you could check on that study, the latest, see -- see what the results are so we can get moving on that.

And Mr. Chairman, I know I've talked to you about this several times on trying to dig a little bit deeper in, not only the resiliency of the warrior, but in many instances, I think this can inoculate from some post-traumatic stress issues that come down the line. So I appreciate that.

Admiral, just a quick question on the Asia-Pacific rebalance, if you could give us a little bit on that, where the Navy stands on the rebalance, re-basing, reassignment of units and that kind of thing.

GREENERT:

I put it in -- the rebalance, I'd put in three categories: forces, capability and what I call understanding. So, with regard to forces, we are putting more forces in the Asia-Pacific region, some forward -- in our forward-deployed naval force. That means forward-stationed.

So in the next two years, we'll put two more destroyers in Japan. This year, I'm putting another submarine in Guam. We will -- we have the Fort Worth, which is the number two hull number, littoral combat ship. She's on deployment over there. That's the second deployment over there -- would be out of Singapore in that area.

So when she completes this deployment -- it's a 60-month. She's about five months into it; changed out the crew once. The next ship that comes over will stay in Singapore, then another, then two more. So we'll have four littoral combat ships by '17 -- by the end of '17 in Singapore. So, four littoral combat ships, two destroyers, a submarine in Guam -- that -- that's part of the force structure.

Our -- our P-8, which is the follow -- it's a maritime patrol aircraft. It's a 737-800 series aircraft, replaces a propeller aircraft, four-engine propeller aircraft. They've been on deployment now for three deployments out there. So that's in the Asia-Pacific, and that's the first area we've deployed (inaudible).

Our Joint Strike Fighter, by the end of this decade, will deploy to the western Pacific. So you see the trend. We're putting all the forces out there either forward-stationed, or they will deploy there first. All on track, sir.

Number two, capability. We benchmark anti-air, anti-submarine, electronic attack, cyber -- all to (inaudible) perform in the western Pacific against potential adversaries out there. That's going apace. The modernization is delayed. I spoke to that in my opening statement. It's in my written statement. That one has slowed down. The point is, the benchmark is in place.

And then lastly, understanding. It's really about reassuring our allies, establishing partners, and really establishing ad hoc partners where the case may be.

RYAN:

Are there any new -- new countries involved in that?

(CROSSTALK)

FRELINGHUYSEN:

(inaudible), make sure Mr. Womack gets his oar in the water here, too.

RYAN:

(inaudible) any new countries that are involved in the -- what's you're doing out there in the rebalance?

GREENERT:

By "new countries," friends that are doing more -- Malaysia, in particular; Indonesia in particular. I just mentioned Singapore, who's really come out forward. You're familiar with the Philippines' interest level; Vietnam interest level. So there's a pattern there. Southeast Asia is emerging.

And lastly, I'd say we have a great opportunity emerging now with the president and Prime Minister Modi recent get-together, with India and what that partnership means.

FRELINGHUYSEN:

Thank you, Mr. Ryan.

Mr. Womack?

WOMACK:

Thank you, Mr. Chairman.

I, too, want to offer my thanks to the service of these gentlemen that are before us today, and particularly Admiral Greenert, your service. The time that I've spent in the last year on the Nimitz and the West Virginia, and with some special guys down in Coronado has been a real highlight of my time in Congress. And I never cease to be amazed at the competence of our men and women in uniform.

And General Dunford, your service, particularly your most recent service in Afghanistan, I truly appreciate your hospitality when we traveled there. It's remarkable what you guys have been able to do.

WOMACK:

You've all been able -- have had to rely not only on base funding to account for readiness shortfalls, but OCO, as we commonly refer to it. And I understand that the need for OCO doesn't go away when we leave the Afghan theater. OCO is used to get our equipment home, get it into the proper maintenance posture and ready for its next mission.

The conversation has come up again and again, how to scale OCO down, perhaps one day even to zero. I don't know if that's realistic, and I know we don't live in a -- in an ideal world. But have you begun to transition OCO enduring requirements in the base yet? Or help me understand how we're planning in that regard.

GREENERT:

Well, Congressman, we started in that direction about four years ago. And I think what happened was either at the defense level, the OMB level or here in the Congress, the decision was made to put more -- more operations in OCO and then replace where that came out of with maybe some procurement.

So I think what we need is, we need agreement by all three of these entities to say, "Here's the plan. Here's how we're gonna transition from maybe what is called OCO today to a new supplemental fund, used for emergent operations out there."

Today, my readiness accounts of, say, \$21 billion, about \$3.6 billion of it is OCO, that is funded by OCO. And about \$2 billion of that, I'd say probably eventually belongs in a base, belongs in the base.

So, Sir, I think we can -- we can do this. But I think we need a deliberate, coordinated action. So that I asked the secretary, hey, let's put this in the base, and then somebody pulls it out of the base and replaces it with OCO, and then, you know, does something else with that money.

That is confusing to our folks.

WOMACK:

General?

DUNFORD:

Congressman, thanks.

Two years ago, in '14, we had a little over \$4 billion in OCO. This year, we have a little over \$2 billion. And our request in '16 is a little over \$1 billion, it's \$1.3 billion. So we have, in fact, come down about half each year.

But, like Admiral Greenert, now I'm starting to see challenges of training for the contingencies that we're involved in that were not anticipated two or three years ago. So a combination of the operations and maintenance money to train for the unexpected, combined with the continued requirement to reset is the foundational requirements for our OCO right now.

We'll be done with the reset requirement from Iraq and Afghanistan by 2017. So this is the last year we'll request money for reset. But of course that -- that assumes steady-state requirements in the United States Central Command, in AFRICOM and elsewhere.

WOMACK:

My other question is, in regard -- and I bring this up every year I think, and it's levels of acceptable risk. And, of course, this budget that we're dealing with, whether it's a sequestered budget or, you know, maybe even as high as the president's budget, that's still to be determined, how -- how are we able to square risk and budgets?

This seems to me to be a very difficult exercise, because you almost have to plan two different budgets. I guess you almost surely have to plan two different budgets. How are we able to measure and assess risk?

GREENERT (?):

We manage and plan for risk, and it's one of these hard choices you make. What is the highest probably of what's gonna happen? And what are the results if it does?

So, high probability, small result; low probability, but a very bad result on the end. And you have to balance force structure, so people, platforms and readiness to meet, number one, the most likely contingencies, and, number two, to have the most flexibility for the contingencies that you don't plan for.

