

STATEMENT OF
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CHIEF OF NAVAL OPERATIONS
BEFORE THE
SENATE ARMED SERVICES COMMITTEE
ON
STATUS OF THE NAVY
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Introduction

Mr. Chairman, members of the Committee, thank you for the opportunity to discuss the readiness status of our Navy. The Congress has been particularly helpful in addressing Navy concerns and we are grateful for your support. Today the USS GEORGE WASHINGTON and USS ABRAHAM LINCOLN Carrier Battle Groups, along with the USS TARAWA and USS SAIPAN Amphibious Ready Groups, are currently deployed to the Mediterranean Sea and Arabian Gulf, ready to influence events ashore, from the sea.

The objective of our Navy's forward-deployed strategy is to ensure we possess credible combat capability on scene to promote regional stability and deter aggression throughout the world. In so doing, our forces exercise American sovereignty every day in the far reaches of the world's oceans. Our forward deployed forces

today are ready to respond to all tasking. However, there is increasing concern that this high level of readiness is coming at the cost of our non-deployed forces. It is the readiness of these forces that continues to be of concern as we attempt to maintain the balance between current and future readiness.

This is my first time before you as the Chief of Naval Operations. In my confirmation hearing I discussed some readiness issues. Nothing I have seen or heard since last May changes the way I see the challenges. Since assuming the duty as CNO, I have formalized my top 5 readiness priorities. They are: 1) Manpower; 2) Current Readiness; 3) Future Readiness; 4) Quality of Service; and 5) Alignment. Each of these priorities is related directly to readiness.

Manpower: The Navy's War for People

Manpower is my number one priority. We're living in a time of incredible economic prosperity and optimism, and it's common knowledge, and I'm hearing it from the CEOs in business and industry, as well as the other service chiefs that "We are at war for people." We are emphasizing that we must make, and we must have, a collective commitment to Navy people, our most vital resource. This is key to making the greatest Navy in the world even better.

Recruiting

I am pleased to report that we are making progress, and that

we have met our recruiting goal for the past two years. We face a continuing challenge in recruiting and retaining an all-volunteer force. In FY98, with the assistance of this committee and the administration, we began growing the recruiter force, expanded the number of recruiting stations, and increased enlisted bonuses and our advertising budget. The competition for bright, young Americans who want to serve our nation in the military can only be expected to persist, so we must continue to improve our recruiting and retention programs.

Retention

Retention is at the heart of our efforts to achieve and sustain optimum personnel readiness. One of our greatest challenges is to improve enlisted and officer retention. Our retention effort this year has enabled us to reduce recruiting goals for FY00 and FY01. Although progress has been made in officer and enlisted retention, we are still below the steady state goals required to maintain our force structure.

In order to keep the Sailors we have already recruited and trained, we must continue to invest in their retention. A major focal point for FY01 will be the effort to bring the retention investment in balance with recruiting. We will increase our efforts to focus leadership, Navy wide, on the challenge of improving retention.

Reducing Attrition

Our other major leadership focus will be an attack on attrition. Some attrition is inevitable; however, the current level is too high. We are stressing to Navy leadership the importance of fostering a work environment that is more conducive to personal and professional growth. This involves mentoring juniors at every opportunity, and active leader involvement as they steer our young Sailors on a course of success. We have initiated several preventive and remedial initiatives that are helping to increase the numbers of Sailors who successfully complete initial training and go on to serve in the Fleet.

Current Readiness

Since mission accomplishment is our top priority; our focus on current readiness is correct. Our Navy is a rotational force. We conduct our deployments on an ongoing basis with forces that are ready, on-scene, to respond to tasking from the National Command Authorities.

One-third of our Fleet is deployed on average every day, and our Navy is ensuring that deployed readiness remains high. We know too that non-deployed readiness bears the brunt of supporting our forward deployed presence. We have seen some improvement in the last three years in reducing shortfalls, but the limited availability of support material for our non-deployed units continues to be a significant readiness challenge. We have

benefited greatly from readiness augmentations provided by the Congress and the administration, but additional resources are required to ensure non-deployed readiness is funded at sufficient levels.

We are continually reviewing the flying hour program to ensure our funding reflects the increasing operational costs associated with our aging aircraft (the Navy's aviation force is now the oldest it has ever been in its history). Our cost models do not accurately predict the true cost of operating our aviation assets.

The same holds true for aircraft depot maintenance, which ensures that engine and airframe maintenance is sufficient to meet fleet requirements for available aircraft and spare engines. Until we have achieved a modernized force, we will continue to face the challenge of the increasing costs to maintain the existing, aging force.

