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House Armed Services Committee Holds Hearing on the Fiscal Year 2009 Budget Request for the Department of the Navy

SKELTON:

Ladies and gentlemen, good morning. Today our committee meets to receive testimony on the fiscal year 2009 budget request from the United States Navy as well as the Marine Corps. Appearing before the committee this morning are: Honorable Donald C. Winter, Secretary of the Navy, Admiral Gary Roughead, Chief of Naval Operations, and General James Conway, Commandant, United States Marine Corps.

We welcome you, gentlemen. And we note that our friend, Admiral Roughead, who has worked with us in the past well before he was wearing his four stars has allegedly liaised for the Navy.

And we welcome you back in your different capacity on your maiden voyage through stormy seas of the legislative hearing.

ROUGHEAD:

Thank you, sir.

SKELTON:

But we're glad to have you.

ROUGHEAD:

Thank you, Mr. Chairman.

SKELTON:

Maritime power is a crucial component to our national security. It has been that way since the early days of our Republic. It protected us and safeguarded our interests and gave this nation the room to grow into the great country we are today.

Your forces are forward-deployed all around the world. The efforts of our Marines in Afghanistan and Iraq are well-known and deserve the praise we give them as your sailors are ashore in Afghanistan and in Iraq doing things we never imagined we'd have sailors doing, and performing magnificently, in particular, Army duties.

They're busy. From stopping piracy on the high seas to demonstrating American presence all over the world, we know the Navy and the Marine Corps are on call day by day. And because the two Services are so busy, we're going to take a hard look at the materials you have provided us before this hearing and for our deliberations.

The Constitution is clear about our responsibilities, and we intend to meet that task head on. There is no question that the Marine Corps is seriously stretched, as is the United States Army. While more Marines are on the way, that's only a small portion of what needs to happen to keep a healthy and vital force.

Marine training is heavily focused on current operations at the expense of training for skills not required for combat in places elsewhere out of Iraq and Afghanistan. There is equipment strain.

Meanwhile, the Navy faces significant challenges in recapitalizing the fleet. We had serious discussions about this last year. I am concerned about the shipbuilding program. Over the past two years our committee has been repeatedly told that a stable shipbuilding program has arrived. And yet, the budget request this year reduces the five-year shipbuilding goal by 13 ships, from 60 to 47, and requests only seven ships this year.

Furthermore, two of the three shipbuilding programs currently executing on cost and on schedule, the DDG-51 destroyer and the LPD 17 amphibious assault ship, are being closed down. The third program, the Virginia class submarine, has been held at one ship per year for eight years longer than originally briefed. I find it difficult to understand that proposed shipbuilding programs, and we would like to discuss that with you, Mr. Secretary.

A bit of history -- and it behooves all of us on both sides of this table to remember history, that it was in my lifetime Congress that kept the program of Admiral Rickover alive and supporting him all through his days in charge of submarines and nuclear programs. And it worked, and today the Navy is the great beneficiary of that rather irascible gentleman. But Congress was largely the strong support behind him.

In my time here I witnessed and was a very small part of Congress creating the special operations department within the military. And it works well. I was a larger part of what later became known as the Goldwater-Nichols Act.

These were born and raised and nurtured here in the Congress of the United States. Last year we made a similar legislative proposal, that is to create within the new cruiser class of ships nuclear propulsion. And I think this will be a major step. And people within the Navy 25, 30 years from now will look back and say that was a step in the right direction. So we hope that we can be of assistance and a breeze behind your back as you follow that law of last year.

The Littoral combat ship has been a challenge. And I'm sure, Mr. Secretary, you will mention that in your discussions.

The some redeployment of 8,000 Marines from Okinawa to Guam is a major movement, and I would hope that, General, you would touch on that. I know it will be very expensive. And I know that the Marine Corps and the Navy will manage that undertaking to ensure that our strategic interests are fully protected.

And we have a great deal of information we will need from you today. But most of all, we want to say thank you for the hard work that you do. And, Mr. Secretary, you've been an excellent leader. And we appreciate your working with us and for the American people as you do. And as you have two excellent colleagues, we look forward to your testimony today.

Mr. Hunter?

HUNTER:

Well, thank you, Mr. Chairman. And thank you for holding this very important meeting. And I want to join you in wishing good morning to Admiral Roughead and Secretary Winter and, of course, to General Conway.

Gentlemen, thanks a lot for being with us. And before we get into the details of the budget request, I'd like to -- I know we'd all like to commend the sailors of the USS Lake Erie, the USS Decatur, and the USS Russell for their successful intercept of the disabled NRO satellite. These

fine men and women prevented potential injury to innocent civilians. And their success is further validation of America's sea-based missile defense capability.

As I've previously stated, the missile and nuclear developments in Iran and North Korea are a clear and present reminder of the need to get our nation's missile defense capabilities built, tested, and fielded in sufficient numbers and as soon as possible. I'm a strong supporter of Aegis BMD. It's got an impressive test record, I believe, now of 13 out of 15. And we've got sailors operating this system right now. And it's also facilitated a close defense cooperation with key allies such as Japan against shared threats.

So I'm pleased that the Navy's committed operations and sustainment funding for Aegis BMD. However, one of my chief concerns is force structure. And as we look at the ledger and see an increase in missile threats, we're also looking at our force structure requirements to determine if we need more inventory than the current program of record.

And that leads me back to a discussion about the Department of the Navy's budget request. I was pleased to see that the total request included approximately 5 percent real growth over the baseline funding request for fiscal year 2008. However, on further examination, the distribution of this growth in funding is disturbing.

For example, there is approximately \$2 billion in growth in research and development accounts. And while this includes growth in science and technology and particularly in basic research, for which I applaud you, it also includes over \$1 billion in R&D for the VH-71 presidential helicopter. This platform was supposed to be a slightly modified copy (ph) helicopter. And the contract was awarded to the AgustaWestland team on the basis of minimizing schedule risk.

Since its inception in 2004, the program has been restructured. The schedule, which was a primary focus, has been slipped to the right. And now the Navy is planning to spend over \$1 billion in R&D in a single year.

It would appear that the entire basis of the contract award has been nullified. And I question whether the Navy and the contractor team can execute this funding, given the troubled history with requirements growth and past performance.

In addition, while procurement accounts grew by over \$1 billion, the shipbuilding program, gentlemen, is in shambles. The one piece of good news is that the budget request moves up to two a year construction of the Virginia class submarine to fiscal year 2011, a year sooner than we had previously planned.

As we discussed in our last meeting, gentlemen, I remain enormously concerned about the future shortfall in our SSN fleet. And, you know, the QDR came up with a requirement for 50 attack submarines. But the joint staff concluded in their 1999 study that a minimum of 62 boats were needed by 2025. And they recommended a force level of 76.

The 2001 QDR validated a 55-boat requirement. So while the 2005 QDR was solid on the subject, the Navy concluded in 2006 that only 48 SSNs were needed. The latest requirement has been generated on a basis of a lot of questionable assumptions such as increased operational availabilities for SSNs in the future due to a reduced maintenance backlog.

It's also based on the assumption that meeting -- and I thought this was a critical piece of information that was derived from the submarine hearing we had a couple of years ago. The information that flowed from that hearing was that we are only meeting 54 to 65 percent of critical mission requirements or high-priority mission requirements for submarines.

And, gentlemen, the acceptance of this 48-boat fleet basically presupposes or assumes that meeting just a little more than half of our high-priority requirements, which were testified to by

the Navy, is not being met with the level of subs that we have right now, that that's OK, that that's acceptable. And if you place that against the backdrop of the Chinese now outbuilding us 3.4 to 1 in submarines in production and if you add on top of that the Kilo submarines that they're acquiring from the Russians, you now see a 5 to 6.1 advantage in terms of production of new boats.

And some of them that the Chinese are building are going to be high-performance nuclear attack submarines. Some of them will be diesel subs, but still, with high capability.

So I understand that our submarines are highly expensive. We broke the \$2 billion mark a long time ago. But I think this is a critical aspect of the Navy's ability to project sea power. And, gentlemen, we're going to have to figure this one out because I think the 48-boat requirement is clearly being outstripped and outdated. And I know you've come up with a number of mitigating factors. But I think even when you place those mitigating factors against the size of the fleet, we've got a deficiency.

I know you also have stated that both platform mix and numbers count right now when we're going to the submarine end of the ship numbers. But I think it's clear that the 313-ship level that you established, Admiral Roughead, has got to be the absolute minimum for our ships.

There's another aspect to the troubled shipbuilding program. From F.Y. '08 to F.Y. '09, the Navy has reduced the number of ships to be procured by about 25 percent. So that makes that 313-ship level very, very difficult to attain.

And while I support such relief for the Department of the Navy, the Navy's shipbuilding plan is based on the assumption that over the next 30 years the shipbuilding account will nearly triple in size. And, gentlemen, I'm afraid that's not realistic. And therefore, you don't have a plan that's realistic.

I think we need to start making tough decisions and have an honest dialogue about how much risk we're assuming. For example, is it prudent to buy destroyers that cost over \$3 billion and more likely, \$5 billion a piece while we shut down stable, more affordable production lines such as the LPD-17 when we haven't bought out the requirement and while we could also modify this design to reduce the risk of other new classes?

The same question could be posed for the TAKE, two of which were taken out of the future years shipbuilding request. And why are we building or buying more Littoral combat ships the year after we canceled two of them and the year in which the Navy plans to conduct an operational evaluation and down-select of LCS-1 and LCS-2?

And finally, I understand that the Navy is seeking a waiver to the statutory requirement for 11 aircraft carriers, which we reached as a compromise a little more than a year ago. I find it hard to believe that the Navy could not have foreseen the retirement of the Enterprise at that time.

And while I understand that extending the operational availability of the Enterprise will be costly, it seems overly optimistic to state that we will dip to 10 carriers for only two years. In point of fact, if first of class CVN-78 delivers on time, the gap will be 33 months, nearly three years.

Also, GAO has reported that the Ford is encountering delays in technology development that could affect its delivery schedule. Therefore, the period of time during which only 10 carriers are operationally available will likely be longer than 33 months.

According to a December 2006 DOD report on the Ford's progress, that carrier is scheduled to reach initial operational capability in September 2016, which would result in a total gap in operational availability of 45 months. Even after this milestone, there normally is additional time between operational readiness and the time a carrier makes its first deployment. The average

interval between commissioning and deployment for all Nimitz class carriers was nearly two years. And no carrier since the Vincent, which first deployed in 1983, has deployed within one year of its commissioning date.

What I'm beginning to conclude is that the Navy is not committed to 11 aircraft carriers. And I fear that granting such a waiver will provide tacit approval for the Navy to further degrade its power projection capabilities.

So we've got a lot of really difficult choices. And this really is a crossroads year for the Navy. I recognize that there's other budgetary pressures such as the unanticipated repairs required for the P-3 fleet, necessary increases in aviation procurement, the restructured expeditionary fighting vehicle program, and the rising cost of O&M.

So, Mr. Chairman, I look forward to an open dialogue with our witnesses today, with our leadership for the Navy, and regarding these important matters. And we understand that we're fighting a war in a couple of theaters. We've got a horizon that we've got to look at with respect to the challenges of the future. And we've got, once again, limited resources.

But I think this is a time to regroup, gentlemen, and take a look at the programs and the priorities and perhaps make some dramatic changes. Thank you very much.

And, Mr. Chairman, I look forward to the testimony.

SKELTON:

Mr. Hunter, thank you very much.

Secretary Winter, welcome again.

WINTER:

Thank you very much, Mr. Chairman. Chairman Skelton, Congressman Hunter, members of the committee, thank you for the opportunity to appear before you today. I am here to present the Department of the Navy's plan to support our sailors and Marines in their mission to defend our nation against current and future challenges.

The president's fiscal year '09 budget will assist the Navy and Marine Corps in accomplishing their complementary and reinforcing missions, while building capabilities necessary to meet future threats. One of the primary responsibilities of our government is to provide for the nation's defense. Those responsibilities include the critical requirements to organize, train, and equip our naval forces.

For the vast majority of citizens, the only cost imposed on us is financial. America is able to provide for their national defense with such a minimal impact on the citizenry because we are blessed to have among us a generation of people, patriots all, who volunteer to serve. They are the ones who bear many hardships, accept many risks, and go in harm's way.

The pay and benefit funding levels in our '09 budget request reflect the compensation levels necessary to continue to attract and retain quality personnel in the Navy and the Marine Corps. Furthermore, although we are doing well in our overall recruiting and retention numbers, I emphasize the need for special pays and bonuses to meet critical subspecialty needs such as our requirements for nurses, physicians, and GWOT stress communities such as explosive ordinance disposal personnel.

It is because of the hard work of our sailors and Marines that we are making progress fostering maritime security, defeating terrorist networks, progressing towards a stable Iraq, supporting the Afghan government, countering piracy in the proliferation of deadly technology, rendering humanitarian assistance, and strengthening partnerships around the world. Our sailors and

Marines have responded when called and superbly performed their many missions in our nation's defense. It is truly an honor and a privilege to work with them and support them as their secretary.