But the very word "risk" means you take some -- some chances in some things that are low probability, that you simply don't have the resources.

WOMACK:

Mr. Secretary, if we have a sequestered budget in F.Y. '16, in your opinion, in your professional opinion, is it an acceptable level of risk?

MABUS:

I will quote the commandant here, "We go from risk to gamble." It's no longer risk, it's simply a gamble.

WOMACK:

I have one follow-up question, Mr. Chairman. I know my time is up, but this'll elicit only a short response from General Dunford.

You mentioned in your opening one to two dwell time. Where do we need to be on dwell time?

DUNFORD:

Congressman, optimally we'd be at one to three. That's what I grew up with most of my career, deployed for six months, back for 18 months.

WOMACK:

Is one to three sustainable?

DUNFORD:

One to three, we can maintain one to two, we are maintaining it right now. One to three is optimal.

What you really start to see when you're at one to two is the inability to train across the range of military operations. So you're really preparing for the next deployment as opposed to preparing across the range of military operations. That's the difference between one to two and one to three, as well as, obviously, the human factors, how much time you spend back at home with your family.

WOMACK:

I thank the gentleman.

FRELINGHUYSEN:

Thank you, Mr. Womack.

Mr. Ruppertsberger?

RUPPERSBERGER:

Thank you.

Thank you for being here and (inaudible).

First thing, as you've been testifying today, the secretary (inaudible) talked about, Mr. Womack I think had a question, and he answered that we now are putting our national security at a gamble.

And I think it's really incumbent upon this committee and our other committees to let (OFF-MIKE) just about everything in this area is your congressional district, right?

(LAUGHTER)

(OFF-MIKE)

MABUS:

I'll take an overall shot at it, and then I'd like the CNO to weigh in as well.

But what 10th Fleet, U.S. Naval Cyber, does is it provides our cyber capability for the Department of the Navy and it folds in under the U.S. Cyber Command.

And, you're absolutely right. Cyber is a new area of warfare, and you only have to -- have to look at what happened in Ukraine or any of a number of places to see how it's being not only integrated into warfare, but a warfare area all its own.

What we have been providing is teams, cyber teams, to the 10th Fleet and to U.S. Cyber Command. We're on track to provide about 40 of those teams, that are the warfighting teams in cyber.

I will have to get you for the record the exact, what would happen if our budget went down, but it would have an impact on it, on both the capacity and the capability of cyber. And it's -- and it reaches farther than 10th Fleet, because cyber is a concern all around the world, in every one of our platforms and every one of our bases.

And how we operate and how we both defend and go on the offense in cyber is critical. And 10th Fleet and the U.S. Cyber Command provide the underpinning for that.

RUPPERSBERGER:

(OFF-MIKE)

GREENERT:

Yes, sir. What -- that refers to really the ability to what I call put sentinels in the system, automatic sentinels. They scan all of your networks, at each level, to see if there are attempted intrusions or there are intrusions, and then, in some cases, take automatic action.

So we need to upgrade our systems to put these in. Right now, that's done by people who methodically kind of go through each and every network, looking for unusual activity. So we've got to get to what is normal.

What I'd tell you, Congressman, is cyber is very high priority. I would be -- I would very much hesitate to come to Secretary Mabus and recommend much reduction in cyber, even at Budget Control Act levels.

RUPPERSBERGER:

(OFF-MIKE)

MABUS (?):

If it -- here's what would happen. Well, here's what would slow down, upgrading our networks on our ships and even ashore, with systems that are already, if you will, resistant, that have this built-in capability that we're referring to, that we would put up there in the headquarters.

So going to application-based communications on our ships, going -- ashore as well, programs called CANES, called NGEN, next generation, that would slow down. So we are more vulnerable for longer at getting these replacement systems put on.

And so, as we say, the risk, the gamble would go on in a very critical area, cyber.

FRELINGHUYSEN:

Thank you, Mr. Ruppertsberger.

Judge Carter?

Thanks for your patience down there for (inaudible)...

CARTER:

Well, thank you, Mr. Chairman. And I -- I -- I apologize for coming in late. I, as you can imagine, have a bill that's giving me problems.

FRELINGHUYSEN:

Chairman of the Homeland Security Committee.

CARTER:

The -- as -- as my co-chair over there mentioned, I represent the -- the Army Fort Hood is in my district. I have a lot of interest in the debate we had last year on close air -- air support. And I ran across some information that I wanted to ask you all about.

A test last year, a team of U.S. Marines called in an upgraded Tomahawk missile strike at a nearby target, just like they routinely call in artillery or Harrier tanks, Cobra helicopters.

Bob Work, the deputy secretary of Defense, declared a similar test, a potential game-changing capability for not a lot of cost. This kind of innovation provides the military with a powerful new weapon without actually buying much new hardware.

Now, can -- can you speak to any of the opportunities associated with deploying Tomahawk cruise missiles as innovative alternatives to putting close air support jets in the air?

Can you speak to any potential cost information (ph) associated between close air support missions executed by Tomahawk missiles versus aviation?

GREENERT:

Yeah, I think what Mr. Work was talking about, as it refers to Tomahawk cruise missiles -- Tomahawk cruise missiles, you give it a point, you say, go hit that point. Incredibly accurate, and we've been doing that way.

The Tomahawk called "Block 4," what you can do is send it up there, and it -- instead of sending it right to that point, it'll loiter, and you can upgrade where -- the point you want it to go to.

The next step is, you keep updating that aim point. And you keep -- you have a constant feed to the missile as it's coming in, and it changes. And it becomes its -- if you will, its own sensor. So, what you need is a link of constant information feeding it. We found a way to do that, with the right network in the air of -- of sensors.

The key to that is that link, that constant upgrade. We figured out how to do that, Congressman, and that -- that's the key to that.

So, now, a moving target, which used to be such a problem -- because you were looking for a point -- becomes not -- you can't avoid the missile now as much with this capability.

CARTER:

Well, that's pretty cool. But how does it compare effectiveness and cost-wise as you -- as you look at it? And according to this article, a bunch of Marines called it in on a target from the ground, and they also used it for tests (ph) of the ship. So...

GREENERT:

What's cool about it is, you have the weapon now, not in 2018, 2019...

CARTER:

You don't have to develop it, yeah.

GREENERT:

Yeah, it's now, with a couple of changes and a data -- a data link already have, with the missile we already have with the sensors we already have. Just get them all talking on the same link, and now you have that capability.

