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ARMED SERVICES COMMITTEE

STATEMENT OF
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BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS
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Chairman Ortiz, Representative Forbes and distinguished members of the House Armed Services Readiness Subcommittee, it is my honor to appear before you to testify on the readiness of our Navy. Our Navy remains the preeminent maritime power, providing our Nation a global force for good. Our Sailors and civilians continue to perform exceptionally well around the world under demanding conditions. Many of them are engaged in combat operations ashore, and assisting the people of Iraq and Afghanistan by providing security and helping to build an enduring infrastructure. Many are working with coalition partners to enable safe passage of shipping, reassuring relationships with allies; building partnership capacity, providing security force assistance and providing deterrence through ballistic missile defense and coalition operations. Still, others are responding to emergent calls for disaster relief and providing humanitarian assistance in Haiti. These diverse operations are tangible examples of our Navy's core capabilities as described in our Maritime Strategy—"A Cooperative Strategy for 21st Century Seapower (CS21)". The 2010 Quadrennial Defense Review (QDR) validated the underlying principle in our Maritime Strategy: preventing wars is as important as winning wars. Additionally, the QDR found that U.S. security and prosperity are connected to the global commons; that deterrence is a fundamental military capability; and that partnerships are key to our strategy's success, and essential to the global stability. QDR's outcomes are consistent with the tenets of our Maritime Strategy. Naval operations are often one component of a joint force. Accordingly, it is my privilege to address the Committee alongside my fellow Service Vice Chiefs and the Assistant Commandant.

Coincident with our endeavor to build our future force, we remain engaged in supporting operations in Afghanistan, Iraq and all other Combatant Commander (COCOM) Areas of Responsibility. For the second year in a row, Navy has more Sailors on the ground than at sea in the Central Command (CENTCOM) area of responsibility. At sea in CENTCOM, we have more than 9,000 Sailors, including a Carrier Strike Group dedicated to providing air support to U.S. and coalition ground forces in Afghanistan, and combatants supporting ballistic missile defense, anti-piracy, maritime security, counter-terrorism, theater security and security force assistance. Navy Riverine forces are on their sixth deployment to Iraq, conducting interdiction patrols and training their Iraqi counterparts. On the ground, we have more than 12,000 active and reserve Sailors supporting Navy, Joint, and Coalition Forces, and Combatant Commander requirements. In Afghanistan, Navy Commanders lead seven of the 13 U.S.-led Provincial Reconstruction Teams. We have doubled the capacity of our Seabee construction battalions in Afghanistan, to support U.S. and coalition forces and provide critical infrastructure. Our Naval Special Warfare forces continue to be heavily engaged in combat operations. Our Explosive Ordnance Disposal detachments, many embedded in ground units, continue to conduct counter-improvised explosive device (C-IED) operations and train Iraqi and Afghan C-IED units. As we shift effort from Iraq to Afghanistan, demand for Navy Individual Augmentees (IAs) has increased. During a recent trip to CENTCOM in mid-February, I met many of our dedicated Navy men and women supporting these efforts and I could not be prouder of their contribution. Their professionalism, dedication and skill, are unmatched.

While operations in Iraq and Afghanistan continue to be the primary effort, our Navy remains globally engaged. We have 120 ships deployed--over 40 percent of our Fleet-- providing U.S. presence in every region of the world and demonstrating the capabilities of our Maritime Strategy. Our ballistic missile submarines are providing strategic nuclear deterrence, while our Aegis cruisers and destroyers are providing conventional deterrence in the form of ballistic missile defense in CENTCOM, the eastern Mediterranean, and western Pacific. Our Carrier Strike Groups and Amphibious Ready Groups continue to prevent conflict and deter aggression in the western Pacific, Persian Gulf, Arabian Sea and Indian Ocean. Their rotational deployments afford the U.S. the ability to influence events abroad, and the opportunity to rapidly respond to crises. Our Navy continues to confront irregular challenges associated

with regional instability, insurgency, piracy, and violent extremism at sea, in the littorals, and on shore. We recently published the “Navy Vision for Confronting Irregular Challenges” to refine how our Navy will plan, resource, and deliver a wide range of capabilities through tailored forces (e.g.: riverine, maritime civil affairs and security, and special operations), and through our multi-mission general purpose forces (ships and aircraft). We are partnering with U.S. Coast Guard law enforcement teams in the Caribbean to conduct counter-narcotics and to deny illegal traffickers use of the sea. We recently deployed USS FREEDOM (LCS1), our first Littoral Combat Ship, to US Southern Command. She is currently operating with counter-narcotics units in the Caribbean, and has already executed a successful drug interdiction. Her deployment, two years ahead of schedule, will allow us to more quickly evaluate her capabilities and incorporate operational lessons into the tactics, techniques and procedures of this new class of ships. We continue to strengthen relationships and enhance the capabilities of our international partners through maritime security activities such as global partnership stations in Africa, South America, and Southeast Asia. We reassure our allies through high-end training and operations in the Western Pacific and Europe.