The Department of the Navy's F.Y. '09 budget meets the challenge of resourcing the Navy and Marine Corps team across a range of missions from partnership building to combat operations. It invests in our ability to operate, sustain, and develop forces that are engaged in the global war on terrorism while preparing the force for the challenges and threats of the future.

We are requesting a total of \$149 billion, a 7 percent increase over the F.Y. 2008 baseline. This increase is driven by factors such as rising oil costs and the critical comprehensive growth of the Marine Corps.

Our F.Y. 2009 budget reflects three key priorities which are consistent with those of previous years. They are first of all prevail in the global war on terror; secondly, take care of our sailors, Marines, their families and particularly, our wounded; and lastly, prepare for future challenges across the full spectrum of operations.

To help meet our first priority, prevail in the GWOT, we are adapting our force for current and future missions to include growing the Marine Corps, shaping the force by recruiting and retaining the right people, and addressing critical readiness needs. Among our most critical readiness needs is the ability to train our sailors and Marines for the threats that they may encounter.

Unfortunately, our Navy has encountered increasing encroachments in our ability to conduct critical training. We recognize that there are on occasion impacts to the citizenry at large associated with such training. But these are necessary costs that are critical to the defense of our nation. We take extensive precautions to minimize the impact of our training.

We owe it to the American people and we owe it to those who serve to acknowledge that, as in all things in life, there are competing interests and tradeoffs and that we treat the risks of sonar operation at sea or the impact of jet noise the way we treat all public policy issues, balancing risks and costs against legitimate national security interests.

I greatly appreciate the support this committee provided us last year with respect to Miramar Air Station, thereby ensuring that our naval aviators can continue to receive vital training. I commit to you today that I will continue to keep you apprised of legal challenges and their implications for readiness that we face over the course of the coming year. Mr. Chairman, if in the future we are unable to properly train our sailors and Marines, we will have failed to do our duty to them and to the American people.

Another critical issue I would like to highlight concerns doing right by those who go in harm's way. As Secretary of Defense Gates has stated, apart from the war itself, we have no higher priority than to take care of our wounded. Our wounded warriors and their families deserve the highest priority care, respect, and treatment for their sacrifices. Our '09 budget honors our commitment to ensure that our sailors and Marines receive the appropriate care, training, and financial support that they need.

Finally, to meet the challenges of the future, the '09 budget provides for a balanced fleet of ships, aircraft, and expeditionary capabilities with the fighting power and versatility to carry out blue, green, and brown water missions wherever called upon. Furthermore, I would like to note that consistent with our commitment to ensure affordability and timely delivery of capabilities, we have launched an acquisition improvement initiative to provide better integration of requirements and acquisition decision processes, improve governance and insight into the

development, establishment, and execution of acquisition programs, and formalize a framework to engage senior naval leadership.

Mr. Chairman, I am grateful for the strong support this committee and the Congress at large has given to our Navy and Marine Corps team. I want to thank you on their behalf. Our Navy and Marine Corps is a strong, capable, and dedicated team. I appreciate the opportunity to represent them today. And I look forward to your questions.

SKELTON:

Thank you very much, Mr. Secretary.
Admiral Roughead, welcome.

ROUGHEAD:

Thank you, sir. Chairman Skelton, distinguished members of the committee, on behalf of our 600,000 sailors, Navy civilians, and families, thank you for your support and the opportunity to appear before you today. Together with Secretary Winter and General Conway, I'm privileged to be part of this leadership team committed to our nation's safety, security, and prosperity.

Today your Navy stands ready with the agility, the flexibility, and the competence to do what no other navy in the world can do. Three weeks ago we successfully and temporarily converted a portion of our sea-based ballistic missile defense program to engage a failing satellite. Sea-based ballistic missile defense is here. It is real, and it works.

But that is only part of what your Navy delivers to the nation. We are exercising our new maritime strategy every day, a strategy that is far more than just a glossy brochure. Our carriers are anchoring and projecting power in the Arabian Gulf.

Our combatants are present, demonstrating our resolve in the Mediterranean. An amphibious ship is engaged in counter-piracy operations on the East Coast of Africa. And another is delivering humanitarian assistance to West Africa.

Our frigates are intercepting drug traffickers in the Caribbean Sea. And our riverine forces are patrolling vital infrastructure on the Euphrates River in Iraq. And our submarines patrol silently around the world.

We have 118 ships and over 58,000 sailors on deployment out and about doing the work of the nation. But as you so well know, our operations come at a cost to our people, current readiness, and the future fleet. And those are my three areas of focus.

Our people -- our sailors and Marines and their families know they have your support. We must continue to invest in their futures and in the young men and women of America who will follow in their wake. As a nation at war, our utmost responsibility is to our wounded warriors. I am proud of and committed to the safe harbor program which has dedicated staffs and teams individually tracking and meeting the needs of those heroic sailors and their families.

In the context of this generational war, however, investing in the health of our force must go further. The health care that we provide, especially for traumatic brain injuries and post traumatic stress disorder, as well as the president's support for child care, hiring preferences for spouses, and family education benefits will bring welcome relief to the military families that assist us in the very challenging recruiting and retention environment. Likewise, increasing the throughput of the U.S. Naval Academy is an important investment in our future leadership, especially as U.S. Marine Corps end strength grows.

But supporting our future force cannot be done without readiness to fight today. To this end, quality shore installations, responsive depot level maintenance facilities, and unfettered ability to

train responsibly are necessities. Where area access and shore support is denied, the Commandant of the Marine Corps and I have been moving forward with a sea basing alternative. These elements are essential to support our fleet response plan, which has enabled us to meet requirements and will sustain us through the requested temporary carrier force level adjustment.

Of my three focus areas, building tomorrow's Navy to be a balanced, appropriately sized force is the most immediate imperative and challenge. Fiscal realities, however, have led us to assume more risk in shipbuilding, ship operations, and weapons. Achieving the 313-ship floor at current funding levels will require us to improve processes, collaborate with industry, and make difficult decisions in the near-term.

I am pleased that the first two DDG-1000 contracts have been awarded. Our surface combatants are an essential element of our force, and it is important that we do not raid the combatant line as we build to 313 ships.

I remain strongly committed to funding those programs that provide critical capabilities to our forces. There is no substitute for the Littoral combat ship in closing the Littoral capability gap. Current F and A 18 Hornets are needed to assuage a 2,016 strike fighter shortfall. Surface combatant superiority will be maintained through DDG-51 modernization.

Multi-mission maritime aircraft will capitalize our maritime patrol anti-submarine warfare capabilities. And sea-based ballistic missile defense will ensure future theater and national defense and enable access.

These critical programs for our future fleet require appropriate disciplined investment now. The 2009 budget and its associated force structure plans will meet our current challenges with a moderate degree of risk. Clearly, we have many challenges, of which building tomorrow's fleet is the greatest.

But with these challenges is our opportunity to have a fleet which will defend the nation and assure our prosperity for generations to come.

On behalf of our sailors, our Navy civilians, and our families, thank you again for the opportunity to appear before you today. And thank you for your support of what we do today and what we will do tomorrow. And I look forward to your questions.

SKELTON:

Thank you, Admiral.
General Conway?

CONWAY:

Thank you, sir. Chairman Skelton, Congressman Hunter, and distinguished members of the committee, I've pledged to always provide you with forthright and honest assessments of your Marine Corps. And I bear that in mind as I report to you today on the posture of our Service.

In my written statement I provided you a list of priorities that would enable your Corps to best serve our nation's security interests, both today and in the uncertain future. But in brief, young warriors in combat are my number one priority. These magnificent patriots have been extremely effective in disrupting insurgents and the Al Qaida in the Al Anbar province.

In the spirit of jointness, I must note that it hasn't just been Marines. It's Marines, soldiers, and sailors, a composite effort that over time has brought success in the Al Anbar.

We're still supporting the surge in Iraq, and I've already shifted from population protection to transitioning security responsibilities to Iraqi Security Forces. And they're actively stepping up to the task.

Though it may not be our core competency, Marines have addressed the nation building aspect of our duties with enthusiasm and determination. In answer to the most recent call from the Secretary of Defense, we are also deploying more than 3,400 Marines to Afghanistan. Your Marines will assist a joint force in either gaining or maintaining momentum there. We fall in on our expeditionary ethos of living hard and fighting well as part of an air/ground team.

I just returned from a visit to Iraq and Afghanistan. And ladies and gentlemen, I'm pleased to report to you that your Marines are demonstrating an amazing resiliency in the face of multiple deployments to dangerous lands. In spite of a one-to-one deployment to dwell regimen that has virtually no chance of getting better until the fall, the factors that we track monthly to determine the health of the force -- and those include desertion and U.A. rates, suicide, divorce, child or spousal abuse, and, of course retention and reenlistment rates -- are all as good or better than they were in 2001.

Quiet in their duty and determined in their approach, your Marines are telling us loud and clear that wherever there's a job to be done, they'll shoulder that mission with enthusiasm. They're tough, and they'll do what it takes to win.

Our captains, though pushed hard by our deployment rate, are making the decision to stay with us. Our retention for these company- grade officers is above historic averages and continues to be better in the years preceding Operation Iraqi Freedom.

We do have a significant issue with our families, however. Simply put, they're proud of their contributions to this war, but they're tired. We owe it to these families to put our family service programs onto a wartime footing. For too long our programs have been borne on the backs of volunteers, perhaps acceptable during peacetime, but untenable during a protracted conflict.

The Congress has been exceptionally supportive in enabling us to make good on the promises to do more. Of course, we look beyond today in our obligation to the nation. And we have learned lessons of trying to build the force as we fight it. In response to a clear need, we are growing the Corps to 202,000 Marines. We do this without lowering our standards, and we're ahead of our goals.

During the last fiscal year, we needed to bring aboard or retain 5,000 additional Marines. We actually grew 7,000 additional troops, over 96 percent of them high school graduates.

But more than just manpower, this growth requires training, infrastructure, and equipment to meet the needs of the country. You've helped us meet those requirements with steady support and encouragement. And for that we certainly thank you.

The Marine Corps retains the mission to provide a multi-capable force for our nation, a two-fisted fighter, if you will, able to destroy enemy formations with our air/ground team and major contingencies, but equally able to fall back on our hard-earned irregular warfare skills honed over decades of conflict. By far the most complex of our congressionally mandated missions, amphibious operations, require deliberate training and long-term resourcing to achieve a high level of proficiency. The operational expertise, special equipment sets, and amphibious lift are not capabilities that we can rapidly create in the face of a threat.

Finally, on behalf of your Marines, I extend a great appreciation for your support thus far and thank you in advance for your supports on behalf of these brave Servicemen and women in harm's way. I assure you that the Marine Corps appreciates the increasing competition for the nation's discretionary resources and will continue to provide a tangible return for every \$1 spent. Thank you, Mr. Chairman.

SKELTON:

General, thank you very much. I understand that we have two votes pending in the chamber. However, we will continue and get as many as possible in. And we'll ask you to have patience with us while we rush to the floor and vote those two votes.

I have a couple of questions.

Admiral, you may wish to consult with your folks before answering this question. But I can come back to you on this in a few moments. But how much money do you need each year for the 313-ship plan? And how much money do you currently have budgeted this coming year?

ROUGHEAD:

Sir, this year we have just over \$14 billion in the shipbuilding plan.

SKELTON:

Right.

ROUGHEAD:

That is down from \$15.8 billion. And as we go out into the out-years, that number begins to approach about \$20 billion a year.

SKELTON:

Then answer my first question. How much money do you need each year to meet the 313 ships?

ROUGHEAD:

Mr. Chairman, the plan that we have submitted takes us to a level of 313 ships by about 2019.

SKELTON:

2019?

ROUGHEAD:

Yes, sir. That's when we cross into the 313-ship range, given the plan that we have presented.

SKELTON:

That's a long way, Admiral.

ROUGHEAD:

Yes, sir.

SKELTON:

There is the issue of the individual augmentees. I'd like to ask each of you gentlemen how individual augmentees being used effects the readiness of the Navy on the one hand and the Marines on the other when those augmentees are utilized outside their core competency or outside the general Marine mission.

Admiral?

ROUGHEAD:

Yes, sir, the I.A. program that we have in place and the contributions that we're making to our ground forces in CENTCOM, I believe, has made a significant difference. I've visited there, met

with several of our I.A.s and their commanders. And they cannot say enough about the skill, the talent, the competence, and the drive that our young sailors take to their new mission.

When we make our individual augmentee assignments, we look at what we are providing to the joint force in Central Command. But we also look at what that does to individual unit readiness. And we have been able to balance that. I would also add that those young men and women who come back and rejoin their units bring a perspective and a commitment to mission that I believe is beneficial to the Navy.

SKELTON:

General?

CONWAY:

Sir, individual augments in the Marine Corps do essentially two things. One is provide manpower and expertise to various headquarters, particularly warfighting headquarters that need that Marine presence. Or more likely, they serve as training teams, either military training teams or police training teams or perhaps border training teams.

We have made every effort to draw red lines and not draw these T.T.s from our recruiting establishment, our recruit training establishment or our schools. We think that the seed corn is terribly important.