CARTER:

And cost-wise, this is -- how does it compare with our resources (ph)?

GREENERT:

A few million versus tens and tens of tens of millions.

CARTER:

General, you want to comment on it?

DUNFORD:

No, the only thing I was going to say, Congressman -- I mean, I can see where that Tomahawk missile would be helpful for a high-end operational target or a strategic target, but probably not routinely the most effective weapon system for a tactical target in close air support.

CARTER:

Well, that -- that's kind of what I was curious about. Because the way the article read, it -- it sounded like it was being used for that kind of tactical target. And -- of course, we had the big ATN (ph) debate last year. And there's still a bunch of ground troops that like that aircraft. And so, I was curious about that. And I -- and I thank you for the answer to that question.

Mr. Chairman, I -- may I have time for another question?

Can you elaborate on how the Navy is working to -- to apply the -- apply advanced technologies to achieve more with less? What -- what I'm referring to is, in -- in 2014, on occasion, the U.S. executed a series of five air strikes against ISIS targets at a cost of \$2.5 million. The tactical victory entailed was one destroyed truck, one anti-aircraft artillery piece, two small boats and a fighting position. This seems to be a relatively high cost benefit scenario.

Today's reality is defined by fiscal constraint amidst this complex national security environment. In light of this, we need solutions that are cost effective. Are you looking at -- at -- what are you looking at as far as advanced technologies? And I would say the cruise missile discussion would be one of them. But are there others that you can enlighten us about?

DUNFORD (?):

I can give you two very quick examples here. We have deployed a laser weapon called the Ponce in the Arabian Gulf right now. This laser weapon -- the shots are measured in cents per shot. And it's an almost endless magazine. Because all you have to have is energy. You don't have to have a physical weapon. And -- and we're testing it now. And so far, the tests have gone very well.

CARTER:

That's good.

DUNFORD (?):

That's an -- that's an example.

The second example is the railgun, which -- which we're also going to put on -- on a ship later this year to test in the maritime environment.

Last week, I got to go to the Naval Research Lab and actually shoot one of those railguns. And it comes out so fast -- Mach 7, Mach 8 -- you don't have to have high explosive on the other end. And all you have to have is -- is the right shape to -- right kind of projectile. But, again, it's measured in very low cost. And the amount per shot is fractions of what...

CARTER:

And the -- actually, one of the things I was going to ask in particular was the railgun, because I happen to (ph) -- also, they developed part of that at the University of Texas, and I was there when they fired the railgun. And it's pretty impressive. And they pointed out that on a ship of a large size, it can do major damage a long way away without any explosives.

DUNFORD (?):

It can do -- it can do major -- major damage to almost anything. And it's about \$30,000 a shot versus a million for a missile.

CARTER:

Thank you.

FRELINGHUYSEN:

Thank you, Judge Carter. There's always a Texas solution somewhere.

(LAUGHTER)

Ms. -- Mr. Diaz-Balart?

DIAZ-BALART:

Thank you, Mr. Chairman.

And since I'm new, I actually will -- I'm more listening and learning, but I have a couple things that have come up.

When -- when Chairman Rogers, Chairman Granger and a few others and I were at SOUTHCOM -- I don't know -- maybe six months ago -- I don't know how long ago it was -- we learned something that was rather astonishing. Which is that, obviously, the Navy and the Coast Guard have a crucial role in interdicting narcotics. And we know that -- I forget the number, but something like 40,000 Americans die every year -- don't quote me on that number -- from -- from illicit drugs.

DIAZ-BALART:

What we learned is that, what SOUTHCOM sees, they can only interdict -- I think it was something like 20 percent. And, again, don't quote me the numbers. And so, it's an issue of

assets. So, are there plans to increase our assets in our hemisphere to deal with narcotics? And how would sequestration potentially deal -- you know, affect that?

MABUS:

Congressman, that is one of the best examples of what happens when you don't build enough ships. And it doesn't happen right away, it happens 10, 15 years down the road.

We had frigates that were performing this mission in SOUTHCOM. Those frigates were built in the late '70s, early '80s. They reached the end of their lives. We're retiring the last of those frigates this year.

The follow-on to those frigates are mainly the Fast Frigate, or littoral combat ship that we're doing. But we didn't start building them soon enough. And so, there was a gap -- there was a gap in SOUTHCOM.

Now, the littoral combat ship, the Fast Frigate, will bring far more capabilities when they get there. And we're building them. We've got 24 under contract today. And so, we're getting them there. We can also use this platform, the Joint High Speed Vessel to interdict drugs.

But it's one of the prime needs that we have, is to have enough assets in places like SOUTHCOM. But when the size of the fleet goes down and you have to prioritize where you put those assets, and you have Central Command and you have Western Pacific, you run out of assets.

And that's, as I said, the best example I can come up with of the effects of not building ships today will have on -- on the people who are sitting here 10, 15 years in the future.

DIAZ-BALART:

Yeah. And, obviously, that's real life, and like that -- there have to be obviously, and we've heard them today, dozens, if not more, examples of specific issues that are being -- that actually are harming our national security interests. In this case, again, lives are being lost every single day. So it's a -- it's a real impact.

I just also, if I have a -- if I can ask one more question, Mr. Chairman?

First, I agree with what Mr. Ruppertsberger said, that it's really our responsibility to explain to people what the real-life situation is, and it's real. And -- and, you know, what -- the number that was never supposed to get here, which is sequester, now is here, and we have to live with it.

Now, the ranking member also I think made a great exposition of explaining that more than two-thirds of the federal budget now is mandatory spending and we don't -- we don't touch that. So we continue to have to deal with a diminishing source of funds.

Last year, the president put on the table in his budget some -- some reforms of mandatory spending, you know. So forget about whether they were good ones or bad ones, he at least put some -- some reforms of the majority of the budget which we don't touch. This year, he did not.

And so, we have a responsibility to do our job. The administration has also a responsibility if we're gonna deal with this sequester issue, which I think we have to deal with.

Do you know if there's any indication that the president is gonna be looking at putting forward any -- any proposals to reform some parts of the -- which he hasn't done this year -- on mandatory?

And, again, it's up to us to do our part, and I think we haven't met -- we have not succeeded in doing it. But I think it requires all of us to play. And, as I -- as I -- also being on the Budget Committee, one of our frustrations is that we've seen no such recommendation.

Any idea -- because we see the impact of not doing it -- any idea is the president might be looking at actually putting forward some amendment to his budget on that?