Humanitarian assistance and disaster response operations continue in Haiti after a 7.0-magnitude earthquake devastated the nation. Within hours of the earthquake, we mobilized the aircraft carrier USS CARL VINSON (CVN70) with over a dozen helicopters, cargo aircraft, and extensive water-making capability; and quickly thereafter, the USS BATAAN (LHD5) amphibious ready group with heavy lift helicopters and command and control capability, a Reserve Cargo Handling Battalion, a Seabee construction detachment, and a Marine Corps expeditionary unit; our hospital ship USNS COMFORT (T-AH1) with medical personnel and supplies has completed over 850 major surgeries; a Navy dive and salvage team is working with Army dive teams to re-build piers in the port facility; P-3 surveillance aircraft have flown over 90 ISR missions; several surface ships with helicopters, and Military Sealift Command ships with fuel and cargo. Navy helicopters have transported over 900 medical evacuation patients to our off-shore hospitals and flown over 2 million meals-ready- to-eat (MRE) throughout the disaster zone. Our disaster relief effort continues there today as part of a comprehensive U.S. government and non-governmental organization response. Global demand for Navy forces remains high and continues to rise because of the ability of our maritime forces to overcome diplomatic, geographic, and military impediments to access while bringing the persistence, flexibility and agility to conduct a broad spectrum of operations from the sea.

Our readiness programs and their processes, which are designed to maximize the operational availability of our Navy force structure and infrastructure, have been able, thus far, to satisfy the evolving and dynamic requirements of the COCOMs. Demand for naval forces continues to increase and shows no signs of abating in the near future. Your Navy is ready, responsive, agile, flexible - and actively engaged around the world.

Realistically, our ability to meet increasing demand requires that we continue our efforts to balance resources to sustain afloat and ashore readiness, force structure, and the readiness of our Sailors and their Families. In the aggregate, the health of all of these programs describes our total capability and capacity to deliver capable forces ready for tasking. During the past nine years, sustaining the readiness of our force in a high demand operational environment has been aided by Overseas Contingency Operations (OCO) funds or similar supplemental funding. Despite this, both the high operational tempo and the reduced turn-around ratio (dwell) caused a high global demand for forces continue to increase risk to Fleet readiness, force structure and personnel. As we look to the future, we must holistically address the Fleet’s operational availability requirements versus our global force management; and transition a supplemental resource dependency to a baseline budget that provides the

level of resource support necessary to meet the nation's maritime interests in an era of increasingly diverse, concurrent crises-- the "new normal".

We remain focused on ensuring we are ready to answer the call now and in the future. Last year, we stated our risk was moderate, trending toward significant, because of the challenges associated with Fleet capacity; increasing operational requirements; and growing manpower, maintenance, and infrastructure costs. This risk has increased over the last year. Trends in each of these areas have continued. We are able to meet the most critical COCOM demands today. But we are increasingly concerned about our ability to meet additional demands while sustaining a ready force through its expected service life by conducting essential maintenance and modernization to "reset" our Fleet; and procuring the future Navy so we are prepared to meet the challenges of tomorrow.

The cost to operate and maintain our Fleet has outpaced inflation by almost two percent each year. The need to balance between future fleet readiness and current readiness for operational requirements has resulted in risk. We increased our base budget OMN request by \$3.5 billion, a 5.9 percent real increase in FY 2011 compared to last year. This request is tightly focused on meeting global COCOM OPTEMPO requirements, and on properly sustaining ships and aircraft to reach expected service lives, funding enduring flying readiness requirements in the base budget, and funding price increases, most notably in fuel. We request the support of Congress to fully fund the OMN request as we endeavor to fund enduring operations and maintenance in our base budget, and resource contingency operations and maintenance in OCO. The level of funding requested appropriately represents our "new normal".

Our FY 2011 budget request achieves the optimal balance among our priorities to build tomorrow's Navy, maintain our warfighting readiness and develop and support our Sailors, Navy civilians, and their Families. It is aligned with Presidential and Department of Defense guidance and it represents our Maritime Strategy and the 2010 QDR.

Resetting the Force: Prevailing Today and Ready for Tomorrow

In addition to conducting rotational deployments, we are meeting emerging Combatant Commander requirements for ballistic missile defense; electronic attack; intelligence, surveillance, and reconnaissance (ISR); combat support and combat service support; and maritime security force assistance. Our OPTEMPO in CENTCOM will continue as the combat mission ends in Iraq. Navy enabling forces will remain in CENCOM to provide various combat support/combat service support to Joint and coalition forces in the region. Concurrently, we will continue to maintain a forward-deployed force of about 100 ships globally to prevent conflict, support allies, and respond to crises.

The high OPTEMPO has placed additional stress on our Sailors and their Families, ships, and aircraft. We are operating (and therefore consuming) our Fleet at a higher than expected rate. Over the last decade, the size of our Fleet has decreased while our operational requirements have grown. Consequently, there are more ships at sea assigned to COCOMs today and fewer ships available for at-sea training, exercises, or surge operations. Our challenge is to balance the need to meet current operational requirements with the need to sustain Sailors' proficiency, and our ship and aircraft expected service lives.

Navy ships and aircraft are capital-intensive forces, procured to last for decades. Scheduled maintenance of our force structure, and training and certification of our crews between deployments is a

key element in the “reset” of the force. This “reset in stride” process is perhaps different from other Services. It enables our ships and aircraft to rotate deployments and provide continuous forward presence as well as be ready for sustained surge operations, such as the humanitarian assistance and disaster relief in Haiti recently. For Navy, “reset in stride” translates into decades of readiness for each ship and aircraft, a good return on investment. However, deferring maintenance and modernization risks sustained combat effectiveness of force structure and reduces expected service lives. Almost three-quarters of our current Fleet will still be in service in 2020. These “in-service ships” and submarines are a critical part of our 30-year Shipbuilding Plan and future inventory. Investment in the readiness of today's Fleet will yield dividends in future capability and capacity.