However, what that means is that they are then for the most part drawn from operational units or from some of our supporting establishment who sorely needs the leadership that these people represent. Those T.T.s for the most part are staff NCOs or mid-grade to senior-level officers. So stripping away that sort of top tier of leadership hurts every unit because we do not have excess of those people assigned to the units.

SKELTON:

Thank you.

Jim Saxton?

SAXTON:

Thank you.

Let me just first follow-up on the chairman's question about the road to the 313-ship Navy. Isn't it true that over that period of time you'd need another \$35 billion in your program in order to achieve that goal?

ROUGHEAD:

I'd like to get back to you on the exact figures, Mr. Saxton. But when we built our program this year, if you noticed when we submitted our report to the Congress, different than in years past, we considered a near-term part of the report and a far-term because of our greater confidence in the cost closer to where we are today. But I'll get back to you on the additional monies that may be required.

SAXTON:

OK. Fair enough. Thank you.

Mr. Secretary and Admiral, I think we can all agree that there continues to be a growing threat of ballistic and cruise missiles used by China, Iran, and others. We have been told repeatedly that

the time development and development of the next generation of cruisers critical to meet these threats. So my question is this. Given the continuously successful test results of the Aegis missile defense system, whose most recent successes include the U.S. Navy Aegis ship shooting down the errant satellite, isn't it more sensible and cost-effective to build additional Aegis destroyers to address these emerging threats in the near-term and accelerate the development of CGX rather than spending whatever the number is, \$3 billion to \$5 billion a copy, on DDG-1000?

And I might just add this. I think there are great reservations among the members of this committee about the current plan for DDG- 1000, given the thought process involved in the other issues that are immediately related to it that I mentioned in my question.

ROUGHEAD:

Yes, sir. The DDG-1000 and the two ships that we have put on contract within the last couple of weeks introduce into our Navy some very important technologies and means for us to look at those technologies as we move forward, particularly to be informed on the CGX. The one that is most important to me is the reduction in crew size. It's the first ship that we've designed and will build with such a small crew for that amount of capacity.

The Aegis BMD fleet that we have in place today and our plans to grow the existing fleet, I believe, addresses something that will become very important, as you've pointed out. But, you know, for the program that we have up here for fiscal year '09, my main concern is that we do not in interest of other types of ships go after our combatant lines and disrupt that effort that we have underway in our combatants. Because I consider the combatants to be the most problematic area that I'm dealing with in the Navy right now.

Mr. Secretary, any comment?

WINTER:

Relative to the CGX program, as I believe you're aware, we're in the middle of the AOA, the analysis of alternatives, which leads us into one of our major internal gate reviews within the Department of the Navy. We're focused right now on a number of mission-specific issues there that revolve around, in particular, the radar system on that vessel, the size of it, the capabilities that it must provide, and also future growth potential that we have to make sure we protect in the development of that ship.

I think that the process that we're going through right now is a good one. Recognize it does take a certain period of time to resolve these issues. But I think it's important to lay the groundwork for the future.

SAXTON:

Mr. Chairman, may I just reserve a couple of minutes when we get back to follow-up?

SKELTON:

Absolutely. We have about four minutes to make this vote. And we will take up Mr. Saxton two minutes, and then we'll go to Mr. Ortiz. We will recess for that.

RECESS

SKELTON:

We'll resume and take up where Mr. Saxton left off.

Mr. Saxton?

SAXTON:

Thank you very much.

Admiral, understanding that the first two DDG-1000s were placed under contract just a couple of weeks ago, I believe, far later than was originally planned -- in fact, I think the original plan was to place them under contract in the second quarter -- in the third quarter of '07. And we ended up getting it done in the second quarter of '08, quite a slip.

What would be the impact of a strategic pause in the procurement of the third DDG-1000, which is in this year's budget request and instead using those funds to procure additional DDG-51s and possibly to accelerate the development of CGX technologies? This could allow the Navy to also gain additional costs and schedule performance data for the DDG-1000 before committing to buying a third. And I think you made some good points about wanting to reduce crew size and developing the capability to do that.

Certainly, we can do that in DDG-1001 and two and use the resources that we might use on a postponed DDG-1003. Shipyards have said that they could resume construction of DDG-51s relatively easily. And so, this looks to me to be a common sense alternate route for us to take. What do you think if we postponed the DDG-1003 until '09 or '10?

ROUGHEAD:

Mr. Saxton, as you began your question, what would be the impact of doing that, and as you understand, there are many facets, and it's a fairly complex question that I would like to take for the record, if I may.

SAXTON:

But would you agree that, at least, that it is a common sense, logical alternative?

ROUGHEAD:

I believe that being able to ensure that our combatant capability and capacity that we can maximize that is something that I believe needs to be looked at because the force structure that we have -- and as I mentioned, we don't get to 313 until 2019 -- capacity becomes a capability unto itself. And I am always looking at ways to make sure that we have the capability and capacity that we need.

SAXTON:

Sure.

ROUGHEAD:

And I will defer to the secretary as well.

SAXTON:

Well, if you want to take it for the record, that's fine. But I would hope that you would get back to us in a relatively short period of time because obviously whatever plans we decide to make relative to authorization and later appropriation, we need to have your thoughts, which are very important to us in a relatively short period of time, if that's possible.

ROUGHEAD:

Yes, sir. Yes, sir.

WINTER:

Congressman, I would note that the delay that you referred to was associated with the definitization of the contract, not with the start of the contract. We've been maintaining the course and speed in terms of the actual contract activity. We went through a rather extensive negotiation process to ensure that we understood all of the cost and schedule issues associated with that program and definitized the contract fairly recently.

The activity has been going on. We effectively have a hiatus year in '08 inasmuch as the contracts were started previously in a dual-lead ship approach. And I'm very mindful of the need to be able to maintain the course of activity, not only to ensure that we're able to get the ships to the fleet as needed, but also to avoid any unnecessary perturbations to the industrial base, which I view as very fragile and in need of consistency in terms of effort.

SAXTON:

Mr. Chairman, thank you very much.

SKELTON:

Thank you.
Mr. Ortiz?

ORTIZ:

Thank you, Mr. Chairman.

Mr. Secretary, Admiral, General, thank you so much for your service to our country. We certainly appreciate it.

Like the Army, to meet current demands, the Marine Corps has drawn from prepositioned stocks around the world. These stocks are vital to our rapid deployment capability. Last week the secretary of the Army spoke to the risk that has been assumed in the Army's response time by the consumption of prepositioned stocks coupled with the delay in replenishment and the strain of current operations.

General Conway, how much equipment has been drawn from the Marine Corps prepositioned stock? And at what percentage are they currently filled? And what is the plan and the timeline for restoration of the free stocks that we so definitely need? And what level of risk has been created by the downloads of these stocks? And maybe you can enlighten, not only me, but the committee.

CONWAY:

Yes, sir. Sir, first of all, roughly speaking, about 25 percent of our equipment is in the central region, either in Iraq or in some cases, perhaps soon to be Afghanistan. With regard to our prepositioning stocks, aboard the ships and in the cave in Norway, we have MPS-1 that is currently in retrofit right now. And it's roughly 40 to 50 percent of its capacity is there.

We used it to draw down to provide equipment to the new forces that we are creating. MPS-2 was used to draw down for OIF. And it's at about 50 to 55 percent capacity. A lot of the equipment, when it is retrograded from Iraq, will be evaluated and put back aboard that ship.

MPS-3 is at 100 percent. And it's available for tasking worldwide.

In the caves, we're at about 40 to 50 percent again at this point in terms of equipment sets. There is some risk, of course, associated with that. What we find is that we're not able to fully fit out our battalions who are in the states with the full table of equipment sets. We have to go to what we call training sets in order to be able to allow them to function when they're home on their dwell period and to prepare themselves to go to Iraq.

One technique or one methodology that is fairly dramatically different from what the Army is experiencing, though, is that we leave our equipment in theater, by and large, both with regards to the battalions and the squadrons. And each successive rotation simply falls in on that gear.

Now, some of that gear is cycled out because it gets worn pretty hard and put away wet in some cases. So we have sort of a fresh infusion either of new equipment or of replacement equipment as it wears out. But that's an ongoing effort that our people have been able to manage fairly effectively over the last couple of years now.

ORTIZ:

Because if I can remember correctly, when the Army testified before our committee, they told us that it would take at least until about the year 2011, maybe 2012 to restock the prepositioning elements that we have out there. You know?

CONWAY:

Yes, sir.

ORTIZ:

And it takes time to build. It takes time to refit. And I'm just concerned, you know, with what I've seen and where we're at.

CONWAY:

Yes, sir. Sir, I think it's really hard to provide you a date and time to say we will be well by this date certain because it's a dynamic. We're wearing equipment out even as we sit here today in discussion in Iraq and, again, to be in Afghanistan. We don't know exactly when the crisis is going to end.

I think what we have agreed to with the Army is that there will probably need to be at least a couple of years of what we would call reset monies to be able to determine where we are, what is needed, and either repair old equipment or buy new equipment if we're at that plateau.

ORTIZ:

And one last question. You know, I am concerned with what I have been reading and seeing on TV. And I'm just wondering, should we be concerned with what's happening in Central America now with, you know, the potential conflict there with Columbia and Ecuador and Venezuela? And is this something that we should worry about?

CONWAY:

Well, of course, sir, I think any time you've got nations with friction, it is cause for concern. Not being the international expert here in the crowd, I would simply refer back, I think, to what our boss said recently, Secretary Gates, in that he does not see any immediate concern for conflict there.

ORTIZ:

And the reason I worry about this is because it's right in our own backyard.

CONWAY:

Yes, sir.

ORTIZ:

Thank you. My time is up.

Thank you so much, Mr. Chairman.

SKELTON:

OK.

Mr. Hunter?

HUNTER:

Thank you, Mr. Chairman.

Gentlemen, excuse me for stepping out there during your testimony, Mr. Secretary. Let me ask you. And maybe this question has been asked. But the Navy plan for 313 ships includes 11 carriers. Is that right?

WINTER:

Yes, sir.

HUNTER:

But right now you've got the current plan that also generates a strike fighter shortfall of about 125 aircraft in the 2017 timeframe. Is that right?

WINTER:

We're still reevaluating that based on the service life assessment program, which is going to be coming out here in the next couple months.

HUNTER:

OK. But if, in fact, that occurs, that your current plan is followed, that's 125 aircraft. You've got about 44 aircraft per carrier air wing. So we're really talking about three carrier air wings of being short three carrier air wings, are we not?

ROUGHEAD:

Mr. Hunter, the Navy, the blue portion of the strike fighter shortfall, is 69 airplanes. But what it really does for us is it hampers our ability to generate the air wings at the pace that we need for the fleet response plan.

HUNTER:

Yes, the 125 includes the Marine Corps.

ROUGHEAD:

That's correct, yes, sir.

WINTER (?):

Yes, sir.

HUNTER:

Well now, but again, if you're even (ph) 69, you've got basically a one and a half carrier air wing short, right?

ROUGHEAD:

Right.

HUNTER:

Is that another way of saying that you think we don't need to have 11 carriers?

ROUGHEAD:

No, sir, not at all. What it says is that based on our inventory, the ability for us to generate the number of ready carriers and air wings will be affected by this drop. And that's why I've highlighted that because we have found in recent years that our fleet response plan, the way that we have been able to operate the carriers, has really allowed us to have much more striking power, much more responsiveness to events around the world than we had even a few short years ago.

So as we go into our fiscal year '10 budget, that's going to be one of the top things that we'll be working on. I also think that it's important as we look toward the Joint Strike Fighter that any delays in that program could have the potential to exacerbate that strike fighter shortfall.

HUNTER:

Yes, well, I understand that. And that may well be a problem that you've got. Do we have the ability to increase the production line of the Es and Fs if we have to?

ROUGHEAD:

I believe the ability is there to do that. But again, we want to be able to take a look at our assessment of our current Hornets and then fold in potential solutions as we prepare our fiscal year '10 budget.

HUNTER:

OK.

And lastly, Mr. Secretary, I think it's important for us to look at this very strong production and acquisition of submarines that China's undertaking and that this very static model that we've got or plan that we've got going up even to two boats a year is going to provide us with a very limited force. And I'll tell you what really jumped out at me was when the committee kind of dragged out of the Navy after a lot of consternation this figure as to your warfighting commanders in the Pacific, your submarine commanders who are requesting boats, requesting submarines for missions and the fact that while you met, I think, the critical missions -- you met all the critical missions -- they only met between, I believe it was, 56 and 65 percent -- we only had enough submarines for between 56 and 65 percent of high-priority submarine missions.

That's a lot. That's a big gap. And it doesn't appear to me that we have any -- even mitigating this shortage with your operational changes, it appears to me we're still going to have a major gap in the long-term.

And we're going to have other nations out there that are producing robust fleets of submarines. And we are now shackled with these very high costs in excess well above \$2 billion per attack boat and yet, with a real requirement that we're going to have to meet. Any thoughts on that?