MABUS:

Congressman, that's so far out my lane that I'm gonna get in trouble, no matter what I say.

FRELINGHUYSEN:

Let's keep the secretary in the naval lanes.

You'd probably appreciate that, wouldn't you?

DIAZ-BALART:

Well, again, I'm still learning, Mr. Chairman, as I said before. So I'm just trying to see what the -- what the parameters are.

But, again, clearly we have real-life affects of -- of -- when we don't -- when we're not -- when we don't adequately fund our military.

FRELINGHUYSEN:

We'll make sure we do mine sweep earlier in the hearing.

(LAUGHTER)

Thank you, Mr. Diaz-Balart.

Mr. Graves?

GRAVES:

Thank you, Mr. Chairman.

Well, thank you for being here.

And certainly no matter where the seat is at the table, I'm grateful to be at the table, Mr. Chairman, to have this conversation. It's so important.

Admiral, a question for you, if you don't mind. And you've touched on it a little bit with your...

(CROSSTALK)

FRELINGHUYSEN:

It'd be one -- one of them needs to be turned off or something. I'm not sure what's going on.

(CROSSTALK)

(LAUGHTER)

GRAVES:

All right. We're on. We're good. It's Mario.

(CROSSTALK)

(LAUGHTER)

GRAVES:

Attempting to reclaim my time.

(LAUGHTER)

Admiral, as it relates to -- as it relates to the Ohio replacement program, can you share with us your -- your expectation of where that is on your priority list and where you see that going and how it might maintain that priority to see completion on the proposed schedule?

GREENERT:

Well, it's at the top of the program priority list, so when I come to Secretary Mabus, I'll describe to him, OK, here's the priority block that I'm laying before you, but the Ohio replacement is the replacement for the Ohio, which is the sea-based strategic deterrent, part of the triad. Number one, it's homeland security, protection of the homeland. We have to replace it.

The youngest Ohio class submarine is 17 years old, so they -- many of them -- the first will go -- they'll be over four (ph) years; they were designed for 30, whenever their time comes, which is starting in the mid-2020s.

So we have to start building, that is, bending steel, as we like to say, in 2021, so that the boat is complete by 2029 so it does on patrol by 2031.

There's no slack, Congressman. We have to fund it.

If we have to endure it in our shipbuilding plan, whether -- there's not some assistance outside, which has been the case in the past for national programs like this, that's about a \$9 billion bill in 2021 alone.

The best we do in shipbuilding in a year is \$14 billion, so you can see how much of that shipbuilding account, which has been going to well for so long. We are committed to it. It has to be done. It's a national priority right now.

GRAVES:

Great. Thank you for sharing that.

Mr. Chairman, if I might try to attempt to stay in the lane for a second, Mr. Secretary, I'm hearing certainly the, I guess the agreement about sequestration and where it's taken us.

But I think back to 2011 and the Budget Control Act. And I'm trying to recall, if I remember the Defense Department openly speaking in opposition to the Budget Control Act and the potential implications.

And can you point to any remarks you made at that time that indicated what a threat that would be to our country or -- because we find ourself here today with a lot of people saying what a bad idea it is, but I don't recall that being said back then?

MABUS (?):

I know I said it. And I will get -- I will search through files that nobody looks at, which are my old speeches...

(LAUGHTER)

... to -- to find you some examples. But I think at the time, everybody thought that it was such an awful thing, that it would never happen. And that -- and that was what was being said pretty much universally -- that the -- the consequences for Defense and non- Defense were so horrendous that it just couldn't -- couldn't come to pass. And -- and we have seen how bad those consequences are as a result.

You know, whatever -- whatever people said in '11, I think that it has been pretty consistent down the path that the effects of sequestration, or the things that -- that we are responsible for -- the Navy, the Marine Corps -- were in '13 devastating, and will be in the future. And of that, everyone has said it.

What we said in '11, when it was still a theory -- I can't remember exactly, but it's -- there's an old Yogi Berra quote that said in theory, there should be no difference in theory and practice. In practice, there is.

GRAVES:

Well...

MABUS (?):

And in practice, sequestration was pretty awful.

GRAVES:

This is -- this is serious stuff. This is -- Yogi Berra -- you know, the kind of situation, in my -- my opinion. And I have looked. And I haven't found any public statements of your opposition at that time. And, in fact, in 2012 in front of the Senate Armed Services Committee, you indicated

that through collaboration that there would be -- you would work within the constraints of the Budget Control Act with those involved.

A lot has changed since then. And you've publicly since probably in 2013, 2014, that's when your comments turned more to -- to the negative. I guess when I think about where we are and -- and the role that the Defense Department plays for our country in trying to project risk assessment, and not seeing that, and no one in the Defense Department seeing that at that time -- can you point to any one person who now has accepted the responsibility for putting our nation in a -- in a position in which has been stated today, we're -- the risk assessment is a gamble? Anyone accepting responsibility for that -- putting us in that position?

(UNKNOWN)

(OFF-MIKE)

MABUS (?):

Congress passed the bill. We have had to live with that. And we have had to -- to express what the -- what the risks are to this country. And that's what we've tried to do today. And if we go back to that -- what the -- what the gamble's going to be...

GRAVES:

Your statement today was, "We didn't think it would happen."

MABUS (?):

Well, I think that it's true for everybody in this hearing.

GRAVES:

Thank you, Mr. Secretary.

FRELINGHUYSEN:

Thank you, Mr. Graves.

I know (ph) members have some questions. I do. I want to talk, Admiral Greenert and Mr. Secretary, a little bit about the makeup of today's fleet. And the perception is, it's pretty light on capital warships -- destroyers and -- and cruisers, and we have a greater reliance on other types of ships. Given the headlines we see today -- "China Submarines Outnumber U.S. Fleet" -- one of your admirals made some comments relative to that -- "China Rebuffs U.S. Request to Halt South China Sea Island Work" -- I mean, I'm not sure we should ever leave the Pacific pivot to the Middle East, because I think we have some major commitments there. We certainly have commitments to the Mediterranean. But I'd -- I'd like to know a little more about the capability of the fleet that we have, given what we see.

The Chinese developing, the Russians developing. I know people mock what the Iranians did, you know, in recent days, but in reality, that's a -- to some, a show of -- of force. And sometimes, if we're not prepared, we can be vulnerable. So, I'd like some comments relative to the robustness of the fleet that we have, given the traditional view of our need for more capital warships.