Navy has a “current value” in ships and aircraft of approximately \$640 billion. We are perhaps unique in that our maintenance accounts maintain the force, modernize, and “reset in stride” for the service life of our platforms. Since increased emergent operations are consuming the expected service lives of Fleet units, at an advanced rate, Navy relies on OCO to fund overseas contingency operations and “reset-in-stride”. Annual costs to own and operate the fleet represent about 3 percent of the capital value of our fleet assets. As we continue OIF/OEF, and sustain operating at a “new normal”, operating and maintenance costs in our baseline accounts must keep pace.

Fleet Readiness: Operations, Maintenance, Expeditionary (Combat Support) **Fleet Response Plan (FRP)**

The FRP is Navy’s force generation construct and has an operational framework of four phases (maintenance, basic, integrated and sustainment). FRP has proven to optimize the return on training and maintenance, enhance Sailor proficiency, and ensure units and forces are trained and certified in defined, progressive levels of employable and deployable capability. It provides COCOMs and the National Command Authority a transparent readiness assessment of Navy forces—ready for tasking. An FRP cycle is defined as: that period from the end of a maintenance phase to the end of the next maintenance phase. For surface combatants, an FRP cycle is nominally 24-27 months. Maintenance completed during the “maintenance phase” supports the appropriate readiness during remaining phases of a cycle. Personnel manning processes within the FRP cycle maintain appropriate defined unit manning readiness levels throughout the entire FRP cycle. We do not allow personnel readiness levels to atrophy and then peak just before a deployment. Training processes in the FRP provide appropriate required levels of unit readiness in the Fleet Response Training Plan (FRTTP), and sustain deliberate unit readiness levels throughout the phases of the FRP. In the aggregate, the FRP provides Navy forces with the capability to respond to the full spectrum of Navy roles and missions through traditional rotational deployments as well as emergent COCOM needs (Request for Forces (RFF)).

Today’s global security environment has created emerging demands for Navy forces requiring more flexibility to respond to rotational deployments, and emergent RFFs from geographic COCOMs. While reaffirming the importance of Navy forward presence resourced through rotational deployments, changes in the global security landscape have highlighted the need for trained and ready Naval forces capable of responding on short notice “surge” requirements. The rotational aspect of the FRP makes it an inherently sustainable plan if properly resourced. Risk in achieving the desired level of presence or surge is determined by force structure decisions, the OPTEMPO of assets while deployed, personnel manning, a proper maintenance phase and the length and rigor of an FRTTP.

The FRP is applied to every unit and group (carrier strike groups and amphibious ready groups). The required operational availability of forces is derived from the Global Force Management (GFM)

Plan and the “surge” requirements needed to support the most stressing operational plan. Our top priority is ensuring that forces are fully maintained, trained and ready to deploy.

Ship Operations

The FY 2011 ship operation budget request (including OCO) provides funding for ships to steam an average of 58 days per quarter (while deployed) and 24 days per quarter (non-deployed). This OPTEMPO enables the Navy to meet FRP and training/certification requirements with acceptable risk. Risk is mitigated through increased use of simulators, concurrent training and certification events while underway, and judicious use of fuel.

While Navy met all FY 2009 GFM commitments, and the operational requirements in support of OIF and OEF, some fiscal constraints resulted in degradation of readiness. Some unit training was prioritized to support FRTP training/certification only, and exercise and US port visits were deferred. Some ships deployed to theater “surge capable” and certified for planned theater operations, but not “Major Combat Operation (MCO)” ready. MCO is the FRTP goal. The FY 2009 mitigation strategy was intended to be the exception--sustaining Navy training readiness at these levels will have a cumulative risk to mission success in future operations. Crew proficiency can degrade in these circumstances.

Navy ships require routine corrective and preventive maintenance, assigned and conducted within the capability and capacity of the ship’s crew. Deferring repair parts re-stock results in eventual inventory shortages, and will likely result in eventual deferred preventive maintenance. Deferred corrective maintenance by the crew reduces unit readiness and can result in increased workload and cost for shore-based repair facilities. Deferred preventive and corrective maintenance will cause degraded performance or failure of installed equipment during critical training events or deployments. Annual ship repair part obligations have remained relatively unchanged for several years. During FY 2009, Fleet operation mitigations (reduced OPTEMPO) helped reduce the impact of ship repair parts shortfalls until OCO funds were appropriated. However, an uneven temporal allocation of funds results in:

- Delayed funding (planning) for ship maintenance periods
- Delayed repairs (e.g., cross-decking parts to satisfy emergent requirements and requisitions)
- Deferred preventative maintenance
- Delayed storeroom re-stock of repair parts

Another factor in ship operations is the price of fuel. Fluctuations in fuel prices complicate the ability to precisely budget operating costs.

Ship Maintenance

The FY 2011 budget request (including OCO) resources the ship maintenance account to 99 percent of requirement. This includes carrier, submarine and surface ship dry-docking availabilities, anticipated voyage repair and 40 of 49 non dry-docking surface ship availabilities. We assess this to meet currently known requirements with an acceptable level of risk. A key factor in the Navy’s 30-Year Shipbuilding Plan is the ability to reach the expected service life of our ships. Reaching full service life requires an integrated engineering approach to ensure the right maintenance is planned, funded and executed over a ship’s lifetime. We are committed to the right level at the most efficient cost. An example of our effort to reduce the total cost of ownership, the submarine technical community has increased the operating interval for SSN 688 and SSN 774 class submarines through analysis of

engineered technical requirements and assessment of recently completed availabilities. This change will improve operational availability while reducing the cost of submarine life-cycle maintenance.