WINTER:

Well, sir, a number of items there. First of all, relative to the immediate issue, as I think you're aware, we've gone through a reallocation of our submarine fleet, our attack fleet, 60/40 split, with 60 percent of that now being in the Pacific to adapt the fleet and ensure it's in the approximate area where we see the principle threats. We're going through a series of activities to ensure that they are a higher availability provided by the fleet in terms of working the individual maintenance availabilities there and improving their deployability.

We're also going through a series of activities to reduce the cost of future submarines, as you're aware, putting in significant new design efforts on the Virginia class, redoing the entire bow section here shortly to be able to continue to drop the cost of that boat down further. That said, I'm pleased that we're able to accelerate one additional boat here in a most recently submitted budget. It was a bit of a squeeze and a little difficult to do, but I think it was on balance the right thing to do.

HUNTER:

OK. Just a last question then.

Admiral Roughead, maybe you can answer this. When we did this hearing on subs here a couple of years ago and we extracted from the Navy this fact that you couldn't get up to any more than 65 percent of high-priority missions being filled with subs -- and we had more than we have now when you add that number. Can you assure the committee that you can get up, with the factors that the secretary's just described, that you can get even to 75 percent of high-priority missions being filled with submarines over the next four to five years, even a 75 percent mission fulfillment?

ROUGHEAD:

If I may, Mr. Hunter, I was the commander in the Pacific, and I relied very heavily on my submarines to meet the missions that we had there. And as you pointed out, we met all of the critical missions. And our submariners do absolutely unbelievable work, and much of which is things that we don't talk about in a venue like this.

HUNTER:

Yes.

ROUGHEAD:

But the missions that come in are missions that are generated every year. So to be able to say what a percentage of the changing requirements by the combatant commanders will be, I'm not sure that we know what is going to be out there.

But that said, our addressal of all of the critical missions and the high-priority missions of which I had insight into and was responsible for apportioning the submarines, I was very

comfortable with where we are, not just for those missions, but also any responses that we had to provide for our submarine force. I was comfortable with that.

That said...

HUNTER:

But now, Admiral, you missed 40 percent of the missions that you requested submarines for if you were running the subs at the time that these numbers were generated. It was that you were missing between 35 and 45 percent of what you classified as...

ROUGHEAD:

No, sir, not what I classified. These are the worldwide combatant commander missions that we were dealing with.

HUNTER:

What the Navy classified as high-priority missions they didn't have enough submarines for. And so, I think it's important for us to develop a plan where we can meet high-priority mission requirements. And I think that when you say, well, we never know where the requirements are going to go, the implication of your question is something wonderful may happen and they may go down.

I don't think in that part of the Pacific where we're shifting some attention now the requirements are going to reduce over the next five to 10 years. Do you see that for submarines?

ROUGHEAD:

In the Pacific, as we have done, we have moved more submarines to the Pacific. We have based our submarines more forward in Guam.

HUNTER:

Why don't we try to have -- maybe get a classified answer, Mr. Chairman, for the committee as to what percentage of these high-priority missions can now be fulfilled as a result of these adjustments, at some point.

ROUGHEAD:

Yes, sir.

HUNTER:

Thank you, Mr. Chairman.

SKELTON:

Without objection, please do.

ROUGHEAD:

OK.

HUNTER:

If you could do that, that would be great.

SKELTON:

Before I call Mr. Taylor, let me express a concern and ask, Mr. Secretary, if you would get back to us at a later moment on the record for this. I'm concerned that the military to civilian conversion in the Navy medical community is included in the '09 budget.

However, last year there was a prohibition in the law of military to civilian conversions and extends until 2012. And I am not quite understanding that situation. Would you get back to me on that on the record later?

WINTER:

We'd be pleased to, sir.

SKELTON:

Thank you.
Mr. Taylor?

TAYLOR:

Thank you, Mr. Chairman.

And, Mr. Secretary, Commandant, Admiral, thank you very much for being here. First off, let me thank all of you for your cooperation in trying to get wounded warriors to the Merchant Marine Academy as instructors and coaches. And I hope that becomes the norm for all of our military academies.

You know, we've tried for a couple of years to work with systems integrators, and that didn't work out very well. The Navy's taking it back in-house. And I'm, for one, frustrated with how slowly things have been developing.

So, Admiral, I'm going to turn things around, and we're going to -- maybe the Seapower Subcommittee is going to become a true systems integrator that's accountable to the taxpayers and the voters. Having said that, I'm intending to propose to the subcommittee that money be included to up-scale a DD-51 hull large enough to carry the nuclear A-1B power plant. And that would be the CGX.

We would limit the number of DD-1000s to two. We would continue the 51 line and go to the nuclear cruiser sooner. And I'd like to hear your thoughts on that. Rather than waiting for you all to come to a proposal to us, we're going to make that proposal to you. And I'd like to hear your thoughts on it.

Secondly, going back to Mr. Hunter's concerns -- and they're very valid concerns -- about some rumor of the Navy going down to 10 carriers. I would think a flat request to go from an 11-carrier task force to 10 would probably be dead on arrival with this committee.

On the other hand, a very good point has been made that you spend about \$2 billion to get an additional two years out of the Enterprise. So if an alternative proposal was made that rather than spending \$2 billion to get an additional two years out of the Enterprise that you would spend that \$2 billion building a large-deck amphib or an additional submarine or the first of the nuclear cruisers, well then, we might have something to talk about.

And I think several members of this committee might feel a little differently at that because tomorrow never seems to get here when we say we're not going to buy it this year, but we'll get to it. Tomorrow just never seems to get here. It certainly hasn't in the case of the LCS.

So I would like to hear your thoughts on those two things. I would also very much like to remind the Commandant that I'm very much aware that your number one unfunded request is the LPD and that we would hope the Marine Corps does its very best to convince the Senate of the importance of that program. We passed it through this committee last year. The appropriators came through.

ROUGHEAD:

Sure did.

TAYLOR:

We didn't get much help out of the Senate. Again, I would hope that you would use your arts of persuasion to get them onboard with that very worthwhile request.

ROUGHEAD:

Yes, sir.

TAYLOR:

Commandant, I'm going to go back to the proposal I made to you and let you tear up my ideas for a change.

ROUGHEAD:

Yes, sir. Mr. Taylor, I always appreciate your ideas and recommendations, particularly as they apply to shipbuilding because I know that you spent a great deal of time studying it and looking for the best way for us to get to our common goal, which is to have more ships in our Navy.

But with respect to the Enterprise funding being used for ship construction, the problem that we have right now is that the \$2.2 billion that we would spend on Enterprise is going to have to come from something already. So that's one of the reasons why the...

TAYLOR:

If I may, Admiral. If this committee continues to tell you you have to do it, then you would have to identify that something.

ROUGHEAD:

Right.

TAYLOR:

So if you've got to identify that something anyway, then I would think -- and you have concerns about spending \$2 billion just to get another two years out of one 50-year-old ship, then I would think a very reasonable alternative to give to this committee -- which a number of members have expressed their concerns about the fleet getting too small. You've expressed your concerns about not having enough combatants -- is to come back and say let me spend that money on a combatant that I'll get 30 years out of.

ROUGHEAD:

Sir. And I just might add that the \$2.2 billion really is seven months of usable service of the carrier.

TAYLOR:

OK. We're making the case even better.

ROUGHEAD:

So it does become a little bit problematic to be able to move money that we don't have.

TAYLOR:

But at the moment, it's your problem.

ROUGHEAD:

Exactly. And I'm not deflecting that at all.

With regard to up-scaling the DDG-51 to a nuclear ship, I've commissioned and have served as a commanding officer of the DDG-51. I'm not a Marine architect or a Marine engineer or a naval architect. But I'm not sure that that hull form can up-scale to that. And I think that...

TAYLOR:

I've got the red light. What I need from you is the cost estimate from Admiral Sullivan what it would cost to make that determination.

ROUGHEAD:

Right. I will do that.

TAYLOR:

and how quickly that determination can be made so we move things along.

ROUGHEAD:

Yes, sir, I'll do that.

TAYLOR:

OK.

Thank you, Mr. Chairman.

SKELTON:

Thank you.

Mr. Bartlett?

BARTLETT:

Thank you.

I'd just like to note that the chairman of our subcommittee has his ranking member's support for these issues.

Gentlemen, thank you all very much for your service. It's supporting you in that service that's a large part of the reason I keep coming back here in my 82nd year of life. Thank you so much for what you do for your country.

It's often overlooked that helicopters are an essential factor in the Navy's ability to project force around the world. For instance, they're involved in search and rescue, medical evacuation,

anti-mine countermeasures. And wouldn't it be nice if they could be involved in swapping the mission packages on the LCS at sea so it doesn't have to steam to port to do that?

As all of you know, several members of this committee have been concerned for some time that the Navy's necking down of business strategy before 9/11, by the way, has left a gap in a critical range of vertical lift capability. I've argued for some time that the Navy should invest in a robust heavy/medium lift helicopter that will provide greater capability than the H-60 alone at far less cost than the super-heavy MH-53, which is several years off, of course.

For instance, the 60 is really compromised in search and rescue. It does not have the range or the dwell time. It's really compromised in medical evacuations. It just isn't big enough for any meaningful airborne emergency room.

It is compromised in anti-mine countermeasures because of the way it must tow. And it's just not big enough to swap off the mission packages on the LCS. As a matter of fact, it's my understanding that it's already failed two of these critical missions.

Admiral Roughead, I shared these concerns with you recently in a private meeting. You assured me that fleet forces command is currently studying this very issue. Would you share with the committee some specifics of this study? What is its scope? Is it a broad, across the enterprise analysis? When will the results of the study be available to the committee?

I have here a presentation you made at -- the service made at 3 October, '07 subcommittee hearing. And you have a timeline there that says that this report was going to be available November of last year. Just when will it be available? Does the study look at the cost and capability benefits of available platforms outside the Navy's current inventory, including how these aircraft could be integrated into a future fleet that includes the LCS and sea basing? Thank you.

ROUGHEAD:

Sir, what the fleet forces command has been asked to do is to determine whether there's a need for a medium lift helicopter. It was driven in part by your interest in our helicopter fleet and where we are going, but also from the standpoint of trying to look ahead in the future to determine what some of the logistics requirements are going to be, the weights of things, for example, such as the engines for the Joint Strike Fighter.

Those are things that we looked ahead and said, you know, let's take a look and see if there is a need for a medium lift helicopter. And that is what they are doing. And that study is to inform us as we develop our fiscal year '10 budget.

BARTLETT:

If the 60 has already failed two of these critical mission tests, isn't that adequate justification to seriously look at a medium lift helicopter? It is true that it has in preliminary tests failed, has it not?

ROUGHEAD:

Sir, I'm going to have to look into that. The reports of failures have not been made to me. And I will get back to you on this.

BARTLETT:

Thank you. Well, we're very concerned that a legitimate business model that was put in place prior to 9/11 is now committing us to a future where our helicopters neck down to just one. I join

later on several years from now by the huge 53, which is too big for a (inaudible) mission -- the most costly per hour plane we fly, I think, is that big helicopter.

And we're concerned that this legitimate business model that made sense prior to 9/11 with the commitments that we now have just really compromises us. and we feel that this needs to have a new look and to put in that long spectrum of priorities. And we think that it just comes high enough to the top that we really do need a medium lift helicopter. You just can't do search and rescue and medical evacuation, anti-mine countermeasures missions or LCS at-sea swap-off with the 60, can you?

ROUGHEAD:

That's what we're looking at, sir, is what do we need for the future. I would say that our 60, our fleet of 60 helicopters and the men and women who fly and operate those helicopters do an incredible job for our Navy in areas such as ASW, search and rescue. We have some of our squadrons that are flying medevacs in combat conditions ashore. So the 60 helicopter is a good airplane. It is serving us well.

The fact, though, that we wanted to look into the future and see what the medium lift requirements would be and what investments we would have to make -- that's what has prompted the tasking to fleet forces command.

BARTLETT:

I thank you.

Thank you, Mr. Chairman.

TAYLOR:

The chair recognizes the gentleman from Arkansas, Dr. Snyder.

SNYDER:

Thank you, Mr. Chairman.

And, gentlemen, thank you for being here. And thank you for your service.

General Conway, yesterday Admiral Fallon was here, the CENTCOM commander. And in response to questions, I think, from both Ms. Sanchez and Mr. Thornberry he said that he needed 2,000 more troops. In addition to the 3,200 Marines that you're in the process of deploying, he said he needed 2,000 more. Do you have the ability to give him 2,000 more troops?

CONWAY:

No, sir, we do not. This employment of 3,400 Marines into Afghanistan will keep us at what I would call surge plus from about, later this month, March through May until such time as we stand down the two battalions of surge forces in Iraq and they're not replaced. That will put us then at eight battalions committed on through October. That keeps us at a surge rate through that period of time where we can expect no better than a one-to-one deployment to dwell.

SNYDER:

Secretary Winter, we've had a lot of statements made over the last several years that we'll respond to the folks on the ground about what they need. Admiral Fallon's testimony sitting right there -- he needs 2,000 more troops. Does it concern you we don't have the ability to find those 2,000 more?

WINTER:

Well, sir, that is a matter of total force management that involves all of the Services. And I think that the Marine Corps has been growing its force to be able to build to the increasing demand.