DUNFORD:

Mr. Chairman, as I said in my opening statement, we're -- we have and we're building a balanced fleet. We're building two DDGs a year. We're building two Virginia class attack submarines a year. We're building amphibs to get to the Marine -- to the -- to the minimum number, 33, that the Marines need. We'll get there by -- by '18. And we'll continue to build all three types of amphibious ships that we have.

We have a need for -- for other types of ships, too. We -- we have a demonstrated need for 52 small surface combatants. They do different tasks than those -- than the large surface combatants.

We -- it's one of the reasons that we are working so hard to make sure that we keep the cruisers into the 2040s, that...

FRELINGHUYSEN:

Well, there -- there was a time when the cruisers were supposed to be put into retirement. And so, there's been sort of a recognition that -- yeah.

DUNFORD:

Absolutely. And there's a recognition that not only quantity but quality and capabilities. We have, I think, the right balance of capabilities. Then we'll (ph) turn to CNO in terms of very specific capabilities. But one of the -- one of the things that CNO is -- is focused on here today is, if we go back to sequestration level funding, the -- one of the main hits is going to be to things like the modernization. Things like upgrading capabilities to things like the technological edge that we -- that we possess.

So, we're building a balanced fleet. We're going to have enough...

FRELINGHUYSEN:

So, the balance fleet that you're -- that we're building and our Committee is invested in -- is it -- I assume we have -- continue to have overwhelming -- we used to call it overwhelming superiority over other players, particularly China, which has done a remarkable job challenging us, you know, in the South China Sea.

So, we still have that -- that -- the naval edge there?

GREENERT:

Today, yes, sir. You -- I talked about it. If we go down the road we're on, sooner or later, we're going to get there. We won't have it in the future, bottom line.

FRELINGHUYSEN:

One of the issues here -- and normally, I -- I raise this issue with the Army -- the rules of engagement here -- I mean, it seems we are already engaged and confronted on a fairly regular basis. Tell me if we're not. And what are the rules of engagement, given the type of confrontations we've had?

GREENERT:

Well, the rules of -- that's a long topic, but we...

FRELINGHUYSEN:

It is a long topic.

GREENERT:

We have -- we have adequate rules of engagement for our commanders.

FRELINGHUYSEN:

It goes to the -- it goes to our sailors that are in the Pacific; it goes to the issues of the bravery of our Navy SEALs. There are issues of rules of engagement here, and there is a sort of a growing perception that we're sort of tying our hands of some of those who...

GREENERT:

OK.

FRELINGHUYSEN:

... are so well-trained, so capable, so motivated, so patriotic.

GREENERT:

Well, Chairman, a few things for the record. Today, we have 71 submarines. China has more than [60 Chinese subs, 53 are diesel]. But they are building nuclear submarines. So they -- there's a metamorphosis going on, but it's not there yet. So it's out there, though. We're on the track.

We have to have the balance of fleet. You mentioned it twice, it was in your opening remarks.

We have recently had destroyers, Aegis destroyers, \$2 billion ships, running around chasing pirates, thugs, doing counterpiracy. We are -- as the secretary said, we're balancing the fleet. We're building Joint High Speed Vessels to do piracy, to do humanitarian assistance, to help the commandant of the Marine Corps' folks move Marines around there.

We need today 38 amphibious ships, gray-hulled ships, to do combat. To do the business of the world today, we'd need 50 to do humanitarian assistance and all those others, amphibious ships. So we build, with your support, things like the afloat forward staging base, so that we can provide counter -- SOF -- special forces do counterterrorism, do the kind of missions that resonate with the capability you have. It's the right expenditure of money.

Today we have 87 what we call large-surface combatants. Those are the capital ships you mentioned earlier, Chairman. Twenty years ago, we had about the same number, and a fleet we were so proud of, we had 400.

So the combatant balance is pretty good today. We are going down in submarines. You mentioned it yourself, Chairman. And that's a function of submarines we built 30 years ago, two,

three, four a year, we're building two today. So that's gonna go into a dip before we come out of that dip and get to the 40...

(CROSSTALK)

FRELINGHUYSEN:

Well, the committee has actually been -- this committee has been very supportive of our submarine...

GREENERT:

Very supportive.

FRELINGHUYSEN:

... two Virginia class. Certainly there are investments in the Ohio class.

I'm just wondering where it measures up to what the future challenges are. We have the near horizon, we have the far horizon. And I -- you know, over the time -- over the years, people have been somewhat dismissive of what the Chinese are doing. And, obviously, we always weigh in on the side of diplomacy and good relations, but, in reality, there is -- they are denying us areas where there's been free transport, the world's commerce in oil passes.

There've been issues of denying us access to areas where we've traditionally, you know, maintained, actually, the world's commerce.

MABUS:

Chairman, I...

FRELINGHUYSEN:

I want to make sure we still have that.

MABUS:

I can't think of a place in this world of oceans that my -- our Navy can't go today. Nobody's denying us anything.

We talk about threats, and we'll throw out scenarios and future scenarios. And people will tell you, you'll be denied to go in there.

That's a different -- that's a scenario. We could speculate to that, and I could talk a long time with you, particularly in a classified arena.

But I will tell you this, Chairman, if we go on the path we're on, and we go to Budget Control Act numbers, it's a different world; it's a different situation. I would be giving you a different story three or four years from now.

FRELINGHUYSEN:

Well, that's all the more reason, getting back to my earlier comments, that we need to know exactly what the impacts will be to what we're about to embark on here.

I think we're on your side, but we actually need, shall we say, more meat on the bones as to what actually we would be losing, if we get into this situation.

Let's see.

Mr. Visclosky?

Care to -- any questions?

(UNKNOWN)

Thank you, Mr. Chairman.

I'm going to have three more personnel-type questions. I'll do all three of them at once, and as you have time to answer in full committee I'd appreciate it.

Anything you can't get to, please get back to us in writing.

Secretary, I want to touch on the Glenn Defense Marine Asian scandal. I understand that naval officers have been charged in the case. Three admirals were censured just a couple of weeks ago. News Defense (sic) reported earlier this month that 36 flag officers are under investigation, with only 219 flag officer billets. So this is a serious problem for you.

Can you comment on how this is impacting the Navy's ability to properly manage operations?

And, Admiral, I'm interested to hear your views on the underlying cause of this case. Could you tell us what processes were missing in the payment review that allowed such a scheme to last for over a decade, and so, what we're doing to keep this from happening again?