We made significant improvements in the way the Navy manages the maintenance and modernization of its surface force through efforts such as the Surface Ship Life Cycle Management (SSLCM) Activity and the Surface Ship Life Cycle Assessment Pilot Study. Partnering with the Fleet, the SSLCM Activity will assess and manage the maintenance requirements throughout the life cycle of surface ships, enabling more precise and accurate planning and budgeting. The SSLCM is modeled after two successful and similar programs; the Submarine Maintenance Engineering Planning and Procurement (SUBMEPP) Activity and the Carrier Planning Activity (CPA).

SSLCM is conducting a detailed technical review of surface ship class maintenance plans to make certain we understand the full maintenance requirement necessary to reach expected service life for these platforms. We have completed the update on two of our larger ship classes, the DDG 51 and the LSD 41/49 classes. SSLCM is now the designated life cycle organization responsible for maintaining the Integrated Class Maintenance Plans, building availability work packages, and providing technical oversight/approval for Fleet work deferral requests.

The cyclical nature of ship and submarine depot availabilities from year to year causes variations in budget requests and in annual obligation levels. Budget years with multiple ship-docking availabilities increase required funding. More maintenance scheduled in the private sector tends to increase funding in a given year. Nuclear powered carriers and submarines are on a strict time-based maintenance interval in order to maintain certification for unrestricted operations.

Surface ship availabilities are conducted almost exclusively in the private sector. Nuclear submarine and aircraft carrier availabilities are primarily conducted in the public sector, with selected availabilities completed by nuclear capable private shipyards (Electric Boat (Subs) and Northrop Grumman Shipbuilding (Subs/Carriers)). Whenever practical, maintenance is performed in the ship's homeport to minimize the impact on our Sailors and their Families. The Navy recognizes that both public and private sector maintenance organizations need a stable and level workload to maximize efficient execution. Navy works to level the workload to the maximum extent possible within operational constraints.

Air Operations (Flying Hour Program)

The Flying Hour Program (FHP) account provides for the operation, maintenance, and training of ten Navy carrier air wings (CVWs), three Marine Corps air wings, Fleet Air Support (FAS) squadrons, training commands, Reserve forces and various enabling activities. The FY2011 budget request (including OCO) resources the FHP account to achieve Training-rating (T-rating) levels of T2.5 for Navy and T2.0 for the Marine Corps. TACAIR (Tactical Aviation) squadrons conduct strike operations, provide flexibility in dealing with a wide range of conventional and irregular threats, and provide long range and local protection against airborne surface and sub-surface threats. FAS squadrons provide vital fleet logistics and intelligence. Chief of Naval Air Training (CNATRA) trains entry-level pilots and Fleet Replacement Squadrons (FRS) provide transition training to our highly capable, advanced Fleet aircraft. Reserve Component (RC) aviation provides adversary and logistics air support, makes central contributions to the counter-narcotics efforts, conducts mine warfare, and augments Maritime Patrol, Electronic Warfare, and Special Operations Support to OCO missions.

The aviation spares account supports 100 Type/Model/Series (TMS) aircraft and approximately 3,700 aircraft in the Fleet. Aviation spares are funded to 75 percent of the requirement and is a part of the Navy's Unfunded Programs List for FY 2011. This shortfall will delay delivery of spares across all TMS to outfit deployed Navy and Marine Corps operating forces, reducing aircraft readiness. It would also delay updates to air station spares packages which will impact readiness of aircraft in pre-deployment training in support of the FRP. The Navy is evaluating alternatives to manage this risk.

Aviation Maintenance

The Aviation Depot Maintenance account ensures operational aviation units have sufficient numbers of Ready for Tasking (RFT) aircraft to accomplish assigned missions. Shortages in the number of airframes, engines, or other components can detract from the number of RFT aircraft. The FY 2011 budget request (including OCO) resources the Aviation Depot Maintenance account to 96 percent of requirement. The 4 percent unfunded will result in a projected cumulative backlog of 21 of 829 airframes and 342 of 1,998 engines, leaving a backlog of acceptable technical and operational risk. The FY 2011 budget request ensures deployed squadrons have 100 percent of their Primary Authorized Aircraft (PAA), and supports achieving our 100 percent zero bare firewall engine goal. The Naval Aviation Enterprise (NAE) AIRSpeed strategy continues to deliver cost-wise-readiness by focusing efforts on reducing the cost of end to end resourcing, increasing productivity, and improving the operational availability of aircraft.

We request that you fully support our baseline and OCO funding requests for operations and maintenance to ensure the effectiveness of our force, safety of our Sailors, and longevity of our aircraft.