SNYDER:

Those are all good statements. I agree with that. My question was does it not concern you we don't have the ability to meet this very specific need expressed here. He needs 2,000 more troops today in addition to the 3,200.

WINTER:

I recognize the need.

SNYDER:

It concerns me.

WINTER:

I recognize the desire. I also hope that we're able to get additional support from our coalition partners in Afghanistan.

SNYDER:

General Conway, we had a discussion here yesterday with Admiral Olson on the special forces. And there seems to be a fairly vigorous discussion going on within the Army about who should be responsible ultimately for foreign internal defense, the general purpose forces or their special operations forces. What's the status of that discussion within the Marine Corps?

CONWAY:

Sir, of course the MARSOC, the Marine component to Special Operations Command, is about equally divided between what we call shooters, the MARSOC companies that have routine deployments, and we have one right now in Afghanistan -- and groups that do foreign internal defense, companies that will do that for Admiral Olson. Beyond that, as a part of our growth to 202,000, we have examined the need for what we call a MCTAG, a Marine Corps Training and Advisory Group that could be as much as 1,500, maybe a couple of thousand Marines that would give us that foreign internal defense kind of employment capability in the out-years.

We have not stood that organization up yet. We've only stood up a cadre of about 43 staff NCOs and officers to start to man it up.

In the meantime, I have agreed with Admiral Olson and General Casey and now we include General Mattis at the Joint Forces Command that there needs to be a discussion on who intends to do what. It is somewhat of a growth industry. We realize that there's probably going to be a need in the out-years. The question becomes who does it and to what degree.

The last thing I want to do is spend a couple of thousand of Marines to create a capability who will then sit waiting for the phone to ring. We have better use for those people if, in fact, there's not an agreed upon need on the part of the force providers and at least one combatant commander who would be involved in the employment of those forces.

SNYDER:

My last question, General Conway, is you have, I think, handled yourself very well in your discussions about whether you think Marines ought to participate in Iraq or Afghanistan. You've had a tremendous number of troops overseas. Based on the experience you've had so far as Commandant, where do you see language skills, foreign language skills fitting into this whole -- well, you've got the Long War Send in the Marines. My question is how many of these Marines should be sent in with very high levels of foreign language skills.

CONWAY:

Sure. As you understand completely, you don't grow those people in a short period of time. What we have done is focus on the fact -- and back to your last question. Those types of people, people who would deploy to assist third world nations, are going to need some element of language skills.

The 3,400 Marines that are going into Afghanistan are going to take over 120 interpreters and interrogators with them. So there's obviously a need to be able to fit into the culture and understand what's being said about you either through individual language skills on the part of your Service members or through help that we can gain from different locations.

But we're working on it, it certainly is fair to say. Our language center is at Quantico are emphasizing to our young lieutenants that you need to pick a language, one of four that we will most likely find in probable deployment areas. We've got language instructors at our Command and Staff College. So we're making an across the board effort really to enhance language skills where we have previously been weak.

SNYDER:

Thank you, gentlemen.

TAYLOR:

The chair recognizes the gentlewoman from Virginia, Ms. Drake.

DRAKE:

Thank you, Mr. Chair.

Gentlemen, thank you very much for joining us today.

And, Secretary Winter and Admiral Roughead, I was wondering if you could give us an update on the status of the EIS for Mayport and looking at the nuclear capability if that's something we want to look at and also, the financial analysis that we asked to go along with that. So can you just give us an update, where we are, when we expect any of that?

WINTER:

Yes, ma'am. We're proceeding along the regional schedule. We expect to have the draft EIS out for public comment here in a matter of about a month or so. It is working through its final stages of development. And I expect that that will get us into the next phase of activity, getting the public comment.

It does encompass the full range of options that we talked about last year, everything from no change to the current mission, surface combatant changes, amphibious changes, all the way up to

and including a nuclear carrier. And it does address the range of environmental issues associated with that.

We've also done some preliminary cost analyses associated with the investments that would be required at Mayport. Again, they vary significantly depending upon the specific option that's to be taken. We would not make that specific recommendation, of course, until we are able to factor in both the cost issues and the mission-related aspects that I'll be looking to the CNO to provide a recommendation on.

DRAKE:

Thank you.

Mr. Secretary, I'd also like to ask you. In your opening statement, you said that you needed increased authority to pay bonuses to doctors and nurses. In the law last year in the National Defense Act we authorized up to \$824,000 for signing up for a four-year commitment. So I was just curious if you could clarify for us what else you need.

WINTER:

I'd be happy to give you the details for the record, if I could, please. I think the principle emphasis I was trying to make was the value of those bonuses that we have received authority to utilize.

DRAKE:

OK.

WINTER:

They are providing a significant difference for us. Some of them take a little bit more time to effect the value out. The scholarship programs, in particular, are in that category. But I would note that we're getting some very good benefit out of all of those.

We're approaching that period of time where students in medical school make their major decisions in terms of internship or residency and actually acceptances into medical school as well. Once we see the results of that, which will inform many of these decisions associated with future careers in the Navy, we'll be in a much better position to be able to update our estimated requirements for future special pays and bonuses.

DRAKE:

Thank you. And one last question for you because I think you hear from this committee all the time how committed we are to the 313-ship Navy. We asked for the number. Admiral Mullen gave us the number. And our concern has always been to make sure that that stays on track.

But listening, of course, to the debate and the questions -- and this is a question I've had since I've come to Congress -- I'm sure all three of you would be very happy and welcoming if we could figure out how to give you more money to make sure it stays on track.

WINTER:

Yes, ma'am.

DRAKE:

It boils down to that.

WINTER:

It does boil down to that. I would note that if you take a look at our 30-year shipbuilding plan, where we are right now and the glide slope that we're on to build up to that, we're actually doing pretty well with one exception. We've had to slow down a little bit on the Littoral combat ship, which is a major component of that 313-ship fleet. It's 55 of that 313.

We had hoped to be at a higher rate of production than we believe that we're ready for at this point in time. That said, I think that the approach that we've taken, which is a more gradual development process, more steady development process, gives us a much higher degree, much higher likelihood of success in the overall program activity.

We have authority for one LCS in '08. We're seeking authority and funding for two additional in '09 that will enable us to go out on a three-ship acquisition program, which will maintain the competitive base and enable us to proceed on course to be able to provide this critical capability which is uniquely needed by the Navy. And I'd ask CNO to comment on that need.

ROUGHEAD:

As we've talked before, the Littoral combat ship does not replace something that we have. The Littoral combat ship is addressing a gap in our ability to operate in the Littoral regions in archipelagoes, areas where we need shallow draft, speed, and the ability to reconfigure the ship for the different missions that we'll undertake.

Having commanded in the Atlantic and Pacific, getting that ship into the fleet is one of my highest priorities. And I have visited both of the ships two times in the last eight months. And I remain more committed to that ship than I was when we began.

DRAKE:

Thank you.

Thank you, Mr. Chairman. I yield back.

TAYLOR:

The chair recognizes the gentleman from North Carolina, Mr. McIntyre.

MCINTYRE:

Thank you, Mr. Chairman.

And thanks to all of you gentlemen for your commitment and your service to our nation. We're very proud of you and your work.

General Conway, I was excited, as I mentioned to you before the hearing, to be at the groundbreaking of MARSOC at Camp Lejeune a couple of weeks ago. We're very proud of the special forces being set up there at Camp Lejeune and the growth of the Marine Corps that I know is going to continue at Camp Lejeune. And we see that as part of a greater growth in Eastern North Carolina with BRAC and what's happening on the other end of my district at Fort Bragg as well.

Secretary Winter and Admiral Roughead, we are very excited about your coming to Wilmington for the commissioning of the newest Virginia class attack submarine, the North Carolina, the first weekend in May. And I'm sure we're going to have an outstanding crowd of folks there to welcome you and to show our pride in the Navy and the new North Carolina.

And I want to ask you, gentlemen, if you could answer me a question. I know a concern about this was expressed by your predecessor, Admiral Roughead, and some others on the Joint Chiefs in the past about what is being done to counter China's growing fleet and what is our strategy to deal with counter-balancing China in the Pacific.

There has been a great concern about this kind of being, if you will, overlooked or ignored somewhat because of the emphasis we obviously have in the global war on terrorism and what's going on in Afghanistan and Iraq. But can you tell us what attention is being paid to the China fleet and what we're doing to counter-balance that?

ROUGHEAD:

Yes, sir. Having been the Pacific fleet commander and having served in the Pacific for several years, watching the evolution of China's navy has been of great professional interest to me and then obviously in my positions out there, of great import to the Navy. There is no question that China is building a navy that is increasing in sophistication and capacity. It is a navy that is focusing more on being able to influence events in the region and then being able to move on to the global stage.

As I watch what they are buying, what they are building, that's one component of watching the PLA Navy. But the other is their leadership and the expertise and competence of the leadership. I've had the opportunity to meet with several of the PLA Navy leaders. And it is clear to me that they have a path that they see for their navy.

It is a path that does not necessarily end with them being a threat. But it is a navy that, I believe, will have greater influence in the Pacific and then also moving into the Indian Ocean regions.

The key for us is to be able to engage with that leadership to gauge the intent, not only of the PLA Navy, but the PLA and to have a relationship that allows us to see where they are taking their navy and how competent that navy is. As you know, we have shifted force structure into the Pacific, carriers and submarines. But I would submit that that's not simply because of a rising PLA Navy.

It is because that is part of the world, that and the Indian Ocean region and the Arabian Gulf, where our prosperity hinges on. And that is the reason why I believe a rebalancing of the fleet into those areas where we can respond, where we can be present is so important. And it is from that response and presence that I am committed to the 313-ship Navy because of our need to be able to cover the many requirements that are there, not simply at the high end of naval capability, but also to be able to work with some of the other countries.

MCINTYRE:

Thank you very much. Is it fair to say that the Navy is embracing missile defense as a core mission? I welcome your comments or the secretary's on that.

ROUGHEAD:

I see it as being a core mission of the United States Navy. We have had great success. I believe the shooting down of the satellite three weeks ago demonstrates the competence, the fact that our ballistic missile capability exists within our operational Navy. It is not a science project that's been going on.

These are our sailors who are out there that were able to take on that mission, a very complex mission, and succeed on the first shot. I believe that with the proliferation of ballistic missiles

around the world that ballistic missile defense and the flexibility that a maritime ballistic missile defense provides is a good solution for the country.

MCINTYRE:

Thank you.

WINTER:

I would add that, building on the last point of the CNO's, that the flexibility that we have operating from a naval platform to be able to pick the geometry of our choosing has significant leverage in terms of the efficacy of any deployed system. When you add that to the capabilities that we've been able to build into the Aegis system, I think you have a unique and very significant way of enhancing the force posture of the United States.

MCINTYRE:

Thank you. I see my time is up.

Thank you, Mr. Chairman.

TAYLOR:

The chair recognizes the gentleman from Arizona, Mr. Franks.

FRANKS:

Well, thank you, Mr. Chairman.

And as always, thank all of you for what you mean to this country and allowing us to sit here in peace and have these kinds of conversations.

You know, Admiral Roughead, your comments and Mr. McIntyre's questions related to the missile defense, which kind of leads perfectly. I know you've been congratulated a number of times here today on your successful shoot-down of the satellite. And I just congratulate, you know, those on the USS Lake Erie and the USS Decatur and the USS Russell as well.

And I had hoped that the Shiloh would be the one that shoots it down because I had just toured the Shiloh in Japan with my friends, Mr. Akin and Mr. Larson and Ms. Tauscher. And, of course, it was a magnificent display.

We've worked with Japan to see their first shoot-down in December themselves. I mean, I know that they've done things with us in coordinating it, but to do that themselves shows that they had a very good teacher. And so, I just can't express to you just how good you make a lot of us feel to be Americans and how proud we are of you.

With that said, you know, Dr. Winter and Admiral Roughead and General Conway, I'm confident that we -- I believe we're going to win this long war related to terrorism because of, you know, the warriors like yourselves at the helm of the sea Services. And I guess my concern is your ability to reset and prepare for the future while you're fighting and while we're securing the peace in that regard.

And so, Dr. Winter and Admiral, your reset needs look to be about \$10.9 billion, and your unfunded requirements, about \$4.6 billion.

And, General Conway, your reset requirements look to be about \$4.7 billion, and your unfunded requirements at about \$3 billion. And today the defense budget represents slightly -- well, significantly less than 4 percent of the gross domestic product and slightly more when you add the supplemental appropriations. But that's a historic low for our nation, even so.

And so, I'd ask General Conway and, well, anyone that wants to -- but both Admiral Roughead and General Conway, I'd ask both of you, in the long run will the defense spending set at a minimum of 4 percent of GDP be enough to satisfy and fund all the things that you must do to maintain and reset the U.S. Navy.

And, Admiral Roughead, I'd start with you.

ROUGHEAD:

Yes, sir.

FRANKS:

Will 4 percent GDP be enough?

ROUGHEAD:

Yes, sir. I believe 4 percent is a good approximation and a good bar, if you will. But I also believe that it's important to not peg exactly to 4 percent because we don't know what the future holds. We don't know what the challenges will be to our security and our prosperity.