Another question that I have has to do with the Navy opening up submarine duty positions to women in 2011. In June 2013, you submitted an implementation plan to open all occupations with a limited number of closed positions and equal professional opportunities for females in every officer designation, enlisted ranking in the Navy in January 2015.

So I would like you to tell us what's ongoing and where the Navy will be in meeting this January 1st update.

There was also an issue where there was an incident where a female officer was videotaped in the shower, and I'd like to know where you are with the punishment, discipline with the sailors involved.

And then, last, Secretary, you came before us, we had big discussions about what to do about sexual assault. One of the things that you asked for was for an increase in resources for the Naval Criminal Investigation Service and Judge Advocates.

Could you please describe to the committee what additional resources you made available in F.Y. '15 that supported your desire to strengthen NCIS and Navy JAG to investigate and prosecute sexual criminals? And do you plan to continue or strengthen those resources in 2016?

Thank you.

And if you'd start with the Asian scandal first.

MABUS:

The -- I think one important thing to remember about GDMA is that the reason that situation came to light was that we set up some trip wires that raised a red flag, and NCIS started investigating.

They investigated it for three years with no leaks. They found an NCIS agent who was passing information to GDMA, to Leonard Francis. They fed him false information to convince him that the coast was clear.

We tracked -- we stopped this. It was Navy that found it; it was Navy that did it.

Now, it shouldn't have gone on nearly as long as it did. I have -- I assigned the assistant secretary of the Navy for RD&A, research, development and acquisition, to look at how we do these husbanding contracts, not just in Asia, but around the world, and also the head of the Naval Audit Service to go in.

We have -- we have substantially strengthened some -- the way -- the way we do husbanding and the internal controls in husbanding.

To give you a couple of quick examples, the way Glenn Defense Marine was able to get away with so much of this was you would have a list of things when a ship went into port that the ship would need.

Glenn Defense Marine would say, we...

(UNKNOWN)

Mr. Secretary, with all due respect, though, my question was can you comment on how this is impacting the Navy's ability to properly manage operations.

MABUS:

We -- it has not impacted our ability to manage operations, Congresswoman.

(UNKNOWN)

So you are able to move positions and fill positions, even though people are under investigation? And people are able to retire, even though they're under investigation? I might have misinformation. I'm just trying to figure it out.

MABUS:

It is putting us under -- because the investigation is taking so long, because the decision on the people who may or may not be implicated is taking so long, it's frustrating, because it -- it limits our ability in some cases for people to retire or for people to move around.

We are -- we are completely on the timetable of the U.S. attorney's office in terms of when these -- when these things come out. When they do, and, you know, criminal charges are filed, I've set up a consolidated disposition authority to say it might not be criminal, but did it meet Navy ethics standards? And that's where the three letters of censure came from. Those were recommended to me, and I -- and I signed those.

We are able to manage it now. If the timetable stays as slow as it is, we're gonna have some problems in the future.

And I'm sorry, I misunderstood your question.

(CROSSTALK)

MABUS:

We're meeting women in subs, the timetable that we set forward. Women are reporting right now to Virginia class submarines. And I will get back to you, I have some very specific numbers.

And we have expanded NCIS and Navy JAG on sexual assault.

(UNKNOWN)

I'm looking forward to the committee having more information. Thank you (inaudible).

FRELINGHUYSEN:

Yeah, the representative has posed some questions, I think some more answers are required for the record.

Thank you for raising the issue.

Ms. Granger?

GRANGER:

I have questions for Admiral Greenert and General Dunford regarding the F-35.

Admiral Greenert, you said that the F-35C will allow the Navy to ensure access and project power. Can you tell me why the capabilities of the F-35, what they bring to Navy, and why they're so important?

GREENERT:

Well, the F-35, first of all, it's stealthy. So, right off the bat, you can avoid certain bands of radar, and I'll stay out of the classification, but search radar. So, that's good. That gets you access right there.

What people don't talk about is it's got tremendous range. You almost double the range from an aircraft carrier with an F-35C. It carries more ordnance. It has a radar, a detection radar, for air-to-air, which is much advanced. And it can network with other aircraft and other of our assets, so ships and the like.

So, what you have is you have not only something that can get you access, deliver ordnance is you need to, jam, and detect and share information for targeting or for otherwise. So, each of those is a tremendous leap onto itself. Not just stealth, there's so much more.

GRANGER:

Thank you, because we -- we normally focus really on the stealth almost exclusively. Thank you.

And, General Dunford, the Marine Corps plans on declaring initial operation capability later this year. Are you gonna make that? Is there anything we can do to help you achieve that milestone? And I'll ask the same thing -- how important is the F-35 to the future of the Marine Corps?

DUNFORD:

Congresswoman, thanks very much for asking the question. I was out to visit the squadron about 10 or 11 days ago. And -- and I left very confident that we'll meet the initial operational capability for that squadron in 2015, which -- and then that squadron will also -- we'll have a squadron of F-35s deployed to the Western Pacific in 2017. So, our fielding of the F-35 B program is very much on pace.

There are a number of issues that had to be addressed. Each one of the aircraft has 54 separate modifications, so that's one of the things I wanted to go out and look at. But I'm convinced we had the right people on the scene making those modifications. And we've also leveraged some Air Force capability to make sure that we get those modifications made in time.

So, it's complex, but -- but absolutely optimistic that we'll be able to get that done.

You know, Admiral Greenert talked about the unique characteristics of the F-35. For us, it's really two issues. One, it's a transformational capability. It's not a better F-18. It's not a better Harrier. It's a transformational capability. It does what our close air support aircraft does, but particularly in the information realm, it's an extraordinary change in capability.

But also, it's the future of Marine aviation. We're reducing three type model series aircraft, all of which are older than two decades, to move into the F-35. So, part of -- part of my message today talked about readiness at home station. You know, 50 percent of our F-18s today are in what we call an out-of-reporting status, meaning they're not available for training. And the only way we're going to get well over time is to complete the transition to the F-35. That's how Marine air will be capable and ready in the future.

GRANGER (?):

Thank you very much.

Thank you, Mr. Chairman.

FRELINGHUYSEN:

Mr. Crenshaw?