Strike Fighter Inventory Management

Our current force management measures are targeted at preserving the service life of our existing legacy strike fighter aircraft (F/A-18A-D). Therefore, we will reduce the number of aircraft available in our TACAIR squadrons during non-deployed FRTP phases, to the minimum required in order to meet training and certification. We will reduce our Unit Deployed TACAIR squadrons (UDP) from twelve aircraft to ten aircraft per squadron to match the corresponding decrease in Marine Corps expeditionary squadrons. We are accelerating the transition of five legacy F/A-18C squadrons to F/A-18 E/F squadrons, using available F/A-18E/F aircraft, and will transition two additional legacy squadrons using F/A-18 E/F attrition aircraft. These measures make available legacy strike fighter aircraft for High Flight Hour (HFH) inspections and, potentially, the Service Life Extension Program (SLEP). Taken together, these would provide the option to extend the service life of legacy aircraft and help manage the inventory. These measures will expend the service life of some F-18 E/F aircraft earlier than programmed. Accordingly, we are refining our depot level production processes to maximize throughput and return legacy strike fighter aircraft to the Fleet expeditiously to ameliorate Super Hornet life expenditure.

There are initiatives in place to extend the service life of our F/A-18A-D aircraft. HFH inspections, which have been in place for two years, provide the ability to extend the service life of our legacy F/A-18A-D aircraft to 8,600 flight hours. Further engineering analysis is underway to determine the SLEP requirements necessary to reach the service life extension goal of 10,000 flight hours should this course of action be required.

Naval Expeditionary Forces (Combat Support)

Our Navy continues to place significant emphasis on strengthening its expeditionary warfare forces to confront irregular challenges. The FY2011 budget request continues to support Irregular

Warfare (IW) requirements and promotes synergy in IW with the Marine Corps and US Coast Guard. But despite efforts to increase capacity, stress on the high demand and limited supply of expeditionary forces (EOD, Riverine, Seabee) requires continuous monitoring and the employment of mitigation strategies to ensure our forces meet CNO PERSTEMPO guidelines including deployment length, deployment periodicity (dwell goal 1.0:2) and homeport tempo (greater than 50 percent). During FY 2007 the EOD community dwell ratio was averaging 1.0:1. In FY 2008, EOD introduced mitigation options that increased their average dwell ratio above both CNO dwell minimum (1.0:2). Other communities such as P-3, Seabee, Riverine and EA-6B (Prowler) are currently above the minimum dwell ratio, but remain below the CNO's goal (1.0:2).

The budget request provides for the manning, training, operations, and maintenance of expeditionary forces under the purview of the Navy Expeditionary Combat Command (NECC) including: the Naval Construction Force (NCF), Explosive Ordnance Disposal (EOD)/Mobile Diving and Salvage (MDS), Riverine Forces, Maritime Expeditionary Security Forces (MESF), Navy Expeditionary Logistics Support Group (NAVELSG), Expeditionary Combat Readiness Center (ECRC), Maritime Civil Affairs and Security Training (MCAST), Navy Expeditionary Intelligence Command (NEIC), and Combat Camera.

Evolving warfighting missions and increases in COCOM demand for Theater Security Cooperation Programs (TSCPs) missions, building partner capacity, and security force assistance, have expanded the training and operational requirements for NECC Forces in every theater. For example, within the past 14 months, Navy Seabees have twice been called upon to enable the troop surge in Afghanistan. First, performing a "lift and shift" from Iraq to Afghanistan to support the arrival of the Marine Expeditionary Force, and subsequently, preparing for the arrival of the 30,000 additional troops directed by the "surge". The Seabees constructed Forward Operating Bases, Combat Outposts, and support facilities. To meet emergent training and global operational requirements associated with overseas contingency operations, NECC leverages OCO funding to provide the critical training and outfitting in theater and meet the dynamic missions they execute throughout the theater.

Based on GFM requirements, NECC deploys mission-specific units to fulfill COCOM requests. This involves employing traditional core capabilities in the Navy Expeditionary Combat Force, as well as emerging new mission capabilities that have been requested and developed over the last several years. Combining the disparate capabilities and capacity of these forces under a single type command structure has increased Navy's responsiveness to support existing and evolving irregular warfare missions in both rotational deployments and emergent COCOM needs (RFFs). Navy Riverine forces are now on their sixth deployment to OIF conducting interdiction patrols in southern Iraq and training their Iraqi counterparts.

NECC is providing the training, preparation, and administrative support oversight for the more than 13,000 IA and ad-hoc forces performing enabler missions in support of ground forces. At 40,000 Sailors, NECC represents about 12 percent of Navy manpower, yet operates with 1.5 percent of Navy Total Obligation Authority – a bargain considering the extensive capabilities they bring to COCOMs.

Training Readiness: Connecting us to Our Future Force

Ballistic missile proliferation continues to be a growing security concern to our nation. Maritime BMD is a core U.S. Navy capability. Our Navy's ability to train the force in a flexible and agile fashion remains a necessity in an uncertain strategic environment. We conducted our first BMD Fleet Synthetic

Training event this past year, proving the viability and effectiveness of integrated Navy, Joint and partner-nation BMD training. Our budget request continues to build this momentum to develop a comprehensive BMD training program.

The Fleet Synthetic Training program provides realistic operational training including seamless integration of geographically dispersed Navy, Joint, Interagency and Coalition forces. Providing efficient and effective synthesized training optimizes the Fleet Response Training Plan (FRTP).

The proliferation of advanced, stealthy, diesel submarines continues to challenge our Navy's ability to guarantee access in all global regions. Effective Anti-Submarine Warfare (ASW) training at sea with active sonar systems is a necessary part of our FRTP. Synthetic training can supplement, but not completely substitute for at-sea training. Navy remains a world leader in marine mammal research and we will continue our robust investment in this research in FY 2010 and beyond. Through such efforts, and in full consultation and cooperation with appropriate federal agencies, Navy has developed protective measures to mitigate the potential effects to marine mammals and the ocean environment from the use of mid-frequency active (MFA) sonar, while meeting ASW training. We will continue to work closely with our interagency partners to further refine our protective measures, as scientific knowledge evolves.