And I believe what is important is that we are able to look at what that future is, what we believe we need to provide the country. And then we budget to that amount. It has a potential to be a double-edged sword.

FRANKS:

I know it does.

And, General Conway, I'll direct the question to you as well. I just think that, you know, what happens is there's always this discussion about a peace dividend after any conflict. And it seemed like the Services always are the ones that are called upon to take the hit. And yet, if we are considered in the world as a hollow force, it costs us so much more in the long run.

I mean, 9/11 cost us, hit our economy for somewhere in the neighborhood of \$1 trillion. And it just occurs to me that, you know, a secure country is a very prosperous country.

So, General Conway -- and let me rephrase it as a minimum floor, is 4 percent GDP a good policy for this country, in your mind, sir. And will it meet the needs with obviously the desire to respond with higher amounts if necessary.

CONWAY:

Sir, I would highlight...

FRANKS:

(inaudible) the predictability.

CONWAY:

I would highlight first of all that we are in war, and this is going to be, I think, a generational struggle. And 4 percent represents about half the lowest we have seen previously in any war in terms of portion of GNP. My concern is that we have been treated very well with regard to our reset. Our total costs have actually exceeded over \$15 billion. But the Congress has been very good about staying up. And we're confident about the rest of that.

My concern about my particular Service is that through delays in the Osprey and through the EFV through some developmental concerns, we have a lot of bills coming due all at the same

time here in just a few years. The Osprey, the EFV, the Joint Strike Fighter, the remnants of the Cobra and the Huey. All those things are going to come at us all at about the same time.

And as a member of the Joint Chiefs, I am concerned about the size of our Navy and about the age of our Air Force. So there are a lot of things out there, sir, in the future that are going to pressurize the amount of money that we have today. And I'm not sure 4 percent will be enough, quite frankly.

FRANKS:

I appreciate your candor. Thank you.

TAYLOR:

I recognize the gentleman from Connecticut.

COURTNEY:

Thank you, Mr. Chairman.

And I want to thank the witnesses for their endurance here today.

Secretary Winter, I just want to attest to the fact that your Chief of Naval Operations is such a hands-on leader that he was in charge of flooding the graving dock up at Electric Boat about two weeks ago for the USS New Hampshire.

WINTER:

So noted, sir.

COURTNEY:

And so far, it's still...

ROUGHEAD:

I had a good partner to do it.

COURTNEY:

That's right. So thank you again for your appearance here today.

Following up on Chairman Skelton's comment earlier about the fact that Congress in the past historically has helped sometimes set the pace in terms of a nuclear Navy and special operations. I think last year's budget where the Seapower Subcommittee under Mr. Taylor's leadership set the pace in terms of an advanced procurement towards a second submarine, the \$588 million that we were able to get through the process.

And again, I want to thank Secretary Winter for giving us the road map in terms of how to get to that point, which, I think, he had to step out a little bit in terms of the budget that you were presenting to us at the time.

So again, thank you for your help. But I did want to sort of follow-up on sort of a question that's begged from that, which is why did the Navy decide to use that advanced procurement towards a 2011 two-sub a year pace as opposed to 2010?

WINTER:

Thank you for the question, sir. Really, two reasons. First of all, we didn't want to go to two a year and then back to one a year and then up to two a year, just afraid of the perturbation that that

would create for the industrial base. We could not afford within the budgetary constraints that we're working in two additional submarines.

Second of all, we are entering into a period here where we have some significant cost savings that we're starting to accrue based on some of the investments that have been made in the Virginia class program. We want to be able to affect as many of those as is possible.

The new bow redesign, for example, is a very significant modification. I believe it's going to provide us with a lot of value for the future. We want to be able to take full advantage of those design activities and the reduction to practice on the overall Virginia program. And those were the two reasons why we put that submarine in 2011.

COURTNEY:

And obviously, again, Mr. Taylor has a lot of balls he's juggling in terms of trying to get a budget and an authorization through this year. Do you have any suggestions or ideas about ways that we can, again, take the progress that we accomplished last year and use it, you know, with the goal of reducing the construction period for the 2011 sub, again, in terms of what we can do this year, maybe not with as large a step as last years? But again, is there a way that we can, I guess, keep the momentum going forward?

WINTER:

Well, I think one of the areas that I'm particularly focused on is the continuing need to be able to motivate the contractors to reinvest in their capital plants. And I think that investment in those areas provide us with significant long-term benefits.

I think that the Virginia class program has been a good leader in that regard. I'd like to see further options being developed in that regard. And I'd also like to see that construct, if you will, expanded throughout the rest of the shipbuilding activity with some of the additional flexibility that we would need to be able to take advantage of it.

I am also, I will tell you, having started the reevaluation of what we need for the SSVN class replacement recognizing that that's coming out a number of years from now. But that is a significant effort we are going to be bringing forward as part of the 2010 POM the initial phases of that activity.

Right now it's principally an effort between Navy and STRATCOM to develop the overall requirements for that. But I think that that will also generate some significant pressures for a new generation, if you will, of submarine designers and facilitating the, if you will, inter- generational transfer of knowledge and experience between those who have helped us in terms of designing the L.A. class Seawolf in Virginia as well as Ohio into the next generation that we're going to need to be able to continue this effort all the way through to the Ohio class replacement is going to be a critical factor.

COURTNEY:

My time is about to run out, and maybe we can follow- up again afterwards.

WINTER:

I'd be so pleased.

COURTNEY:

But there was again, some of that '09 money last year or '08 money last year was for advanced funding for construction. And that's sort of, I guess, the question I'd like to explore further with you about ways to, like I said, keep the momentum going with the advance last year.

WINTER:

I'll be pleased to have that discussion with you.

COURTNEY:

Thank you, Mr. Secretary.

WINTER:

Thank you.

COURTNEY:

Thank you to the witnesses.

TAYLOR:

The chair recognizes the gentleman from Texas, Mr. Conaway.

CONAWAY:

Thank you, Mr. Chairman.

Welcome, gentlemen. Appreciate your service to our country.

General Conway, one of the traditional core competencies of the Corps is the amphibious landings opposed, I guess, under fire. You mentioned briefly the EFVs. And could you talk to me a little bit about just when is the last time we looked at is that a competency that the Marine Corps really needs to have?

In other words, over the next 20 years, do we look like we're going to have those kinds of fights where we'd need to have an awful lot of money put into the gear to be able to do that? And then talk to us a little bit about the struggles with the EFV in terms of continued mission creep and adding weight to it and all those kinds of things.

CONWAY:

Sir, let me start by saying if you have a visual of the Tarawa landing beach, you have the wrong impression in mind of how we would intend to do future amphibious operations. We would intend to go where the Navy is not. We would intend to go deep across the beach with the Ospreys. But the Expeditionary Fighting Vehicle is a vital part of that.

The Navy rightfully will not go closer than about 25 miles to an enemy shore because of the anti-access systems and the potential destruction of Marines, sailors, and ships costing billions of dollars. So we have to somehow bridge that difference.

We have a vehicle right now that ostensibly could swim. Although the sea states would make that exceedingly difficult. But it would be four to five hours getting to shore, and Marines would be in no condition to fight.

So we need that type of vehicle that can get up on top of the waves at 25 to 30 knots and get us quickly in to start doing the work that must be done. I think that there's a lot of blue out there on that map in the arc of instability and that although, you know, we've been fortunate in years past

that there was a host nation willing to accept the buildup and then willing to let us cross their border.

The probability of that being present in every case in the future is not likely. And so, I do think that there will continue to be for this superpower nation an ability to have a forcible entry capability.

CONAWAY:

OK. But you talk about justifying the EFV. What are the struggles to getting it operational?

CONWAY:

Sir, we've had some reliability concerns. I fault our Service. I fault the vendor for doing reliability tests on vehicles, six vehicles, that were already past their service life expectancy. So I personally don't believe that the program or the vehicle that's associated with the program is in as bad shape as perhaps those tests might represent.

The Secretary of the Navy -- and I hope you'll comment, sir -- has been very active in trying to look at stimulation and making sure that we've got the right model for the vehicle as such. But I tend to believe that the program is substantially back on track, delayed some. And that makes me uncomfortable because we need it today. But nevertheless, it will be the vehicle of our future.

By the way, sir, if I could add, I'm going to China at the end of the month. I'll ride on one of their new amphibians and come ashore on their EFV.

WINTER:

Sir, just a build on the Commandant's comment there. When we went through the initial evaluation phase late last year -- excuse me, early last year, the EFV passed a vast majority of its required objectives. The one area that, as the Commandant pointed out, we had some significant problems had to do with the reliability. This is a fairly complex vehicle. It has a number of systems, a number of potential failure points.

We made the decision that rather than to proceed into production with a vehicle that might pose problems in terms of maintaining that vehicle and providing the availability on a seaborne platform that we would enter into a period of time where we would make an investment to design for reliability, to go through and analyze the vulnerabilities from a reliability perspective on the platform to make the changes that are need and to ensure that we have a design which is both reliable and maintainable before we go into production.

I believe we're making very good progress in that regard. We have a preliminary design review coming up here very shortly this spring and a critical design review that will follow that.

CONAWAY:

OK. I had one other real quick one, Mr. Secretary and a follow-up for the general. You mentioned that he said the six that were tested were beyond their useful life, which I'll get back with you on understanding how we had something that's being tested that's already worn out. But to get to 313 ships, how many new ships does that -- I mean, do we decommission any of the current fleet to get to the 313? How many total new ships does that represent?

ROUGHEAD:

As we drive to 313, it's a combination of those that we're building and as ships reach the end of their life, they come out.

CONAWAY:

Right.

ROUGHEAD:

It is important that we get our modernization program in place.

CONAWAY:

Well, just 39 is different. Is that just the total number of new ships that'll be built between now and 2019?

ROUGHEAD:

I'll get back to you on the exact because it's a mix of going away, coming in.

CONAWAY:

OK.

SKELTON:

I thank the gentleman.
Mr. Larsen?

LARSEN:

Thank you, Mr. Chairman.
General Conway, I want to know what that ride is like.

CONWAY:

It's actually surprisingly smooth, sir.

LARSEN:

If you could get back to us about the Chinese EFV, that'd be great.

CONWAY:

Yes, sir.

LARSEN:

Thanks.

Secretary Winter and Admiral Roughead, I'd give you a heads up on my question. If you could let the committee know the answer to the question, and now (ph) I'll preface it.

The Navy and the Air Force had an MOU that expires in, I think, '12 with regards to the use of your expeditionary airplanes for radar jamming. And that MOU goes to 2012 with the assumption that the Air Force is going to follow-up, I think, and have a stand-off jammer in place. That's not going to happen. And this conversation is about where the Air Force is going with the core component jammer in this next generation jammer. Conversation is going on between Navy and Air Force.

But the question is what happens at 2012 and we've got the air wings, we've got the carrier-based prowlers, soon to be prowlers, which are already high-demand, low-density. And yet, it's

the capability that we have, that the military has. I think the concern is that it's going to be higher demand and lower density post 2012 until such time as an answer for the Air Force. What happens between 2012 and that time when the Air Force gets an answer about their jamming capabilities?

WINTER:

Well, sir, let me try to go through the status here right now. We are dependent on the EA-6Bs. That is the only electronic attack mechanism we have right now in theater. They're being used very extensively. They're doing extremely well. But we are concerned about replenishing them on schedule, given the service life limitations that we see on that platform.

The build that we have put forward, which includes 22 Growlers in this year's budget in addition to the five that we requested in the '08 supplemental, is all based on what we think is the appropriate glide slope to replace the EA-6Bs and also based on the latest analysis that says that we need a total fleet of 84 Growlers to be able to accomplish the mission.

I will note that that analysis was based on the presumption, as you noted, that the Air Force was able to provide a stand-off jammer capability of their own to supplement those Growlers. One of the things we'll be looking at as part of the POM '10 development here in the next few months is to ensure that we understand what the Air Force plans are or are not and to ensure that we take that into account in terms of any necessary change to the fleet sizing for the Growlers in the future.

LARSEN:

So I could summarize it, first off, I do not want to put the Air Force on the spot. We've talked to the Air Force about this as well. It's a broader issue in the Air Force about recapitalization and the available resources they have to do what they want to do. So I want to appreciate their problem.

But to paraphrase, you said that at some point -- right now you're looking at and at some point you will have to make a decision about whether 84 Growlers or 85 Growlers or 86, something greater than 84 might be necessary to address the full mission needs of the radar jamming capabilities of the military.

WINTER:

Yes, sir. And I do believe we'll make a -- we'll take a crack at that as part of the 2010 POM.

LARSEN:

You will.
Admiral Roughead?

ROUGHEAD:

Yes, sir, exactly right. And as you know, our electronic attack is being used in ways we never envisioned.

LARSEN:

Right.

ROUGHEAD:

And I believe it will be important as we go into the 2010 POM that there be a realization of what that usage is likely to be and how the joint force comes at it. It will be important.

LARSEN:

Thanks. And one more question. Your number one unfunded priority is P-3 wings.