CRENSHAW:

I'm going to -- just a quick question about -- about oversight. We take that seriously here in the Subcommittee. And I know we've probably all flown on -- on what they call a COD. It flies out to the aircraft carrier. And last year, I think you all asked for some money to analyze and look at some alternatives to replace the COD. And then, as I understand it, all of the sudden, the Osprey, which I've flown on -- it's a great airplane -- that selection was made, but there wasn't a lot of backup as to -- it seemed like a quick decision, which hopefully saved money. What -- I was just curious, from our oversight standpoint, how -- how you made that decision. And -- and do we -- will we get to see the account of the analysis you all did, look at alternatives? Just briefly, can you tell us about that whole selection process?

MABUS (?):

Sure, and absolutely, we'll give you all the documentation -- the backup that went into that.

The -- we've been looking at the COD replacement for a good while, as you know. The further we got into the analysis of alternatives, the clearer it became that we had a -- we had an aircraft -- the Osprey -- the V-22 -- that -- that was a hot line -- it was being made -- that we could do the Navy version to do the COD mission with a change order to inside a multi-year. And so, it was -- it was a very affordable aircraft that would meet -- not only meet the needs of the COD, but also the COD, which you've flown on, I've flown on, requires a tail hook. They have to get in the landing pattern. They have to be a part of the arrested (ph) and catapulted off aircraft. The Osprey does not.

They can be used in different parts of the carrier. They can also be used on other ships that the COD cannot. And so, it -- it is a more flexible platform. And the further we got in, the clearer that that option became. And the -- the -- we've got voluminous backup. And, again, I'll be happy to get you that, and to do it in writing, and also do it personally, or with the folks who went through the analysis.

CRENSHAW:

Thank you.

Thank you, Mr. Chairman.

FRELINGHUYSEN:

Mr. Womack?

WOMACK:

Thank you, Mr. Chairman. Sorry I had to excuse myself for another hearing.

I have a question for Ander Crenshaw. Is it the -- the arrest or the catapult that you don't like on the COD? Because I know it's maybe both of those, I don't know. I kind of like the COD myself.

I've got a Growler question...

DUNFORD (?):

You would be the one...

WOMACK:

Say again?

DUNFORD (?):

... you would be the one person to...

(LAUGHTER)

WOMACK:

I -- I really enjoyed that. I did.

For -- for the admiral, I've got a Growler question.

Last year -- and if this has already come up, I apologize -- but last year, the request was for, like, 22. And we were able to provide 15. And now, I understand that that requirement has basically been met with the 15, that there's no other need for the Growler. So, in consideration of the electronic, magnetic spectrum and the future of that space, what -- what can you tell me about the -- the need for additional Growlers?

GREENERT:

First of all, I appreciate the support of the Congress and the Committee on -- on the -- the urgent need that we had. We needed -- I felt 22 was the appropriate number. We're tweaking that in. 15 is certainly helpful. That's the platform. The real payload is the, the jammer. And so, we need to get to the next generation jammer. That's what gets you the access.

But to your point, we are doing right now in the Department of Defense a study that looks at all electronic attack. To your point, what -- what is the situation in electromagnetic warfare across the spectrum in our -- in our maneuvering?

So, as I sit here today, Congressman, I say I think we have enough. That gives us a total of, I think, 153 it takes us to. That's about right, but we have to -- I'm going to get the whole -- hear from the whole Department of Defense, because we are the jammer provider, if you will -- electronic attack provider in that. So, more to -- more to come shortly.

WOMACK:

Good. Thank you.

I yield back.

FRELINGHUYSEN:

OK.

Mr. Ruppertsberger?

RUPPERSBERGER:

Yeah. I want to -- the Triton unmanned aircraft system -- I know that the Navy's maritime surveillance fleet is reaching the end of its service life. And the Navy's recapitalizing this mission. Given the critical importance of maritime surveillance to our national security and our economy, we cannot afford a gap in this capability. Do you -- do you agree?

GREENERT:

I agree, sir. And we -- there is language we have to meet, and particularly in that regard. Not to mention, it's an important requirement.

RUPPERSBERGER:

Well, if we have a big part of the recapitalization plan is MQ-4C Triton (ph) unmanned system. This will provide the systems balance (ph) with advance maritime radar capable of providing detailed surveillance (inaudible) of the enemy.

So, my question is, if the Navy has sufficient resources to meet the critical (ph) requirements for maritime surveillance. And (inaudible) an opportunity to accelerate new advanced maritime surveillance capabilities like the MQ-4C Triton?

GREENERT:

The answer to that is, yes, we think our present budget '16 request we have sufficient (inaudible) resources to do that transition into this (inaudible), from the legacy systems that provide that intermittent (ph) (inaudible) span there. We have that.

We are -- we are looking at accelerating it, if an opportunity provides itself we will accelerate it.

RUPPERSBERGER:

Thank you.

FRELINGHUYSEN:

Thank you.

Judge Carter (inaudible)?

CARTER:

Real quick, talk about Korea. (inaudible). I've got a rotation brigade (inaudible) that's scheduled to move (ph) in later this summer. There's been a lot of discussion about (inaudible) career, (inaudible) they create.

Can you discuss how the Navy's changed it's posturing to send you to the Korean Peninsula to complement and support the land forces there? And speak to any ally partnership and any reflection (ph) with the (inaudible) of the military threat (ph) reassuring?

MABUS (?):

Well, our posture on the peninsula, we don't have a naval posture that's indigenous to Korea. But the forces in Japan are a direct support. In other words, they would all change operational command over to Korea, if there's an emergency (ph) there.

So as I mentioned, we're increasing to three destroyers, bringing two destroyers, each of them have 96 missiles (inaudible) pretty formidable.

Another submarine in Guam. That submarine would do, among other things, (inaudible) in and around the Korean Peninsula, are protective for our purposes in that regard.

We are strengthening our lines with the Korean Navy, as we speak. And that's the whole joint force concept. And so, what I mean to say, it's not just force structure, it's our ability to operate together, as in a joint, combined entity there, and we view that the increased complexity of our exercise every year.

And the Korean Navy's come along very well. They have a substantial (inaudible) capability. They have the sensor, and they're choosing -- they're hoping to choose the weapon. When I say sensor, sensor on destroyers, and they have three, with an option to build two more (inaudible).

CARTER:

Thanks.

FRELINGHUYSEN:

Mr. Diaz-Balart, any comments?

(UNKNOWN)

I have questions, I have a couple questions. I want to get back -- I'm concerned about China. On our trips to the Philippines, Indonesia, Singapore, I had this feeling, you know, we've got some littoral combat ships and ADA (ph) frigates now in Singapore. But the general consensus from our (inaudible) that the 800-pound gorilla is watching (ph) in terms of its (inaudible) in the region.