Over the last year, we completed environmental planning documentation for eight existing and proposed at-sea training and combat certification areas. We anticipate completion of planning documentation for another six areas over the next year, as we continue to balance our responsibility to prepare naval forces for deployment and combat operations with our responsibility to be environmental stewards of the marine environment.

Conducting night and day field carrier landing practice (FCLP) prior to at-sea carrier qualifications is a critical training requirement for our fixed-wing, carrier-based pilots to develop and maintain proficiency in the fundamentals of carrier aviation. We continue to seek additional airfield capacity in the form of an outlying landing field (OLF) that will enhance our ability to support FCLP training for fixed-wing, carrier pilots stationed at and transient to Naval Air Station Oceana and Naval Station Norfolk. The additional OLF capacity will allow Navy to meet training requirements and overcome challenges related to capacity limits, urban encroachment, and impacts from adverse weather conditions at existing East Coast facilities. Navy is committed to developing, with local, state, and federal leaders, a plan to ensure the OLF provides positive benefits to local communities while addressing Navy training shortfalls.

Learning and Development

Quality education and training of our Sailors provides unique skills that give us an asymmetric advantage over potential adversaries and sets us apart from every other Navy. To develop a highly-skilled, combat-ready force, we have fifteen learning centers around the country providing high quality, tailored training to our Sailors and Navy civilians. We remain committed to the professional development of the Navy Total Force, and continue to balance current and traditional education and training requirements with emerging mission areas such as cyber warfare, ballistic missile defense, and counter terrorism. We have completed 40 of 82 enlisted learning and development roadmaps, which describe in detail the required training, education, qualifications, and assignments required throughout a Sailor's career. We recognize the importance of providing our officers with meaningful and relevant education, particularly our Naval War College and Joint Professional Military Education (JPME), to develop leaders who are strategically-minded, critical thinkers, and adept in naval and joint warfare.

Cultural expertise, regional focus and linguistic expertise remain essential to Navy's global mission, and our budget request supports expansion of the Language, Regional Expertise, and Culture (LREC) majors program for NROTC midshipmen as well as implementation of the AF-PAK Hands Program, which will provide the joint force with enhanced language and cultural capabilities in Afghanistan and Pakistan.

Shore Readiness

Shore infrastructure supports and enables operational and combat readiness. It is an essential element to the quality of life and quality of work for our Sailors, Navy civilians, and their Families. Increasing costs in manpower and afloat-readiness, combined with emergent requirements compel us to take risk in Shore Readiness. To manage this risk, our FY 2011 shore readiness budget request places a priority on supporting Navy and Joint mission readiness, ensuring nuclear weapons security and safety, and improving our bachelor and family quarters, including sustained funding for our Homeport Ashore initiative. We are taking risk in other shore readiness areas and at current levels, the recapitalization of our facilities infrastructure is at risk.

To ensure our limited resources are applied to projects with the highest return on investment, we continue to use a capabilities-based Shore Investment Strategy to target shore investments where they will have greatest impact on critical capabilities, specifically investments associated with Navy warfighting requirements, improved quality of life, and Family readiness.

Despite challenges, we have made essential progress and improvements in nuclear weapons security, child care facilities, and bachelors' quarters.

American Recovery & Reinvestment Act (ARRA)

Your support and assistance through the American Recovery and Reinvestment Act of 2009 was very helpful. As you requested, we identified Military Construction projects for Child Development Centers and barracks and prioritized them while considering the ability to obligate funds quickly. We selected infrastructure and energy projects based on mission requirements, quality of life impact, environmental planning status, and our ability to execute quickly. Our aggressive execution schedule is on track, and construction outlays are ramping up swiftly. Due to a very favorable bidding climate, savings of over \$100 million have been realized as of the end of December 2009. Following OSD guidance to invest in the 19 States and the District of Columbia with the highest unemployment rates, additional projects for use of these savings have been developed by Commander Navy Installations Command and submitted by OSD for approval. The list of supplemental projects contains a continued emphasis on critical repairs, Quality of Life and Work, energy consumption related projects, enlisted housing, and child development centers.

Energy and Climate

Energy reform is a strategic imperative. We are committed to changing the way we do business to realize an energy-secure future. In alignment with SECNAV's goals, our priorities are to advance energy security by, assuring mobility, expanding tactical reach, protecting critical infrastructure, "lightening the load", and greening our footprint. We will achieve these goals through energy efficiency improvements, consumption reduction initiatives, and adoption of alternative energy and fuels. Reducing our reliance on fossil fuels will improve our combat capability by increasing time on station, reducing time spent alongside replenishment ships, and producing more effective and powerful future weapons. Most of our projects remain in the demonstration phase; however, we are making good

progress in the form of an electric auxiliary propulsion system delivered last year on the USS MAKIN ISLAND (LHD 8), testing and certification of bio-fuels as drop-in replacements for petroleum, advanced hull and propeller coatings, solid state lighting installations, and policies that encourage Sailors to reduce their consumption through simple changes in behavior.