These shortfalls in maintenance, spare parts and support equipment are impacting our training readiness among non-deployed forces, particularly in our aviation community. By design, squadrons in the earlier stages of the Inter Deployment Training Cycle (IDTC) must train with fewer aircraft because squadrons in the latter stages of the IDTC have priority to ensure combat ready status. For ships, as with our aircraft, the reduction of the force structure through the decade of the 90's, coupled with OPTEMPO of the 90's, has significantly increased the utilization rate of the

existing force. This increase in utilization is accelerating aging and resulting in higher costs of operation.

I am concerned about the inventory levels of Precision Guided Munitions. With the help of Congress we have addressed this challenge, specifically the expenditures of munitions, which have occurred as a result of the various contingency operations conducted in recent years. This increase in investment in Precision Guided Munitions is moving us in the right direction but we are still below the current warfighting requirement. The shortfall of precision munitions is a major risk driver for our forces in a second MTW scenario. With our current inventory, execution of a second MTW will rely more on the use of non-precision munitions, thereby increasing the risk to our pilots and the potential for collateral damage.

The Navy is also faced with a number of other external factors that are impeding our ability to test, train and operate. Continued military readiness depends on reliable access to all necessary training, testing, and operating areas. Urban sprawl, the obligations of environmental compliance on land and at sea, and concerns over noise and airspace require a comprehensive approach to sustain access. We will need the support of Congress to ensure the availability of ranges in the future.

The use of live ordnance, for example, is a vital means of training our forces in combined arms operations. The inability

to conduct coordinated live fires exercises from ships and strike aircraft is particularly detrimental, given that our carrier battle groups continue to engage in combat operations soon after arrival in theater. Our ability to train jointly, especially with the Marine Corps, is also being affected by the lack of live fire capability for the Atlantic Fleet Forces. Our troops should get their first experience with live arms before actual combat.

Future Readiness

Our Fleet has gotten smaller, and the number of ships we deploy with each battle group has decreased. During this downsizing, demand for deployed battle groups and amphibious ready groups have remained steady at a minimum and in some cases have increased. Nonetheless, a carrier battle group routinely deploys today with fewer surface combatants than 10 years ago. Theater commanders have fewer assets to cover commitments, and must time-share assets among theater commanders, often leaving gaps in coverage.

Fewer assets mean more underway time per unit. Increased utilization results in additional wear and tear on our ships and aircraft, requiring more maintenance. It is critical that we begin to fund 100% of our manning, maintenance, ordnance, modernization, recapitalization and training requirements.

Sustained future naval readiness begins with a recapitalization program that delivers the right number of

technologically superior platforms and systems for the fleet. Current DoD plans require an 8-10 ship per year build rate to sustain a QDR force. The actual numbers of ships in our plan is not sufficient to meet this need. The steady erosion of the service life of our platforms and equipment and lack of a viable recoup plan will eventually lead to a point where we will be unable to sustain our operational commitments.

Quality of Service

Quality of Service is a balanced combination of Quality of Life and Quality of Work. Navy leadership will emphasize Quality of Service throughout their commands as an underpinning of readiness and mission accomplishment.

The administration's FY 2000 Budget provided for an increase to base pay, restoration of the 50% retirement option, pay table reform, and special pays and bonuses, all of which are having a positive impact. These first steps will be key towards addressing our recruiting and retention challenges. The FY 2001 pay raise is another signal to our Sailors that we continue to treat fair compensation as a high priority, and that last year's work is not yet complete. We appreciate the initiative by the Congress last year to accelerate the implementation of market-based BAH, and that initiative is fully funded in our FY 2001 Budget. Our Sailors are most encouraged by Secretary Cohen's

initiative to buy down members' out-of-pocket expenses—a message that has been favorably received by this committee.

We are seeing great improvements in the Quality of Life of our Sailors, however this has not been the case for the Quality of Work. Quality of Work covers everything about a Sailor's work place, from meaningful work to adequate spare parts inventories to working spaces that are up to standard. Improving the quality of our workspaces requires a commitment to both Real Property Maintenance and MILCON, both of which are underfunded.

Alignment

Navy-wide alignment means that we must ensure that our organizations, systems, and processes deliver exactly what they are designed to produce: a combat capable Navy ready to sail in "harm's way." I have initiated a re-alignment within the Navy's organization to better represent requirements generation and to ensure proper focus on current and future readiness.

Conclusion

Readiness is the ultimate foundation for maintaining the credibility of our forces as an instrument of foreign policy and national resolve. The Nation purchased today's Navy and it must be ready to sail to the far corners of the earth, at any time, to control the seas and influence events ashore, to be a powerful representative of America's sovereignty, and to defend our

nation's interests, wherever we go. That is the fundamental purpose of the United States Navy.

The Congress' commitment to the betterment of every aspect of Navy life--and mission--has made a huge difference and is deeply appreciated by all hands. I am most grateful for your enduring support.