ROUGHEAD:

Yes, sir.

LARSEN:

Can you discuss the current status then of the P-3s and what dollar amounts you're looking for and how you're addressing the current fact that you've grounded, what, a third or so of the P-3s?

ROUGHEAD:

Yes, sir. The grounding actually accounts for about a quarter of the fleet and about a quarter of the operational P-3s that we have out.

LARSEN:

OK.

ROUGHEAD:

What has happened is we've been putting a lot of hours on those airplanes. They are beyond their flight life. But because we've been able to monitor the usage, we have a good sense of what the work will entail. We estimate that in '08 we'll need \$364 million and then in '09, \$312 million to fix that.

LARSEN:

So, just to clarify, \$364 million and the rest of '08, presumably you're requesting that in supplementals?

ROUGHEAD:

Yes, sir. Yes, sir, we will.

LARSEN:

And then \$300 and...

ROUGHEAD:

\$312 million in '09.

LARSEN:

In '09? And that's not in the budget.

ROUGHEAD:

No, sir, that's not.

LARSEN:

Thank you.

SKELTON:

Thank the gentleman.

The gentleman from South Carolina, Mr. Wilson?

WILSON:

Thank you, Mr. Chairman.

And thank you, Mr. Secretary, Admiral, General. I appreciate your service so much. I am particularly grateful that I have a son who is serving in the Navy. And he was trained by Admiral Routhead. So I'm very grateful for this. And indeed, our family is grateful that he has had the privilege of serving with our troops in Iraq.

Additionally, I'm very grateful that I represent Parris Island, the Marine air station, the Beaufort Naval Hospital. We've got wonderful facilities with wonderful people and a community that truly loves persons of military service.

Additionally, last weekend -- I want to give you a firsthand report -- I had the privilege of visiting with our Navy and Marine personnel in Iraq and Afghanistan and also at Landstuhl. It was incredible.

In Iraq I had the opportunity, General, to ride my first MV-22. It was like a rocket. And I just want to commend all of you for your persistence in perfecting the Osprey and what it means for the protection of our troops.

We went to Fallujah. I was with the Marines as we were able to walk the market at Haditha where through interpreters citizens thanked the Marines for liberating them and keeping them safe. It was really a heartwarming experience.

In Afghanistan I had the opportunity to visit with Navy personnel who I'm really grateful are serving with PRTs. We were in Osadabad (ph). The Navy lieutenant there was just bursting with pride at the bridge that he is building there. And it just made me proud. And I agree with Congressman Franks. We're going to win the war against terrorism.

I spent my whole life being told that we could not defeat Communism. But we did. And I have the same feeling of what you are doing today.

As we prepare, also in Iraq, I had the privilege of riding in an MRAP Cougar. And what a phenomenal vehicle that is.

And, Mr. Secretary, I note that at SPAWAR they now are up to about 1,000 a month that they can process with the government- configured equipment. Is this now a working system? I want the MRAPs to our Marines as quickly as possible.

WINTER:

Well, sir, thank you for the question. I think we've gone a long way to building up the industrial base to support the MRAP production and deployment. That includes not only a number of manufacturers that have been producing the basic vehicle, but, as you noted, the SPAWAR activity that is integrating the government- furnished equipment, the communications navigation gear and all the other specialty equipment that goes onto those vehicles.

I think we're now at a very good production rate. And we are actually shipping a large number of them on a weekly basis. We fully expect that we'll be able to meet the buildout objectives that have been established by the joint force. The Marine Corps is in particularly good shape, given the recent adjustments in terms of the requirements that have come forward.

We still have a ways to go as the joint service provider of this equipment to satisfy some of the Army requirements. And we're endeavoring to do that.

WILSON:

And, General Conway, the Marine Corps, we're very grateful, trains more than half of its recruits at Parris Island, including all the women who serve in the Marine Corps.

CONWAY:

That's right, sir.

WILSON:

We welcome more. And, in fact, with F.Y. '09 adding 5,000 more Marines with additional Marines, is there anything that we of this committee need to do to help with infrastructure at Parris Island? Or what's the status?

CONWAY:

Sir, we feel pretty good about it. When I was visiting there last, we talked about extending some of the old barracks that were there, that are there that we thought would be torn down. I think we're probably going to extend their life cycle them. But they're suitable barracks. They will serve a good purpose.

Where we need additional structure, and that will be during the summertime, of course, when we're training our high school graduates, we may need some temporary additional structures. But that money is laid in and is being provided for.

WILSON:

Well, I want to assure you for the facilities we have, we have the right climate in South Carolina, meteorologically. And the people are warm. So you're welcome to expand. Thank you very much for your service.

CONWAY:

Thank you, sir.

SKELTON:

Thank the gentleman.

The gentlelady from Guam, Ms. Bordallo?

BORDALLO:

Thank you very much, Mr. Chairman. And thank you for including the importance of the military buildup on Guam in your opening statement.

Mr. Wilson, you can have a few Marines, but we want the rest, the most of them. And we have warm climate and hospitable people in Guam as well.

Secretary Winter and Admiral Roughead, I want to thank you for your testimony this morning and your leadership at the helm of the Department of the Navy.

And, of course, welcome to General Conway. You know that our community is actively preparing and planning to welcome an increase in the Marine Corps presence over the next five to six year.

Leadership from military commanders on our island is very critical for the success of the civilian/military partnership and ultimately, the overall military buildup. And I want to let you know that Admiral French is providing strong leadership as the commander of the naval forces, Marianas. I have a few questions, though, this morning regarding the prioritization of Guam initiatives and projects within the Navy's budget and at the decision making level inside the Pentagon.

Secretary Winter, I am concerned about the level of fiscal year 2009 MILCON funding requested for Guam. The president's budget has programmed \$169 million of military construction work, which is about a 26 percent decrease, decrease in military construction spending on Guam over fiscal year 2008 levels.

In conversations with officials from the Joint Guam Program Office and the Naval Forces Engineering Command, it was understood that Guam has significant construction capacity constraints. And as such, the military construction funding would need to be ramped up in the years prior to the bulk of the realignment projects to avoid challenges and pressures in the future.

I was surprised at this year's decrease in the funding in the president's budget request. So I would like to have you comment on this. And if the Navy decreased its military construction dollars, was there an effort to work with the Air Force to ramp up their construction dollars since they have a nearly \$700 million unfunded requirement at Anderson Air Force Base?

Their environmental impact statements are complete for the bulk of these projects. Is that an issue that would be coordinated through the Joint Guam Program Office? And if these projects are not better addressed and if there is not more balance across these MILCON budget requests, I'm afraid the departments are setting themselves up for a pressure situation and a failure in some aspects.

The construction capacity is limited, and significant activity at both installations is going to be difficult to manage all at one time in the out-years without a gradual ramp-up. We don't want delays. So I would appreciate your comments on this situation.

WINTER:

Well, thank you for the question, Madam. Relative to the overall buildup activity, as you know, our principle effort right now is in two areas, one of which has to do with the development of the joint military master plan for Guam, and the other is to develop the environmental impact analyses that go along with it, which give us the authority to be able to do construction.

We're still roughly two years away from the completion of that environmental impact study. And so, our ability to do any construction activities that are tied to that particular effort to the move of Marines from Okinawa to Guam is very limited at this point. We are endeavoring to complete out all the other activities in an appropriate course of speed.

The three activities that constitute the mainstay of the \$160 million that you refer to include the modification of the pier, the infrastructure investments for waste water treatment, and I believe some barracks' enhancements as well. Those are all part of what had previously been approved and is part of our planned program.

We're going to continue to try to work that, and we're going to continue to try to make this as smooth as possible a transition. But we are limited by the current law relative to what we can do prior to the completion of the EIS that encompasses all of the construction activities associated with the move of the Marines.

BORDALLO:

So what you're saying then, Mr. Secretary, is that we should see large increases by 2010, 2011 after the EIS is completed?

WINTER:

Yes, ma'am. Once the EIS is completed -- and we'll be programming for that completion in the appropriate time period -- then we will be able to lay in the construction activities appropriately.

BORDALLO:

I have another question for you, Mr. Secretary. Just last week, the president's interagency group on insular areas, known as the IGIA, convened for its annual meeting here in Washington. Following the IGIA meeting, the Guam Interagency Task Force met to discuss their progress on various aspects affecting the military buildup on Guam.

And the charge of this task force is to work across the spectrum of federal agencies to help our government validate and identify federal funding sources to prepare for the military buildup. However, many of our local leaders, myself included, are frustrated by these meetings because while many issues have been identified, little action has been taken to date by the group by the way of a resolution or a road map for budget support as we go forward.

So can you, please, comment on what steps the Department of Navy is taking to address these concerns? And are these concerns being raised to higher levels with the Department of Defense or even at the Cabinet level?

WINTER:

Well, thank you, ma'am.

SKELTON:

Please answer the important question.

WINTER:

Thank you, sir. I recently met with Secretary Ken Thorne (ph), who has the responsibility for the interagency coordination. We are working together to be able to escalate this matter up to appropriate principles level discussions within the interagency. And I fully expect that we will be successful in getting the level of attention that the matter requires.

BORDALLO:

Thank you. Mr. Secretary, you know, we truly need to work as partners in this buildup. And like I say, I have a massive job here to work between the federal government and the local government. And so, we would certainly appreciate any cooperation that you can give in this respect.

Also, on the EIS question...

SKELTON:

The gentlelady's time has expired. There will be a second round in just a moment.

BORDALLO:

Second round? OK.

SKELTON:

The gentleman from Pennsylvania?

SHUSTER:

Thanks, Mr. Chairman.

Good afternoon. A couple quick questions.

Mr. Secretary, there's an 11th and 12th TAKE in the budget. The Congress funded the 11th TAKE last year. Why are you asking for money again for the 11th TAKE?

WINTER:

Sir, what transpired is as we had to restructure the TAKE program to reflect some significant increases in raw materials that had drive the cost of the earlier TAKES up. We used the funds that had been appropriated in F.Y. '08 to complete the...

SHUSTER:

How much money was that, sir?

WINTER:

I'd have to get back to you on the specific dollars.

SHUSTER:

I understood it was like about \$225 million. So you used that money for cost overruns?

WINTER:

That was used for two purposes, one of which was to complete the funding on TAKE 10 and also to initiate the advanced procurement activities on TAKE 11.

SHUSTER:

Sir, my second question is that in this fund, the National Sealift Defense Fund, you're able to move this money around, contrary to if you buy a ship in the other funds. My question, I guess, is you have an amphibious assault ship in the NSDF funding. It's the new MPFF ship. For all intents and purposes, it's an LHA.

The SASC staff had recommended, said that this was against U.S. code to place this vessel, because it's a combat vessel, into the NSDF fund. And it should be placed in the regular shipbuilding procurement in a sense so that Congress has oversight before money is fungibly moved back and forth. Why didn't we follow that recommendation?

WINTER:

Sir, I'd have to get back to you on that question.

SHUSTER:

I bring that up because it just seems to me that if we are having MPFF, not the TAKES, but the amphibious assault type of craft, potentially Congress should look at pulling that back over into the regular shipbuilding procurement because you are able to move money fairly fungibly in the

NSDF fund and not with these strictures from the congressional oversight. How come they dropped out the 13th and 14th TAKE, Mr. Secretary or CNO, that's not in the budget this year?

WINTER:

That is subject to the final decision on the MPFF structure. That is something that we are currently under study and examination, expect to fully reflect...

SHUSTER:

But then why didn't you take all the ships that are in the MPFF concept out of the budget? Why just those two? Why not the LHA and the others?

WINTER:

Sir...

SHUSTER:

I guess my questions have to do with this. The Navy has historically been terrific, 5 percent cost overruns. And yet we've had LPD, LCS, we've talked, DDG or, you know, 1000 upwards of 100 percent. Last year your 30-year shipbuilding plan said it would cost \$16 billion per year. This year when you submitted the 30-year shipbuilding plan, it said it will cost \$22 billion per year. Correct?

WINTER:

It depends upon the reference years, but there has been...

SHUSTER:

Yes, sir. If you take the first five or six years, it's only \$19 billion or whatever, 9 percent. But overall, your present procurement budget for shipbuilding is \$11 billion. That means you're asking for twice the same amount of money for shipboard procurement.

The Army is procuring more money, more of its program in the emergency supplemental than it is in the regular budget. You don't even include the 12 SSBNs in that 30-year shipbuilding plan. I guess my concern is several, that this effort -- I think Mr. Duncan Hunter said it -- but this effort to get shipbuilding to a certain number is going to take at least a doubling of the procurement, from what I see.

And potentially with these cost overruns, I don't know if it's best to have some of these assault vessels in the NDSF fund. And finally, why don't we have the 12 SSBNs in the 30-year shipbuilding plan?

WINTER:

Well, sir, a number of questions there. The SSBNs, as I mentioned earlier today, we're just right now starting the initial study, the requirements definitions for the future deterrent force. We've just initiated that activity in conjunction with STRATCOM. There are a number of open issues there. And it's also some time to work that.

We're talking about construction starts in the 2019 time period. So we do have the time to work out through these issues. That said, it's a very complex set of issues involving not only the...