Thanks to your support, the American Reinvestment and Recovery Act (ARRA) funded Navy energy conservation and renewable energy investment in 11 tactical and 42 shore-based projects totaling \$455 million. Tactical projects included alternative fuel, drive, and power systems for ships, aircraft and tactical vehicles. Ashore projects included alternative energy (wind, solar and geothermal) investments in ten states and the installation of advance metering infrastructure in three regions. Our FY 2011 budget continues to invest in tactical and ashore energy initiatives, requesting \$128 million for these efforts.

In our Maritime Strategy we addressed maritime operations in an era of climate change, especially in the ice diminished Arctic. The CNO established the Navy's Task Force on Climate Change (TFCC) to develop policy, investment, and force-structure recommendations regarding climate change in the Arctic and globally over the long-term. Our focus will be to ensure Navy readiness and capability in a changing global environment.

Family Readiness and Sailor Care

We remain committed to the professional and personal development of our Sailors and Navy civilians, and support to their Families. We are in the process of expanding opportunities for service at sea to women in the Navy by offering assignments on submarines. Current plans are to accept the first cadre of female officers into the submarine training pipeline this year to facilitate their assignment aboard submarines as early as FY 2012. We intend to enhance support to our Sailors and their Families, including those who are wounded, ill and injured, through expanded child and youth care, Fleet and Family Support services, Navy Safe Harbor, and the Operational Stress Control program. We are aggressively addressing the rise in suicides over the last 12 months by implementing revised training and outreach programs for Navy leadership, Sailors, Navy civilians and Families to increase suicide awareness and prevention. To reduce sexual assaults, we will re-focus our leadership, change our cultural approach and insist on accountability. Led by the Sexual Assault Prevention and Response (SAPR) Office, a new direction for intrusive leadership by unit commanders and an emphasis of intolerance for sexual assault and related behavior in our Navy is underway. We remain committed to providing our Sailors and their Families a comprehensive continuum of care that addresses all aspects of medical, physical, psychological, and family readiness. Our FY 2011 budget request expands this network of services and caregivers to ensure that all Sailors and their Families, and our wounded, ill and injured receive the highest quality healthcare available. Navy Safe Harbor, Navy's Operational Stress Control Program, Reserve Psychological Health Outreach Program, Warrior Transition Program, Returning Warrior Workshop and Behavioral Health Needs Assessments (BHNAS) are critical elements of this continuum.

Navy Safe Harbor has been expanded and continues to provide non-medical support for all seriously wounded, ill, and injured Sailors, Coast Guardsmen, and their families through a network of Recovery Care Coordinators and non-medical Care Managers at 16 locations across the country. Over the past year, Safe Harbor's enrollment has grown from 387 to 542. Over 84,000 Sailors have participated in Operational Stress Control (OSC) training, which is providing a comprehensive approach designed to actively promote the psychological health of Sailors and their families throughout their careers while reducing the traditional stigma associated with seeking help. Our individual augmentees receive OSC training prior to deployment while the Warrior Transition Program (WTP) and Returning

Warrior Workshops (RWW) are essential to post-deployment reintegration efforts. WTP, established in Kuwait and expanded via Mobile Care Teams to Iraq and Afghanistan, provides a place and time for individual augmentees to decompress and transition from life in a war zone to resumption of life at home. The RWW identifies problems, encourages Sailors to share their experiences, refers family members to essential resources, and facilitates the demobilization process.

Stress on the Force

As we continue to operate at a high operational tempo to meet our nation's demands around the world, the tone of the force remains positive. We continue to monitor the health of the force by tracking statistics on personal and family-related indicators such as stress, financial health and command climate, and Sailor and Family satisfaction with their services in Navy. Recent detailed survey results indicate that Sailors and their Families remain satisfied with command morale, the quality of leadership, education benefits, health care, and compensation. We remain focused on our connection with the Family at the unit level so that we have informed, prepared and resilient Families.

Suicide is a tragic event affecting Sailor, Family and unit readiness. We continue efforts at suicide prevention through a multi-faceted approach of communication, training, and command support designed to foster resilience and promote psychological health among Sailors. Navy's latest 12-month suicide rate of 13.3 per 100,000 Sailors represents a small decrease from the previous year's rate of 13.8 per 100,000 Sailors. Although suicides are significantly below the national rate for the same age and gender demographic (19.0 per 100,000 individuals), we are not satisfied. Any loss is unacceptable. We remain committed to creating an environment in which stress and other suicide-related factors are more openly recognized, discussed, and addressed. We continue to develop and enhance programs designed to mitigate suicide risk and improve the resilience of the force. These programs focus on substance abuse prevention, financial management, positive family relationships, physical readiness, and family support, with the goal of reducing individual stress. We continue to work toward a greater understanding of the issues surrounding suicide to ensure that our policies, training, interventions, and communication efforts are meeting their intended objectives.

Child and Youth Programs

Our Navy Child and Youth Programs, the top priority within Family Readiness Programs, provide high-quality educational and recreational programs for our Navy children. We are leveraging MILCON funding, Recovery Act funding, commercial contracts, and military-certified in-home care expansion to increase child care spaces and to meet our goal of placing children under care within three months of their request. By the end of 2011, we will meet this goal and will be in compliance with OSD's direction to provide child care to at least 80 percent of our military population. While we are meeting our child care capacity goals, recapitalization of our existing infrastructure is still required. In addition to increasing child care spaces, we are also adding 25,000 additional hours of respite child care and youth services for families of deployed Sailors and our wounded, ill and injured. Our child care and youth programs are a highly valued resource by our Sailors and their Families, and are an investment in the nation's future.