And I'm concerned about that. I -- I know that we are -- we have huge capabilities, but there's a general consensus when we meet with the leadership that they're throwing their lot in with the -- with the Chinese. And I just -- I worry about that, and I certainly worry -- I think we need to work much closely -- much more closely with the -- with the Filipinos, the -- the notion that not only try might have a -- their air crafts may -- aircraft carriers may not ever match our capability, but numbers, again, count.

If they're working on the submarine fleet, admittedly most of the diesel, that -- that's a defense projection that we need to, you know, seriously consider. The notion that they would ever shut down the, you know, the -- the world's channels for commerce. You know, people say it'll never happen, but in reality I think we need to be -- prepared for that.

You aren't dismissive of that, but in -- in reality, we need to provide the capabilities for you to match them -- over match them.

I do want to ask one last question of continuing discussion within the Navy in terms of the vulnerability of Littoral Combat Ship. Where do we stand on that? I know we have a -- some issues here of upgrading, sort of taking a look at new -- designs and so forth. Where -- where do we stand on that?

FRELINGHUYSEN:

I know we have some issues here of upgrading, sort of taking a look at new designs and so forth. Where -- where do we stand on that?

MABUS:

Last year, about this time, Secretary Hagel directed Navy to look at a more lethal, more survivable and -- but continue to be affordable -- small combatant littoral combat ship.

We set up a task force to do that. We made it very transparent. People from this committee's staff, people from the Hill, people from our testing organization, people from the Office of the Secretary of Defense were taken through the process.

And I think the process was as exhaustive and as thorough as any process we could've done. They looked at more than 14,000 designs, modifications, that sort of thing and came up with a more lethal, more survivable and continuing to be affordable -- about -- about an additional \$75 million a ship -- that -- that brings capabilities that the fleet said it needed, an over-the-horizon missile that will be organic to the ship, a (inaudible) sonar for counter-submarines.

And we are -- the plan -- the direction was to look at -- we have -- we have a need for 52 of these -- was to look at the last 20. We still start building those 20 starting in 2019. The -- and -- and all the modifications will go into those ships.

The hull won't be modified, so you can -- you can do this within the existing -- with the existing two ships.

Our plan now is we are doing the engineering work, we're doing the technical work, we're hopeful that we bring up in advance of '19 the upgrades to these ships.

And the reason that I renamed them frigates is you look at what frigates are supposed to do and you look at what these ships do, and they're frigates.

The -- the last thing is because it's a modification and not a new design, not a new hull, you can go back and modify any of the -- the first -- the first ships that were built if you -- if you feel a need to do that.

FRELINGHUYSEN:

The committee continues to have a interest in -- in this issue, and certainly, we're highly respect of the -- you know, the (inaudible) produces the models.

But the whole issue of survivability is a -- is a -- is tied to capability and force structure in a -- in a rapidly changing world, and we hope that you -- I'm sure you will stay on top of it.

Mr. Visclosky?

VISCLOSKY:

Thank you, Mr. Chairman.

I'd like to follow up on the chairman's question about the littoral combat.

I appreciate the Navy has completed its review and that there would be modifications, but I also understand that the director of operational test and evaluation has gone on record and stated that the proposed modifications to the LCS designs do not satisfy significant elements of survivability.

He apparently has stated that the LCS is not expected to be survivable in high-intensity combat, because its design requirements accept the risk that the ship must be abandoned under circumstances that would not require such an action on other surface combatants.

Do you have a reaction to that observation?

MABUS:

Sure.

Number one, operational test and evaluation were in the room -- during this -- during this process, they were in the room when the process -- the decision was made as to what -- what to do.

Number two, I think it's important to remember that this is a small surface combatant. You -- you expect it to do different things than you do from a large surface combatant or from -- from other types of ships.

You can make it -- you can make any ship more survivable. The question is, can you -- as -- as the task force looked at it, as you went down the more-lethality or more-survivable pathway, it -- it became a destroyer. It became a \$2 billion ship, which is not the mission.

The CNO said, "We've got \$2 billion destroyers out chasing pirates right now. A \$500 million LCS, or FF now, can -- can do that -- can do that much better."

In a high-intensity conflict, we're not going to be sending these ships out by themselves. They're going to be part of a -- a much larger structure, a much larger strike group, and they will benefit from all the lethality and all the protection from that entire striker.

VISCLOSKY:

Mr. Chairman, if I could, two more questions.

Admiral, people are concerned about Russia and Eastern Europe. What about the Russian navy?

GREENERT:

The Russia Navy is spending a good sum of money, billions of dollars to recapitalize their submarine-building and then their surface-building capability.

They've invested in submarines, and they are producing a new class of cruise-missile submarine and SSBN, and so -- which makes sense. That's been their mantra for some time (inaudible) strategy.

And this decade, unlikely, they'll have dramatic improvement in -- based on where they're going right in their surface fleet.

However, if they continue on the path they're on -- and I'm talking about investment and shipbuilding -- I'd say next decade, they'll have some substantial improvement in frigate-like 2,300, 2,500 tons and destroyer-like capability. So there're definitely modernizing.

Air, I haven't seen much recently. They're operating more. They have, kind of, gas money, but not as modern.

VISCLOSKY:

One last question if I could, Mr. Chairman.

General, there's research the Marine Corps is undertaking as far as the amphibious combat vehicle.

Given how Marines are placed in situations of danger or in combat -- I think of the evacuations in Somalia, I think Iraq, Afghanistan -- looking ahead, just as far as the tactics and strategy of the Marine Corps, just looking at -- considering, what's that balance and relationship between amphibious landing craft and the difficulty in designing one that meets your requirements and air lift?

(CROSSTALK)

DUNFORD:

We've got -- we've got a plan right now that really addresses our tactical mobility across the range of military operations.

We -- we require two Marine expeditionary brigades to come from the sea and conduct amphibious assault, and so our program will account for that.

We also have other vehicles that account for the protection and the land mobility that are necessary for a wide range of operations.

So I think the simple answer to your question, Congressman, is that we've got balance in our ground tactical vehicle program.

VISCLOSKY:

Thank you, Mr. Chairman.

FRELINGHUYSEN:

I'd like to thank all the members for their attendance and questions. And gentlemen, thank you very much for being with us.

The committee is adjourned until 9:00 a.m. tomorrow when we will conduct a hearing on the budget of the United States Air Force.

We stand adjourned. Thank you very much.

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