SHUSTER:

I wasn't talking.
Thanks, Mr. Secretary.

WINTER:
Thank you.

SKELTON:
Please finish your answer, Mr. Secretary.

WINTER:
It involves the warheads, the missiles, and the boats themselves. At this point in time, the analyses of the boats, the ships that would be required for construction is so immature that any cost estimate that we put in would be very -- of questionable utility. And so, we elected not to put in just a placeholder.

SHUSTER:
Yes, sir. Thank you.

SKELTON:
The gentlelady wants a second round. The gentlelady from Guam?

BORDALLO:
Thank you. Thank you very much.

SKELTON:
And just a minute.
Mr. Sestak, we will have a second round if you and Mr. Taylor wish to have additional questions.

BORDALLO:
I just have two short questions.
Mr. Secretary, another for you. I want to emphasize the concern regarding the EIS for the Guam buildup. We were speaking about it earlier.
2008 is a pivotal year for planning and the EIS. Yet I am aware that cooperating agencies lack the funding needed to undertake the research and provide the baseline data needed to analyze the alternatives as part of this process. Specifically, for example -- and I am the chair of the subcommittee on Fisheries -- the National Marine Fishery Service is stretched thin, has many priorities in the Pacific region, and internally lacks the resources required to fully participate in the EIS.

I want to register my concern and urge the Department of Navy to help fund the work by the cooperating agencies. Can you comment on the status of cooperation and funding support between the Navy and cooperating agencies on the Guam EIS?

WINTER:
Thank you, ma'am. We are working together very closely, I believe, to identify the specific actions that need to take place and also to motivate the other agencies to engage and provide the

appropriate people at the right times to be able to do this. But it is their responsibility to provide the funding for those activities.

In many cases, the issue is as much the availability of key people as it is the financial resources. We're trying to motivate this through the interagency working group that has been established. I think we've gone a long way towards making it clear and communicating what the needs are there. And I think that the process of escalation that Secretary Ken Thorne (ph) has been helping with will further that objective.

BORDALLO:

Thank you. And this is not a question, but I hope we are looking at green building and alternative energy in this buildup. And this has to do with all of our witnesses, as we go along.

And then one last question to Admiral Roughead. In your prepared statement, you state that the Navy continues to review current and alternative carrier ports to ensure the strategic Navy force disposition. Is this a general ongoing review or a specific study or analysis? And if the latter, what is the timeline for the completion of this? And does this review include potential CVN home porting in Guam and/or Mayport, Florida?

ROUGHEAD:

Thank you, ma'am. What we are doing is to look at our fleet today and determine where the best and optimum locations are for that fleet. It's something that we do routinely and repeatedly. But I wanted, as I came in to my current position, to take a look at do we have our ships and our commands and aircraft in the right places because the world has changed a lot. And so, my staff is working on that.

The product that they produce will help us as we work on our fiscal year '10 budget. But I believe it's important that we look at how we're positioned.

BORDALLO:

Thank you very much, Admiral.

And thank you, Mr. Chairman, for the opportunity for the second round.

SKELTON:

You bet.

The gentleman from Mississippi, Mr. Taylor?

TAYLOR:

Thank you, gentlemen, for this marathon session. A couple of aviation questions. Given that the Pratt Whitney F-135 short takeoff, vertical landing development engine has experienced two failures during testing, do you think it would be prudent to continue the Joint Strike Fighter's competitive engine program that was mandated in last year's Defense Authorization Act but not provided any funding for the Department of Defense?

WINTER:

Sir, I believe that the problems that have occurred with the 135 engine, Pratt engine, are not atypical, if you will, for a development program of this caliber. And we do believe that they are understood and they are good plans in place right now to provide the corrective remedies that will enable us to use that engine appropriately in testing.

I would note that for the Department of the Navy, both the Marine Corps and the carrier Navy, we do have a particular issue in terms of being able --- having to go down to a single engine type for our fleet. The challenges of maintaining and sustaining those engines at sea are such that we cannot provide for multiple engine support onboard either our big deck amphibs or our carriers.

SKELTON:

Mr. Secretary, I think the question is more during the developmental stage.

WINTER:

Yes, sir.

SKELTON:

Whether now we ought to be looking at two rather than one.

WINTER:

Well, the point I was trying to get to, sir, is that the argument that is usually made in terms of recouping the additional costs of developing two engines is that one can make it up by having ongoing competition during production, a leader, follower arrangement. And while I'm generally supportive of leader, follower arrangements, in this particular case, we cannot affect that for Navy purposes, either for the STOVL or the carrier variant.

And I think then the question comes is do we believe the risks associated with the 135 development are such that we need to spend several hundred million dollars a year extra to be able to maintain a second engine. And we do not believe that the risks here require that additional investment.

TAYLOR:

The second question is in regard to the VH-71. I guess this is particularly interesting because of the Air Force decision.

It's currently experiencing significant cost overruns and unforeseen schedule delays. What's the department's plan for this program? How will the cost overruns be resourced to minimize impact on other Navy and Marine Corps programs? I'm told that the cost has increased by 67 percent.

And a last question that was not supplied by the staff but is a curiosity of mine. There is a practice that a number of corporations have engaged in recently where a company will reach an agreement with an offshore firm and structure their business relationship to where almost all of the profits flow to the offshore firm. It is referred to as a corporate inversion.

And since most nations do not require income taxes on foreign investments in foreign profits, it becomes a very clever way for an outfit doing business in the United States to totally escape paying corporate taxes or greatly minimize their corporate taxes. So a follow-on to the presidential helicopter is does your organization take the time to see if some of these arrangements amount to a corporate inversion.

And I realize the Air Force contract was not in your line of work. But coming from the corporate world, I think you would be probably the most knowledgeable about that practice. And if you could tell me whether or not the DOD is being vigilant on this because we certainly don't want to create a situation where an American firm is put at a cost disadvantage because they're good citizens and pay their taxes.

WINTER:

Well, sir, a number of questions there. Let me first go to the question of where we're proceeding on the VH-71. The increment one is proceeding as previously planned. We're getting the first articles there. They're into tests. We also have one article up at Oswego that is being missionized, if you will, with the incorporation of all the unique mission equipment that is required for this particular program. And we're continuing that development ongoing.

We are taking another look at the increment two options there, expect that we'll be able to get some clarity on that in the very near future. The specific allocation of resources for increment two in the '09 submittal is to ensure that, notwithstanding which option of several that's chosen for the future restructuring, that we have the ability to minimize the schedule impact associated with the current hiatus of activities there.

So we have a pretty reasonable course ahead of us for increment one. And we'll be looking at increment two here in the very near future.

Relative to the specific questions on the assessment of the proposals involving foreign sources, I have to tell you that I'm not at all familiar with any of the evaluations that took place on the tanker program. I very deliberately kept that -- gave that a wide berth.

TAYLOR:

Mr. Secretary, how about on this program? Did anyone even bother to see if there was a corporate inversion, I'll use the word, scheme?

WINTER:

Sir, I hate to use the term. It occurred before my watch. But all of this transpired a while before I took the position. I'd be happy to go and, for the record, do the research and see what we, in fact, did.

TAYLOR:

May I make the request of you? Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

SKELTON:

Mr. Hunter has a follow-up.

HUNTER:

Thanks, Mr. Chairman.

First, I want to apologize for being out of this hearing for such a big piece of the hearing. And again, gentlemen, thank you for your testimony. And you've got major challenges here in front of you.

I guess two things. General Conway, as we move those Marines to that southern A.O. in Iraq, I think it's important to have a little follow-up maybe on rules of engagement. I know we've had a discussion on that. But in the event that they're chopped to an ISAF commander -- and there may be some differences, which could be telling differences -- I think it's important to resolve how those rules of engagement would devolve.

And let me ask you, gentlemen, since this is kind of the close-up of the hearing here. Is there anything that...

SKELTON:

May I interrupt?

HUNTER:

Absolutely. Let me ask a question, I mean. Would they not still be under American rules of engagement?

CONWAY:

Sir, that's the intent, as I understand it. And quite frankly, we're pleased with that arrangement. We think it gives us more flexibility to do what we're expected to do if we stay under U.S. rules of engagement.

SKELTON:

Thank you.

Excuse me.

HUNTER:

Well, yes, my only question is if the Marines -- and I meant to say Afghanistan, not Iraq -- that the Marines are chopped to Canadian commander in that southern A.O. and they are under his command, that we'd better have a pretty clear line of communication that he has taken on for that piece of his force a different standard and if there are some material differences in rules of engagement and make sure that that's, in fact, implemented.

But anyway, I think that needs some further discussion. And we've got to be pretty careful as we walk down through that.

CONWAY:

And it's being sorted out in theater, sir, between General McNeill and the Canadian commander, frankly.

HUNTER:

OK. OK, good. Let me just ask you a last question here, Secretary Winter. And again, thank you for all the issues you're working here. Have you worked through these problems that we've had with training submarine operations and the environmental challenges that we've had in courts?

WINTER:

No, sir. We're still engaged there. In fact, as a result of the latest set of rulings in the 9th Circuit, we expect to be filing here shortly in front of the Supreme Court.

HUNTER:

OK. You know, Mr. Chairman, we worked -- we thought we had worked -- we had protected our folks with the changes we made in the environmental laws because at one point you had environmental laws that were interpreted to it if we disturbed marine mammals, that is, if a seal was cruising, looked over at the naval operation, that could constitute, quote, "a disturbance." We

had a very low standard and a very difficult standard for the Navy to meet on these operations. We thought we fixed it.

Mr. Secretary, there may be additional measures that we need to take, maybe some tweaks on the law that will avoid a lot of problems and save some sailors' lives. So...

WINTER:

Sir, I'd appreciate the opportunity to work with your staff to take a look at some potential legislative options there.

HUNTER:

OK. Yes, I think we should look at that closely.

Again, thank you, gentlemen.

Thank you, Mr. Chairman, for holding this hearing. And I apologize for being absent in such a large part.

SKELTON:

Thank the gentleman.

General, Dr. Snyder asked about this issue, but let me raise it again. The 3,400 additional Marines that are being sent to Afghanistan will arrive approximately when?

CONWAY:

Sir, the end of this month and become operational the very first week of April.

SKELTON:

All right. Of that 3,400 Marines, from the testimony it appears that still will not cover the required number of trainers for Afghanistan. Am I correct?

CONWAY:

Sir, that is also correct. And there has been a standing request for forces to both U.S. and coalition force militaries for 3,500 police trainers that has gone unmet now actually for several months at this point.

SKELTON:

And of the 3,400, only a handful will be allowed -- because of the duty requirements, only a handful will be involved with training. Am I correct?

CONWAY:

That is correct, sir. The platoons will be broken down into various locations at the district headquarters where the Afghan Police will operate. But in terms of people with the necessary skills to train those Afghan Police, that will generally not be resident in our platoons. That will be a capability that's brought in. And the numbers won't be great.

SKELTON:

Should there be a requirement for additional Marines in Iraq after the 3,400 are deployed to Afghanistan, will you have any Marines to send to Iraq?

CONWAY:

Sir, we have Marines to send in the case of extremists. However, if we are to maintain any semblance of deployment to dwell, then we must be concerned about any additional requirements. We should be headed the other way. We're trying to get to a seven-month deployment and 14 months home. And we're certainly not going to do that through October.

Any additional commitment of Marines to Iraq or Afghanistan would only exacerbate that. And I would like to be looking at reducing the requirements.

SKELTON:

Well, they do phenomenal work. And they should know how much we on this committee appreciate their efforts and your leadership.

The end strength issue was discussed in this committee with the Air Force where the budget has one thing and the secretary's personal opinion was something else. It appears that you are heading to level out the Navy at 322,000. Am I correct?

WINTER:

Yes, sir.

SKELTON:

And they're at, what, 325,000 today. Is that correct?

ROUGHEAD:

It's 333,000

WINTER:

It's around 333,000 right now. By the end of this year, we'll be down to about 327,000, is the goal.

SKELTON:

This year?

WINTER:

Yes, sir, F.Y. '08 and...

SKELTON:

And then you get down at 322,000 roughly when?

WINTER:

It's about a five-year glide slope to get down the last 5,000, sir.

SKELTON:

And that's done through attrition, I take it?

WINTER:

Basically, yes, sir.

SKELTON:

You won't be just throwing people out?

WINTER:

No, sir.

SKELTON:

No, sir. And as people retire or leave to go back to their civilian job, that will take care of that. I thank you.

General, one last question. There is an exceptional family member program. Does that include families with autistic children?

CONWAY:

Yes, sir, it does. Mr. Chairman, about 3 percent of our Marines who are married are signed on to our exceptional family member program. And our first issue with those families is -- the term escapes me -- asthma-related types of disabilities. Second are psychiatric. But third on the list is autism.

SKELTON:

Thank you.

Well, gentlemen, thank you for your patience, your knowledge, your dedication, not just to the Navy and to the Marine Corps, but to our country. With that, we are adjourned. Thank you.

ROUGHEAD:

Thank you, sir.

WINTER:

Thank you, Mr. Chairman.

CQ Transcriptions, March 6, 2008

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