

STATEMENT OF  
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BEFORE THE  
SENATE ARMED SERVICES COMMITTEE  
ON THE  
STATUS OF THE NAVY  
05 JANUARY 1999

Mr. Chairman, members of the Committee, thank you for the opportunity to appear before you again to discuss the status of the Navy. Ensuring our Navy remains ready and capable of deterring conflict, reacting to crises and winning our Nation's wars are common goals we share. The timing of this hearing clearly conveys the gravity of this matter and I would like to thank you for your continued support.

**NAVY TODAY**

At this moment over half of our ships are at sea conducting operations to ensure peace and stability throughout the world. USS CARL VINSON and USS ENTERPRISE Battle Groups, and USS BELLEAU WOOD and USS NASSAU

Amphibious Ready Groups, are currently on station in the Arabian Gulf and Mediterranean Sea ready to influence, directly and decisively, events ashore from the sea. Additionally, USS KITTY HAWK, homeported in Yokosuka, Japan, maintains continuous forward presence in the Western Pacific. Forward presence is the most effective means to prevent conflict since it presents would-be aggressors with a powerful incentive to rethink the consequences of initiating violence. The visibility of the Navy's power and obvious ability to respond quickly from the sea to any contingency--without the requirement to obtain host nation approval--makes the Navy indispensable against the backdrop of the uncertainties and challenges of the 21<sup>st</sup> century. Operation DESERT FOX clearly reaffirmed how essential our forward-deployed naval forces are in shaping the international environment and responding to crisis. Their presence provided the National Command Authorities (NCA) the flexibility to respond immediately to Saddam Hussein's non-compliance with sanctions.

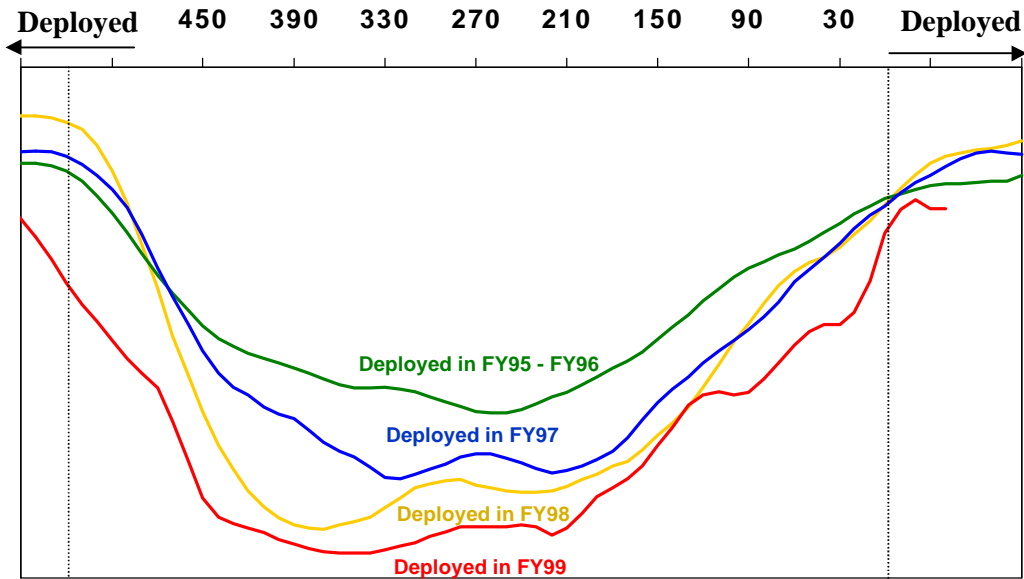
To ensure the Navy remains ready to respond, our men and women in uniform must be provided the proper resources and training to do their jobs; and we must ensure their work environment and quality of life are of sufficient measure to compensate them for the sacrifices they and their families make in service to our country.

## **READINESS TODAY**

When I testified in September, I expressed serious concerns about the erosion of readiness at home and even the beginning stages of degradation in our deployed forces. Today, I report my continuing concern. We have been closely watching readiness indicators. While deployed readiness remains satisfactory, we are still being impacted by the personnel shortages I spoke of in September. Further, degradation of readiness in the Inter Deployment Training Cycle (IDTC) continues.

As I have discussed on previous occasions, it is among our non-deployed forces, in the IDTC, where signs of readiness degradation first appear. That is why we monitor this area so attentively. As an example, the following chart depicting non-deployed air wing readiness, is an update of the one I provided in September:

## Non-Deployed Air Wing Readiness Days Prior to Deployment



The chart now includes the IDTC readiness data for the two carrier air wings we deployed in November. It is readily apparent that the most recent deploying air wings experienced the most precipitous drop in readiness to date during their IDTC. As you are aware, VF-32 did not achieve an acceptable level of readiness until just prior to ENTERPRISE entering their theater of operations. The lessons learned from the days of the hollow force remain etched upon my mind. Readiness among our non-deployed forces must be improved immediately to ensure we are able to surge sufficient forces in the event of a major crisis. The deeper the "bathtub" becomes, the greater the risk to being able to respond with combat-ready follow-on forces.