Bachelor Housing

Our bachelor housing program is currently focused on two goals: providing Homeport Ashore housing (at our Interim Assignment Policy) for our junior sea-duty Sailors by 2016 and eliminating our substandard (Q4) bachelor housing inventory by 2020. We appreciate the assistance of Congress to commence a Homeport Ashore initiative in Coronado, CA, with an FY 2009 Recovery Act bachelor housing project that will eliminate 1,056 spaces in the deficit. We are continuing this important Quality

of Life initiative by requesting \$75 million in new construction in FY 2011 for bachelor housing in San Diego to provide an additional 772 spaces to our inventory. The PB11 Future Years Defense Plan contains six Military Construction projects that will provide the 4,305 spaces required to complete the Homeport Ashore initiative by 2016.

Family Housing

Our FY 2011 family housing budget request includes \$68.2 million for family housing construction, improvements, planning, and design. This amount includes \$37.2 million for replacement construction of 71 homes for naval base personnel at Naval Base Guantanamo Bay, Cuba and \$28.4 million for 116 housing units in Japan. In addition, our FY 2011 budget request includes \$329.7 million for the operation and maintenance of 10,000 Navy-owned homes and 3,700 leased homes.

Utilizing a combination of increased recapitalization funding and PPV authorities, the Navy met the SECDEF goal to fund by, FY 2007, the elimination of all inadequate military family housing units, which Navy defined as homes requiring repairs, improvements, or replacement costing more than \$50 thousand. To establish common standards across all four Services, SECDEF redefined family housing condition ratings in 2009 to correlate with the Facility Condition Rating system used across DoD. This system classifies any unit in a Q3 or Q4 condition as inadequate. Navy has identified those government-owned units as Q3/Q4, most of which are overseas. These units represent 6 percent of the entire Navy inventory. Navy is on target to achieve the SECDEF goal that 90 percent of family housing to be at an adequate (Q1/Q2) condition by 2015.

Our portfolio management program collects and analyzes financial, occupancy, construction, and resident satisfaction data to ensure our PPV projects are optimized and performing as required and the services provided meet expectations. We regularly host PPV focus groups to assess the quality of privatized housing and housing services delivered to Navy families and make changes in Navy policies and procedures as required. We continue to receive very positive feedback from our Navy families. This enhanced oversight of our PPV partners meets required Congressional reporting and ensures Navy Sailors and their families continue to benefit from quality housing and services.

Individual Augmentees (IA)

Navy currently has over 11,000 Sailors serving as IAs worldwide. Since last year, Navy designated Commander, US Fleet Force Command (CUSFF) as the Executive Agent for Individual Augmentees, accountable to the CNO for the IA program. Through the efforts of USFF, including the creation of the Navy Preparedness Alliance to focus the efforts of our personnel assignment, Medical, Reserve, Ashore and Fleet leadership, the efficiency and effectiveness of the program has improved dramatically. For example, as testified to by our Sailors and their Families, notification to our Sailors of IA assignment has improved, and our IA “family support” programs are more effective.

More than 8,000 IA Sailors are on the ground in CENTCOM, serving in vital support roles across both adaptive core and temporary¹ mission areas such as provincial reconstruction teams, detainee operations, civil affairs, training teams, counter improvised explosive device (IED), intelligence, and medical support. As the focus shifts from Iraq to Afghanistan, we anticipate the demand for Sailors to support the joint force in non-traditional missions to remain at or above their present levels.

¹ Temporary – missions for which Navy does not have standard, mission-ready capabilities.

To better support our IA Sailors and their families, we have made significant progress in integrating the IA experience into a Navy career, ensuring IA duty enhances a Sailor's career and increased predictability associated with IA deployments. IA resourcing and support is a priority, and will require vigilance by Navy leadership.

Conclusion

In a recent statement, Secretary Mabus clearly described the mindset of our Navy. *"Our sea services are always forward-deployed, always forward-leaning. We do not rest or lie at anchor, waiting for the call. For the call is now, and unremitting - and so is our resolve."* We work to refine Navy readiness processes to ensure "Forces Ready for Tasking" are delivered whenever and wherever the Nation calls. In an increasingly interconnected and multi-polar world, the nature of challenges to our Nation's interests tomorrow could be different from the nature of the challenges that we face today. We are a force ready to fight our Nation's wars, but we are also focused on deterring or containing conflict regionally or locally. To deal effectively with today's myriad challenges requires established relationships of trust and confidence with potential partners all over the globe. Our Navy plays an enduring role in meeting that requirement through the execution of our Maritime Strategy. Our presence provides the opportunities to positively influence circumstances and events to protect or optimize our vital national interests. That presence also enables the Navy to respond to requests for humanitarian assistance and disaster recovery as needed.

Readiness is a matter of capable forces ready for tasking, with sufficient capacity. The return on investment in our readiness accounts is measured by the ability of the Navy to deliver required capabilities in rotational deployments and in response to emergent needs of the COCOMs. In a high demand environment with finite resources, achieving that readiness requires careful assessment of risk and consequences, a judicious balance of multiple, equally valid but competing requirements. The support of the Congress and this committee in effectively maintaining that balance is most appreciated.

I ask for your strong support of our FY 2011 readiness budget request and our indentified priorities. Thank you for your unwavering support and commitment to our Sailors, Navy civilians and their Families, and for all you do to make our U.S. Navy an effective and enduring global force for good.