At the same time, I am alarmed by the steep slope our IDTC units must climb in a compressed period of time at the end of the IDTC to attain the necessary levels of readiness by deployment. This accelerated activity greatly affects our Sailor's quality of life and fleet morale. To make up for resource shortfalls, our Sailors work harder and longer to compensate. Not only does this prevent them from spending the needed and well-deserved time with their families, it also stresses them both mentally and physically at a time where they should be focused on preparing for deployment.

The material condition of non-deployed ships and aircraft has also deteriorated. Funding limitations have forced us to reduce the duration and scope of maintenance availabilities. While we have tried to reduce the impact on near-term deployed readiness by deferring modernization and habitability upgrades, such actions ultimately reduce operating efficiencies and increase costs over the long term. More significantly, these actions have a detrimental effect on the near-term quality of life of our Sailors and contribute to our retention problems.

So much hinges on the material condition of our ships and aircraft. If sufficient resources are not available to keep our equipment in adequate working condition, training and morale suffer. Training readiness has been degraded among our non-deployed forces, particularly among the aviation community. Fewer aircraft in proper operational condition are available for aircrew training. As a result, those squadrons in the earlier

stages of the IDTC must train with fewer aircraft because the squadrons in the latter stages of the IDTC must have their full complement to ensure combat-ready status prior to deployment. Having fewer aircraft impedes training and negatively impacts readiness.

### **RECRUITING AND RETENTION**

I have talked about readiness and the material condition of our ships and aircraft. This is important, but the heart and soul of the Navy resides in our people - our Sailors. Improving the quality of life of their lives is my highest near-term priority and is absolutely essential to maintaining a viable Navy. Currently, we have approximately 18,000 gapped billets in the fleet. A strong national economy has made it increasingly difficult to attract and retain the quality men and women we need for our all-volunteer force. Retention rates are declining for 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> term Sailors; and I have significant concerns in the officer warfighting communities.

Fiscal Year 1998 was a difficult year for recruiting as well as retention. While I am pleased to report we have been able to meet our recruiting goals the first three months of this fiscal year, we are about to enter the most difficult months of the year - February through May. With considerable help from the Congress, we have increased funding for more recruiters, advertising, and bonuses to help reverse our accession trends. While I am, at this

point, cautiously optimistic that we will meet accession needs for this year, I am not confident we have solved the larger problem for the longer term. Pay and retirement benefits rank among our Sailors' top dissatisfiers. We must be able to offer our Sailors a quality of life that is competitive with their civilian counterparts. The Congressionally approved pay increase of 3.6%, which took effect January 1, 1999, was greatly appreciated. However, the pay gap that exists and the reduced retirement package for those who joined the Navy after August 1986 continue to hamper our recruiting and retention efforts.

As Secretary Cohen said during his recent press conference concerning military pay and retirement, "The key to our strength is the men and women who serve in uniform". He is exactly right! We must do everything we can to protect this most precious resource. Accordingly, I fully support Secretary Cohen's initiative calling for a 4.4% across the board pay raise, pay table reform, and restoration of the 50% retirement package. This triad of initiatives is absolutely essential in FY 00 if we are to reverse the negative trends in recruiting and retention.

Recruiting and retention are inseparable from readiness. If we are unable to reverse the Navy's personnel trends, the hollow force will be unavoidable. The Navy's rotational forward-deployed posture presents the toughest lifestyle challenges to our people. Secretary Cohen's initiatives would provide our Sailors a compensation package

and quality of life that is more comparable to the private sector. I believe these things would greatly enhance our competitiveness to attract and retain a quality career force and thereby improve and ensure readiness.

In addition, we are continuing to strive for ways to reduce the workload of our Sailors, particularly when they are at home (non-deployed). In September, I mentioned my directive to reduce IDTC administrative burdens by 25%. Our unit commanders have favorably received this initiative and we are seeking to do more.

#### **THE CHALLENGE OF TOMORROW'S READINESS**

While taking proper care of our Sailors is my number one near-term priority, my longer-term top priority is building enough ships to modernize and recapitalize the Navy our country needs. We are continually pursuing initiatives that will lower our cost of doing business so we can maintain near-term readiness and still invest more in the future. Unfortunately, newfound efficiencies are not keeping pace with requirements. As a result we continue to compensate by shifting resources from modernization and recapitalization accounts to operations and support accounts.

#### **CONCLUSION**



We cannot sustain the Navy we need with our current budget. The funding provided by Congress in the FY 99 Bill was sincerely welcomed and we are grateful for your support. However, to maintain the Quadrennial Defense Review (QDR) force at the proper readiness levels, we need to increase our topline. As I indicated in September, an increase of \$6B per year, in addition to pay and retirement increases, is necessary to fully meet our operational, modernization, and recapitalization requirements.

Based on our meetings with the Commander-in-Chief, his public statement this past weekend regarding the FY 00 Defense Budget, and the planning guidance received from the Office of the Secretary of Defense, I expect the FY 00 Budget will take significant steps in meeting our most critical needs and begin to address the problems outlined above; subsequent budgets will continue to address our shortfalls. The Administration understands our issues and is working hard to assist us, but Congressional help will also be crucial. This Committee is key to that help. Your enduring support is greatly appreciated.

I must reiterate a final point: I ask that you support Secretary Cohen's triad of pay and retirement initiatives as the most critical of our needs with this FY 00 budget. Our men and women deserve no less and they are waiting for us to demonstrate our commitment to their service as they preserve our way of life.